



KNOX CITY COUNCIL MINUTES

STRATEGIC PLANNING COMMITTEE

Meeting held
at the Civic Centre,
511 Burwood Highway
Wantirna South

on

Tuesday 12 July 2016

Meeting Opened at 7.00pm

Present

<i>Cr T Holland (Mayor & Chairperson)</i>	<i>Friberg Ward</i>
<i>Cr P Lockwood</i>	<i>Baird Ward</i>
<i>Cr J Mortimore</i>	<i>Chandler Ward</i>
<i>Cr J Cossari</i>	<i>Collier Ward</i>
<i>Cr A Gill (arrived at 7.02pm)</i>	<i>Dinsdale Ward</i>
<i>Cr K Orpen</i>	<i>Dobson Ward</i>
<i>Cr L Cooper</i>	<i>Scott Ward</i>
<i>Cr D Pearce</i>	<i>Taylor Ward</i>
<i>Cr N Seymour</i>	<i>Tirhatuan Ward</i>
<i>Mr T Doyle</i>	<i>Chief Executive Officer</i>
<i>Dr I Bell</i>	<i>Director – Engineering & Infrastructure</i>
<i>Mr A Kourambas</i>	<i>Director - City Development</i>
<i>Ms J Truman</i>	<i>Director – Corporate Development</i>
<i>Ms J Brown</i>	<i>Acting Director – Community Services</i>
<i>Ms F Cousins</i>	<i>Manager - Governance & Innovation</i>

Apologies

Nil.

Declarations of Conflict of Interest

Nil.

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ALL WARDS**1. CONFIDENTIAL INFORMATION REGISTER**

SUMMARY: *Manager – Governance and Innovation
(Fleur Cousins)*

This report seeks a Council resolution to declare information confidential in accordance with the requirements of section 77(2)(b) of the Local Government Act 1989.

RECOMMENDATION

That Council, in accordance with section 77(2)(b) of the Local Government Act 1989,

1. Declare the information referred to in Confidential Appendix A as confidential information on the grounds as specified in the attachment.
2. Declare Confidential Appendix A as confidential information in accordance with the grounds specified in section 89(2)(h) of the Local Government Act 1989, as a matter which the Council considers would prejudice the Council or any person.

1. INTRODUCTION

Section 77(2)(c) of the Local Government Act 1989 enables the Chief Executive Officer to designate information that is confidential, specifying the relevant ground/s applying under section 89(2) of the Act. Such information is designated confidential for a period of 50 days only and requires a Council resolution in order to remain confidential in perpetuity.

2. DISCUSSION

The definition of 'confidential information' in section 77 of the Local Government Act is as follows:

“(2) For the purposes of this section, information is “confidential information” if-

- (a) the information was provided to the Council or a special committee in relation to a matter considered by the Council or special committee at a meeting closed to members of the public and the Council or special committee has not passed a resolution that the information is not confidential; or
- (b) the information has been designated as confidential information by a resolution of the Council or a special committee which specifies the relevant ground or grounds applying under section 89(2) and the Council or special committee has not passed a resolution that the information is not confidential; or

1. Confidential Information Register (cont'd)

- (c) subject to sub-section (3), the information has been designated in writing as confidential information by the Chief Executive Officer specifying the relevant ground or grounds applying under section 89(2) and the Council has not passed a resolution that the information is not confidential.
- (3) Confidential information referred to in sub-section (2)(c) ceases to be confidential at the expiry of the period of 50 days after the designation is made unless sub-section (2)(a) or (2)(b) applies to the information.”

Under section 77(3), if the Chief Executive Officer has designated in writing that the information is confidential information, the information will cease to be confidential at the expiration of 50 days after the designation was made.

A Council resolution is now required to ensure the confidential status and legislative protection of documents designated as confidential by the Chief Executive Officer in accordance with Section 77 of the Act. It is important to note, that confidential information can, by subsequent resolution of Council, become non confidential.

3. CONSULTATION

No consultation has occurred in relation to the preparation of this report, however, a Council resolution to declare information confidential in accordance with the requirements of section 77(2)(b) of the Local Government Act 1989 is consistent with Council's Confidential Information Policy and Procedure.

4. ENVIRONMENTAL/AMENITY ISSUES

There are no environmental/amenity issues associated with the preparation of this report.

5. FINANCIAL & ECONOMIC IMPLICATIONS

There are no financial implications associated with this report.

6. SOCIAL IMPLICATIONS

There are no social implications associated with this report.

7. RELEVANCE TO CITY PLAN 2013-17 (INCORPORATING THE COUNCIL PLAN)

This process supports the City Plan aspiration of Democratic and Engaged Communities by ensuring good governance through the application of appropriate processes and protocols to facilitate effective and democratic government.

