

Frequently Asked Questions

Road and Drainage Upgrade Projects



What is a special charge scheme?

A Special Charge Scheme is a way for Council to raise money for an upgrade by sharing the cost of the upgrade between Council and the property owners that benefit from the upgrade. This is allowed by the *Local Government Act 1989*. Thanks to this, many towns now have improved roads and drainage which has led to less dust and flooding.

The aim of this project is to ensure that residents get the infrastructure that is expected when living in a residential area. The people who live there will get the benefits that come with these improvements.

Road and drainage upgrade projects are undertaken in accordance with Council's [Urban Road and Drainage Improvement Policy 2024](#).

I pay rates, why do I have to pay for an upgrade?

Council uses money from rates to provide many services, including road maintenance. However, this money does not cover new improvements like building unsealed roads, kerbs, footpaths, or drainage if they don't already exist.

Council has a policy called the [Urban Roads and Drainage Improvement Policy 2024](#). This Policy says that the cost of substantial upgrades to roads, drainage, or footpaths must be shared by the property owners who benefit most from these improvements.

What is Council's contribution to a project?

Council contributes financially towards the benefits received by the wider community. The amount of Council's contribution is determined by a benefit ratio. The benefit ratio is a calculation of the benefits received by the properties within the special charge scheme area compared to benefits received by the wider community. For example, streets that have a high level of use by people who do not live on them will have a greater Council contribution, whereas streets that are used mainly by residents within the scheme area will have a lower Council contribution.

The benefit ratio is calculated using traffic count data, parking surveys and census information. The calculation of the benefit ratio takes significant Council time and resources. A strong level of interest in exploring a special charge scheme is therefore required from property owners prior to Council completing this work.

What if we only want the road sealed?

If property owners are interested in exploring a special charge scheme for the purposes of improving infrastructure, Council will complete further questionnaires to understand what improvements property owners want and need. The preferred design is driven by this feedback and may include a mixture of features such as road sealing, underground drainage, footpaths and traffic calming.

Historically, many streets have included both road sealing and underground drainage in their design, however some have opted for road sealing only as flooding has not been a concern.

Similarly, the inclusion of footpaths and traffic calming is more common along busier 'main' roads that tend to have greater traffic than quieter streets.

How are individual property owner costs determined?

The contribution required by the property owners within a scheme is shared between each property based on various relevant factors such as boundary length (road costs) and property area (drainage costs).

If there is appropriate support from property owners at this survey stage, Council will complete further consultation to ask what they want and need from an upgrade. Indicative costs are provided at this stage so that property owners can make an informed choice.

Once a preferred concept design is determined, property owners will be presented with their property's estimated contribution amount (special charge) and will be able to formally support or object to the proposed costings.

What might individual property costs be?

The exact cost for properties depends on several factors, including the benefit to the wider community (benefit ratio), the design features chosen by property owners (such as the inclusion of drainage, footpaths and traffic calming) and the individual property boundary lengths and areas.

The following table provides examples of the average costs for recent special charge scheme projects in Bass Coast. This is for general information purposes only, as costs for a specific improvement project can only be determined through consultation and may look different to the figures below.

	Links Street Surf Beach	The Esplanade (Sunderland Bay Road to Batman Street) Surf Beach	The Esplanade (Sunderland Bay Road to Zephyr Court) Sunderland Bay
Total Scheme cost	\$338,299	\$1,601,748	\$1,741,550
Council contribution (%)	23%	74%	70%
Property owner contribution (%)	77%	26%	30%
Total property owner contribution (\$)	\$261,911	\$409,391	\$524,033
Design features included	• Road sealing • Underground drainage	• Road sealing • Underground drainage • Footpath • Traffic calming (zig zag chicanes)	• Road sealing • Underground drainage • Traffic calming (zig zag chicanes)
Number of properties	12	17	24
Average per property (\$)	\$21,825	\$24,081	\$21,834
Road sealing	\$11,281	\$11,253	\$10,964
Underground drainage	\$10,544	\$12,240	\$10,692
Traffic calming	-	\$248	\$178
Footpath	-	\$340	-

Will the special charge scheme cost for each property owner be the final amount?

An estimate of costs (special charge) for each individual property will be provided to property owners prior the project declaration. This is required to be provided to property owners at least 28 days in advance of a special charge declaration. An estimate of cost can only be provided as the actual costs will be determined when the project construction is completed. In accordance with the *Local Government Act 1989*, Council is able to increase the charge by a maximum of 10 per cent if the actual project cost increases. It is rare to increase the costs but is at Council discretion to enact if required. If the project cost is less than estimated, then savings are returned to the property owners.

If I support Council exploring the upgrade now, am I still able to change my mind later?

The purpose of this stage of consultation is to measure initial interest from property owners regarding an upgrade project. Upgrade projects take considerable time and resources to investigate. Council therefore needs to determine if a project is even wanted by property owners prior to making this commitment.

Your response at this stage of consultation is not a formal vote in support or objection to an upgrade project however we do ask that property owners responses reflect a genuine interest in participating in a special charge scheme. Participating in this survey will not affect your right to express your opposition in the future.

Once a preferred concept design is determined, property owners will be presented with their property's estimated contribution amount (special charge) and will be able to formally support or object to the proposed costings and design through the legislated process.

What are Council's payment options for the special charge?

Although there is no payment required at this stage, if the project was supported by the community and developed further as a project, the following payment options will be available:

- a) Payment Option 1: Lump Sum Payment – upfront payment of the Special Charge in full within 30 days of the date of issue of an invoice, with a 5% discount and no interest.
- b) Payment Option 2: Lump Sum Payment – upfront payment of the Special Charge in full within 90 days of the date of issue of an invoice, with no discount and no interest.
- c) Payment Option 3: Instalment Payment Plan – payment of the Special Charge in 40 quarterly instalments over 10 years, with interest. Interest will be charged on the reducing balance of the principal each quarter at the rate of 1% above the estimated borrowing costs of the Council. If a ratepayer is late with payment of an instalment, penalty interest will be charged on the balance of principal due each quarter.
- d) Payment Option 4: Hardship Payment Plan - a payment plan, extended beyond 10 years to a maximum of 20 years, tailored to the individual needs of the ratepayer upon receipt of a completed Financial Hardship Application Form. Interest will be charged on the reducing balance of the principal each quarter up to the maximum rate of 1% above the estimated borrowing costs of the Council. This option is subject to the Council assessing the property owner as experiencing financial hardship, in accordance with the Council's Hardship and Financial Hardship Policy.

Property owners will be advised of the interest rate available prior to selecting a payment option if the project is supported for construction.

Is financial hardship assistance available?

If the special charge scheme was approved in the future and you believe that you may have difficulty paying, please contact Council's Revenue Services team on 5671 2211. Our officers are more than willing to confidentially discuss payment options with you, taking into account your current situation. Ratepayers who reside in the affected property and their only form of income is a government pension may qualify for hardship assistance. A copy of Council's Hardship and Financial Hardship Policy can be found on our website at www.basscoast.vic.gov.au/policies.

What are the next steps?

If there is strong interest from property owners at this stage, Council officers will proceed to develop a range of concept options and costings. These will be presented to property owners to seek feedback to help determine a preferred project design.

If there is poor interest from property owners, Council will not proceed with the project, and property owners would need to present a petition in future to have an upgrade reconsidered, as per the Urban Road and Drainage Improvement Policy 2024.

Who can I contact if I have any questions?

You can ask questions by calling Council on 1300 BCOAST (226 278) or (03) 5671 2211, or by emailing roadupgrades@basscoast.vic.gov.au.