



Special Charge Scheme Policy

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1. Purpose

To guide and inform the Council in the development of a Special Charge Scheme. A Special Charge Scheme is for the provision of a defined service or element of infrastructure that provides a Special Benefit to a particular section of the community

2. Scope

This policy applies to all persons and landowners, including relevant Council officers, who are relevantly affected by a Special Charge Scheme.

This Policy applies to the provision of infrastructure such as, but is not limited to, roads, kerb and channel, drainage, footpaths, bridges, and the provision or relocation of services.

This Policy will apply when and if the Council is satisfied that the provision of infrastructure or services will provide a Special Benefit to a particular section of the community, and it is otherwise fair, reasonable and appropriate for those persons (and not the general class of ratepayers) to fund, wholly or partially, the cost of providing the infrastructure or services.

3. Context

Section 163 of the *Local Government Act 1989* (1989 Act) provides the Council with the ability to recover reasonable contributions from persons who, the Council considers, will derive a Special Benefit from the particular works or services.

This Policy is a general policy of the East Gippsland Shire Council and is intended to guide and inform the Council (and its Councillors) in the exercise of statutory discretions concerning a Special Charge Scheme.

This Policy is not intended to, and does not, have the effect of requiring the Council to make decisions in a particular way, or to require the Council to exclude other relevant considerations in the making of decisions about a particular Special Charge Scheme.

4. Statement

This Policy seeks to:

- Provide a fair and equitable framework for the consideration of potential benefits derived by members of the community from proposed infrastructure or services;
- Maximise opportunities for participation in community consultation and engagement on, and in relation to, proposed Special Charge Schemes, including support and objection rights; and
- Ensure the Council has the ability to recover reasonable contributions from members of the community who will derive a Special Benefit from particular works or services, without unfairly or unreasonably impacting on all East Gippsland Shire ratepayers.

The consideration by the Council of a proposed Special Charge Scheme will apply to works or services from which a Special Benefit is, or will be, derived to properties and land in the municipal district, including residential, rural residential (being higher density), industrial and commercial areas. The primary purpose of the proposed infrastructure or services will be taken into account, so as to determine who will directly benefit from the works or services.

Generally, the provision of infrastructure works or services would increase and enhance the value and amenity and the use, enjoyment and development potential of the benefiting properties, reduce maintenance costs and upgrade the presentation of towns and areas within the Shire. There would generally be benefit to surrounding property owners by way of:

- Alleviation of dust and drainage problems;
- Reduced costs to landowners and occupiers;
- Improved levels of amenity, and in many cases, safety; and
- Enhanced property values.

The Council will consider the implementation of a Special Charge Scheme to defray expenses or to repay a loan or a debt incurred by Council associated with the cost of the infrastructure or services deemed to provide a Special Benefit to properties Requests.

The Council will consider, on their merits, all and any requests to implement Special Charge Schemes that originate from requests by members of the public, Councillors, Council officers or other agency or body.

4.1 Rationale

Prior to commencing the statutory processes, Council officers will consider and determine the rationale applicable to each proposal, including the basis of benefit determination, the standard of works and the proposed apportionment of cost. The Council will ensure fairness and equity by formally assessing the proportion of the benefits of proposed or services that will provide Special Benefits for persons and properties to be included in the Special Charge Scheme.

4.2 Prioritisation

Generally, projects suitable for Special Charge Schemes will be prioritised by the Council using standardised criteria, which will include, where and as relevant:

- Road usage and hierarchy as outlined in relevant policy and strategic documents of the Council, including the East Gippsland Planning Scheme;
- Condition rating as recorded in the Asset Management System of the Council;
- Significant improvement in amenity in order to improve service levels; and
- Receipt of the highest level of support from the Special Charge beneficiaries.

4.3 Statutory Obligations

If the Council decides to contribute less than one third of the total cost of the Special Charge Scheme and receives objections from persons liable to pay the Special Charge in respect of a majority of the ratable properties in the Scheme, the proposed Scheme will be discontinued.