1. Confidential Information Register (cont'd)**8. CONCLUSION**

In adopting the attached confidential schedule, Council ensures that documents that have previously been declared confidential by the Chief Executive Officer remain confidential in perpetuity.

9. CONFIDENTIALITY

Due to the confidential nature of the information to be included in the register, a detailed listing of the documents for adoption by Council has been circulated separately as Confidential Appendix A.

COUNCIL RESOLUTION

MOVED: CR. PEARCE
SECONDED: CR. COSSARI

That Council, in accordance with section 77(2)(b) of the Local Government Act 1989,

1. Declare the information referred to in Confidential Appendix A as confidential information on the grounds as specified in the attachment.
2. Declare Confidential Appendix A as confidential information in accordance with the grounds specified in section 89(2)(h) of the Local Government Act 1989, as a matter which the Council considers would prejudice the Council or any person.

CARRIED

1. Confidential Information Register (cont'd)

Confidential Appendix A is circulated under separate cover.

ALL WARDS**2. EARLY YEARS ADVISORY COMMITTEE – PROPOSED NEW TERM**

SUMMARY: *Acting Manager – Family & Children’s Services
(Kim Rawlings)*

The current two (2) year term of the Early Years Advisory Committee (EYAC) expires at the end of June 2016. Following a review of the Terms of Reference and achievements of this Committee, it is recommended that the Early Years Advisory Committee continue for a further two (2) year term.

Endorsement is also sought to begin an expression of interest process to recruit six (6) positions in the Committee, four (4) due to resignations and two (2) for members whose term ends in September 2016.

RECOMMENDATION

That Council

- 1. Approve the continuation of the Early Years Advisory Committee for a further two (2) year term from 1 July 2016 to 30 June 2018.**
- 2. Endorse the commencement of an expression of interest process to recruit four (4) Community and two (2) Professional Members for the Early Years Advisory Committee.**
- 3. Thank outgoing Committee members for their contributions over the last two (2) years.**

1. INTRODUCTION

The Early Years Advisory Committee (EYAC) was first endorsed by Council in November 2009 and was formally established in April 2010. The initial purpose of the EYAC was to provide advice to Council on the development and implementation of the Municipal Early Years Plan 2011-2015 (MEYP) and emerging issues affecting families and young children within the Knox municipality throughout the appointed term of the Committee.

Following endorsement of the MEYP 2011-2015, one of the EYAC’s key roles has been to advise and support the implementation of the MEYP in the Knox community.

A third term of the EYAC was endorsed by Council on 28 January 2014. At that meeting the Terms of Reference was also revised and a number of amendments were identified to assist with the functioning of the Committee. In particular, it was identified that with the fast-changing National and State policy, legislative and funding environment and the commitment required to the Committee by both busy professionals and parents, the implementation of a rotating membership base was effective in retaining knowledge and momentum whilst still injecting new members and new viewpoints into the EYAC.

2. Early Years Advisory Committee – Proposed New Term (cont'd)

2. DISCUSSION

2.1 Role of Committee

The current objectives of the EYAC are to:

1. Provide advice and recommendations to Council on the implementation of the Municipal Early Years Plan (MEYP) 2011-2015 including:
 - a. Agreed priorities;
 - b. The ongoing outcomes and achievements of the MEYP 2011-2015; and
 - c. Effective communication and consultation strategies to facilitate engagement with the community and other key stakeholders on development and implementation of the MEYP.
2. Provide advice to Council on emerging issues affecting families and children, and the related services within the Knox community;
3. Identify emerging key research, policy and legislative issues that might impact on the implementation of the MEYP 2011-2015; and
4. Consider advice and information made available through other Council advisory and community consultation processes related to families and children.

Council receives an annual report on the key discussion topics and achievements of the EYAC .

2.2 Continuation of Committee

Given that the current EYAC members have reviewed and evaluated the role of EYAC and believe that the role of the EYAC is still relevant, it is recommended that the EYAC continue for a further two (2) year term.

In addition, feedback from Council officers involved in key projects and community engagement activities who have met with or sent information to the EYAC, indicates that the EYAC is a valuable and important Committee in supporting Council's strategic directions in the context of the early years.

The Committee continue to provide valuable input into the implementation and objectives of the MEYP 2011-2015. This plan is due for review over the next 12 months. In line with Councils City Plan and Integrated City Strategy it is intended that Council will be developing an Integrated Life Stages Plan that seeks to incorporate the MYEP, the Healthy Ageing Plan and the Knox Youth Strategic Plan and promotes the benefits of intergenerational connections. The EYAC will provide input into the development of this integrated Life Stages Plan.

