

Special Charge Schemes Frequently Asked Questions (FAQ's)

What is a special charge scheme?

A special charge scheme is a funding method that allows the Shire to recover the cost of infrastructure works from property owners who will gain a special benefit as a result of the works.

I thought my rates covered infrastructure works. Why use a special charge scheme?

Due to the increase of more permanent residents on the Mornington Peninsula, there is a greater expectation that roads are made or footpaths are provided. In response, the Shire has historically used special charge schemes to provide this infrastructure that otherwise would not be built through rate revenue alone.

I have never heard of special charge schemes. Are they new?

No, the Shire has a long history of using special charge schemes to fund the construction of roads, car parks, footpaths and drainage works. All special charge schemes are conducted in accordance with the special charge provisions of the *Local Government Act 1989* (the Act).

Why have I been included in the scheme?

Your property has been included in a proposed scheme based on the special benefit that the land will receive from the works.

What is special benefit?

Special benefit is the benefit received by the land (rather than a particular person) as a result of the works which is above and beyond the benefit received by a member of the general public.

What benefits do the works provide?

Infrastructure works as part of special charge schemes typically provide benefits such as improved amenity, safety, access, drainage, increased property values and other benefits depending on the nature of the works.

How is the apportioned charge calculated?

The distribution method of owner contributions varies from scheme to scheme; however it is calculated in a fair and equitable way for all properties within a scheme by taking account of factors such as proximity to the works, frontage to the works and the area of the property.

Contact the Mornington Peninsula Shire

☎ 1300 850 600
🌐 mornpen.vic.gov.au
✉ customerservice@mornpen.vic.gov.au

By post: Private Bag 1000,
90 Besgrove Street, Rosebud VIC 3939
ABN: 53 159 890 143

What is the Shire's contribution to the scheme?

The Shire's contribution to a special charge scheme is calculated on a case-by-case basis in recognition of the benefit to the community. Criteria such as the classification of the road, zoning, vehicle traffic levels and community facility links are taken into account when deriving the Shire's contribution.

Why has this project been proposed?

Infrastructure projects are assessed and prioritised according to the relevant Shire strategy. Strategies for projects that are funded by special charge schemes include;

- Unmade Roads Construction Strategy;
- Unmade Carpark Construction Strategy;
- Pedestrian Access Strategy; and
- Special Charge Schemes Policy for Infrastructure Works

I have just received an invitation to an information evening or Intention to Declare notice. Has the final decision already been made?

No; at this stage no final decision has been made as to whether or not the scheme is to progress. The information evening is to consult with the community and will be followed by a survey of property owners. Later, the Intention to Declare notice invites submissions to be assessed by Council. The final decision to declare, modify or abandon the scheme will be made by Council only after it has invited submissions.

I disapprove of the proposed scheme. What can I do?

Participate in the property owner survey and later lodge a submission that will be received and assessed by Council. Submissions can only be made after you have received an Intention to Declare notice, and must be received by the Shire prior to the date specified in notice. Council may then decide whether to adopt the scheme with or without modification or to abandon the scheme entirely.

If Council declares the Scheme, you have the opportunity to appeal Council's decision to the Victorian Civil Administrative Tribunal (VCAT).

What information should I include in my submission?

You should include your name, contact details and reasons why you support or oppose the scheme. Be sure to list your reasons in a clear and concise manner as your submission will be put before Council.

I want my submission to be heard by Councillors. How do I do this?

You must state in your written submission that you wish to be heard. Following the close of submissions a committee of three councillors, called a Section 223 Committee, is formed to hear those who have requested to be heard.

The notice states that the charge is an estimate. What does this mean?

It is impossible to determine the exact cost of a project until construction is complete. The estimated charge in the enclosed notice can increase by no more than 10% under the Act and can decrease by any amount.

Why is the estimated cost of the project so large?

The estimated cost of a project is not limited to the construction costs. Other costs typically involve development and administration of the scheme, design, contract procurement, construction supervision, civil works, permits, traffic management, tree removal, vegetation offsets, replanting/landscaping, drainage alterations, Cultural Heritage Management Plans and all other costs required.

The works for special charges schemes are typically procured by open tender, ensuring Council obtains the best price at the time.

When do I have to pay?

If the proposal goes ahead, you will not be expected to pay the charge until you receive a payment notice. Payment notices are typically sent at the start of construction and are based on the initial project estimate. Once the project is finalised the total cost is tallied and adjusted notices are sent to property owners within the scheme. A special charge may be paid in instalments over a period of between four and 15 years (depending on the value of the charge).

I cannot afford to pay my allocated charge. What can I do?

Should the scheme proceed, Shire officers are more than willing to discuss the options available to you in regard to your present financial situation to arrive at a solution that does not cause you further hardship. Applications for consideration of financial hardship will only be considered after the invoices have been sent.

Does paying by instalments attract an interest charge?

Yes; the interest rate applied to special charges covers the interest paid on money the Shire borrows, plus a further 1% to cover the cost of administering the payment plan.

Can I get my driveway constructed as part of the works?

Yes, however the construction of driveways is not typically included as part of the scheme. You may choose to have your driveway constructed during construction at your own cost. The Shire will provide the contractor's contact details once the works have been awarded, allowing property owners to make their own arrangements to have their driveways constructed.

Where can I find more information regarding the process of a special charge scheme?

More information regarding special charge schemes may be found on the Shire's website or by contacting Jeremy Grieve on 5950 1303.