Where the Council decides to contribute more than one third of the total cost of the Scheme and receives objections from persons liable to pay the Special Charge in respect of the majority of the ratable properties in the Scheme then Council may, as it sees fit, determine if the Scheme will proceed. All decisions will be considered on a case-by-case basis, taking account of all relevant considerations.

4.4 Council Contributions

The Council will, in accordance with the requirements (and the Ministerial Guidelines) contribute to the cost of the works or services where there is a Community Benefit.

Before calculating (in accordance with the requirements of the Act) the statutory ‘benefit ratio’, the Council must consider if the proposed works or services will provide ‘community benefits’ and/or benefits to properties which will not be required to pay the Special Charge. Not all Special Charge Schemes have community benefits. In instances where this Policy is applied for urban road and street construction schemes, the minimum level of community benefit will ordinarily be and is outlined in Appendix 1 of this Policy, however the Council may, on a case-by-case basis, increase this contribution where it is considered fair, reasonable and appropriate to do so.

The Council is also required to, and will, contribute to overall costs where any Council owned or non-ratable or Crown land receives a Special Benefit from the works or services.

4.5 Construction

All works and services will comply with Council’s standards, specifications and construction practices.

4.6 Administrative Costs

Administrative, design, supervision and project management costs may be charged based on 12.5% of the cost of the Special Benefit works included in the Scheme, and these will be included in the costs to be apportioned.

4.7 Cost Variations

Where there is any variation between the preliminary estimated costs and actual final costs, the Council is empowered under the Act to vary the Special Charge in relation to the amounts to be paid. Variations to a Scheme will be conducted in accordance with Act, as outlined at the time of the declaration of the Special Charge Scheme.

4.8 Cost Apportionment

To ensure fair, reasonable and appropriate distribution of costs, the apportionment to be applied to properties and land will, as a general rule (and subject to the Council decision),, comply with the following:

- Half of the amount to be recovered from contributors will be equally divided into “benefit units” for each property in the Scheme receiving a Special Benefit from the works; and
- The remaining half of the amount to be recovered from contributors will be calculated at a cost per metre multiplied by the property frontage and/or one third of its sideage. For corner properties apportionment will be based on full frontage and one third sideage. The least dimension of the property will be considered frontage.

Should the value landowners not accrue based on block size (area or frontage), then (and subject to any contrary decision of the Council) 100% of the cost of the Special Charge Scheme will be charged based on ‘benefit units’. The Council will otherwise (and always) trial different methods of cost apportionment in order to determine the fairest and most reasonable method of distributing costs amongst all of the special ratepayers, having regard to the particular Special Charge Scheme before Council.

4.9 Instalment Plans

A minimum four year (or other longer period) instalment plan will be made available to contributors. Applicable interest will be set

4.10 Consultation

Council officers will maximise opportunities for community participation, engagement and consultation on proposed Schemes. The opportunity for submissions, either supporting or objecting to a Scheme, will be provided as part of the initial evaluation process.

Significant consultation and community and stakeholder engagement is required to be undertaken with affected property owners and occupiers to comply with Special Charge Scheme legislation. The ability for and by the general public and affected persons to comment on proposals is also required, and strongly mandated by the Council in the interests of open and transparent government. This may include but is not limited to survey letters, public meetings and hearings for objectors if necessary.

Information supplied to affected property owners and occupiers and other stakeholders will extend to and include –

- The scope of works of the Special Charge Scheme;
- The estimated project cost;
- The estimated cost apportionment and contribution ratios;
- An explanation of the Special Charge Scheme process.

Reference is made to the Special Charge Scheme process flowchart in Section 8 of this Policy. The Council will provide for open and transparent processes, encourage contributor input, and provide a fair, reasonable and equitable basis for apportioning costs.

5. Roles and Responsibilities

The following teams or positions have direct and/or supporting responsibilities associated with this Policy:

Position	Roles and Responsibilities
General Manager Assets and Environment	Oversight of the implementation of this Policy
Other Managers	Implementation of the policy, depending on the proposed scheme

6. Definitions

Term	Meaning
Council	East Gippsland Shire Council
Special Charge Scheme	Scheme to levy special charges on a specified group of ratepayers to fund specific works or services when they receive a 'special benefit' from the works
Special Benefit	Special Benefit works are those that will clearly reward specific properties only and will be a full cost recovery, e.g. no through roads, easement drains, etc as outlined in section 163 of the Act.
Community Benefit	Community Benefits are considered to exist where the works or services will provide tangible and direct advantages to people in the broader community e.g. collector roads, collector footpaths, main drains etc. These will generally derive from the provision of facilities or services that are generally available to people, other than the owners or occupiers of properties with special benefits. Where there is a use or amenity value to people in the broader community that is clear, tangible and direct, the Council will attribute a community benefit and will make a contribution dependent on the level of community benefit. For urban streets the table shown in Appendix 1 will be used as a guide for the calculation for Council's minimum contribution
The Act	<i>Local Government Act 1989</i>

7. Human Rights

Council is committed to upholding the Human Rights principles as outlined in the *Charter of Human Rights and Responsibilities Act 2006* (the Charter). This Policy has been assessed as compliant with the obligations and objectives of the Charter.

8. Gender Equality

This Policy has considered the *Gender Equality Act 2020* in its preparation and has been assessed as not requiring an Equity Impact Assessment (EIA).

9. Risk Reference

This Policy is implemented as a control to mitigate risks in the following categories:

Risk Category	✓	Risk Category	✓
Community		Governance and Reputation	x
Financial	x	Environment	
People and Property		Service Delivery and Projects	x

Special Charge Scheme Policy

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10. References and Supporting Documents

10.1 Applicable Legislation:

Local Government Act 1989
Local Government Act 2020

10.2 Applicable Policy and Procedure:

Community Engagement Policy
Ministerial Guidelines, September 2004.

10.3 Supporting Documents:

East Gippsland Planning Scheme

11. Review and Revision History

Version Number	Date Approved	Approved By	Review Summary
1	11/04/2006		
2	7/06/2011	Council	
3	02/07/2013	Council	
4	04/05/2021	Council	Administrative changes that expand on the application of the policy.
5	29/07/2026	General Manager Assets and Environment	Administrative changes: Updated Position Titles and transferred to new template

11.1 Administrative Updates

Minor amendments to this document may be required from time to time. Where amendments do not materially alter the intent of a document, they will be made administratively and approved by the Document Owner.

11.2 Document Control Disclaimer

Printed copies of this document are considered uncontrolled. Please refer to the Corporate Document Register on Council's intranet to access the most current version of this document.

12. Appendix 1

Subject to any contrary or other decision of the Council (based on this Policy and any other legal requirements) the minimum level of contribution by the Council for an Urban Road Scheme is outlined in the table below and will generally be applied.

Planning Scheme Road Hierarchy	Definition from Planning Scheme	Minimum level of Council contribution
Access Lane	A side or rear lane principally providing access to parking on lots with another street frontage.	10%
Access Place	A minor street providing local residential access with shared traffic, pedestrian and recreation use, but with pedestrian priority.	10%
Access Street – Level 1	A street providing local residents access where traffic is subservient, speed and volume are low and pedestrian and bicycle movements are facilitated.	20%
Access Street – Level 2	A street providing local residents access where traffic is subservient, speed and volume are low and pedestrian and bicycle movements are facilitated.	20%
Connector Street – Level 1	A street that carries higher volumes of traffic. It connects access places and access streets through and between neighbourhoods.	40%
Connector Street – Level 2	A street that carries higher volumes of traffic. It connects access places and access streets through and between neighbourhoods.	50%

All other contributions by the **Council** for all other types of infrastructure and services will be decided upon by the **Council** on a case-by-case basis, and as the **Council** sees fit in the exercise of its discretions.