2. Early Years Advisory Committee – Proposed New Term (cont'd)

2.3 Recruitment of Committee Members

The Early Years Advisory Committee is comprised of six (6) community and four (4) professional representatives and in accordance with the Terms of Reference, there is a rotating membership meaning that some terms will conclude in September 2016, whilst others will continue until August 2017.

Over the last few months, there have been a number of resignations from the Committee:

- Two (2) community members, one whose term was to conclude in September 2016, and the other whose term was to conclude in August 2017.
- Two (2) professional representatives, whose terms were due to conclude in September 2016.

This has created four (4) vacancies due to resignations.

Additionally, there are two (2) community members, whose terms finish in September 2016, with two (2) community members and two (2) professional members continuing on the Committee until September 2017, subject to the continuation of the Committee.

The 2 Committee members whose terms conclude in September 2016 have been contacted and have agreed to extend their membership until end December 2016 to enable the new recruitment process to be undertaken and in consideration of the election and election period.

Community and Professional Representatives will be sought through an Expression of Interest process via public advertisement, including local newspapers, on Council's web site, social media and through local networks. Council will be responsible for appointing all Community and Professional members to the EYAC. Endorsement is sought from Council to commence the Expression of Interest process and nominate a Councillor to sit on the selection panel as outlined in the proposed Terms of Reference.

3. CONSULTATION

From a consultation perspective, members of the EYAC bring a range of viewpoints and advice to the Committee. Outgoing Committee Members have had the opportunity to contribute to a number of community engagement activities undertaken during the Committee's term. These include the report on Council's Municipal Early Years Plan, Community Health and Wellbeing Strategy 2013-2017 and Open Space Plan.

4. ENVIRONMENTAL/AMENITY ISSUES

There are no environmental or amenity issues related to this report.

2. Early Years Advisory Committee – Proposed New Term (cont'd)

5. FINANCIAL & ECONOMIC IMPLICATIONS

The annual cost of the EYAC is approximately \$2,600 to cover catering, and administration costs in addition to approximately 8 hours in Officer time each month which is provided in Council's operating budget. Coordination of the EYAC is the responsibility of the Family and Children's Services Department.

If approved, the continuation of EYAC for a further two (2) year term and the proposed revised Terms of Reference will require no additional financial resources.

6. SOCIAL IMPLICATIONS

The establishment and continuation of the EYAC has been a positive step towards achieving greater engagement and a maintenance of respect for Knox's long and proud history of pioneering the way in supporting and providing early years services for its community. Research is clear that when a community places the child as a central concern in the context of family, community and culture, significant and life-long benefits result for the community.

7. RELEVANCE TO CITY PLAN 2013-17 (INCORPORATING THE COUNCIL PLAN)

The appointment of community and professional representatives to Council Advisory Committees fosters an increased level of engagement with the community and encourages greater participation in local government.

The City Plan identifies the key directions and strategic initiatives to achieve Council's purpose of enhancing the quality of life of the Knox community. The themes which are of particular relevance for children and families in Knox include: 'Healthy Connected Communities', and 'Culturally Rich and Active Communities and Democratic and Engaged Communities'.

Knox City Council's MEYP "Off to a Flying Start" sits within a hierarchy of Council's strategic plans for the Knox community and directly relates to the outcomes described in *Knox Vision 'Our City, Our Future'*, *City Plan* and Council's Integrated City Strategy.

The Integrated City Strategy includes a key action at 6.2.1;

Develop and Integrated life stages plan for the Knox Community that merges the Municipal Early Years Plan, the Knox Youth Strategic Plan and the Healthy Ageing Plan and promotes the benefits of intergenerational connections.

This report seeks to continue the Early Years Advisory Committee who will play a significant role in the engagement and development of this plan from and Early Years perspective.

2. Early Years Advisory Committee – Proposed New Term (cont'd)**8. CONCLUSION**

The outgoing members of the EYAC have played a key role in contributing to the objectives of the EYAC. Knox City Council's Municipal Early Years Plan 2011-2015 has provided a strong foundation for the work in relation to young children and their families in the Knox Community. The continuing existence of the Committee will provide ongoing contribution into the development on an Integrated Lifestages Plan and the ongoing implementation from and early years perspective.

9. CONFIDENTIALITY

There are no confidentiality issues pertaining to this report.

COUNCIL RESOLUTION

MOVED: CR. SEYMOUR
SECONDED: CR. COOPER

That Council

1. Approve the continuation of the Early Years Advisory Committee for a further two (2) year term from 1 July 2016 to 30 June 2018.
2. Endorse the commencement of an expression of interest process to recruit four (4) Community and two (2) Professional Members for the Early Years Advisory Committee.
3. Thank outgoing Committee members for their contributions over the last two (2) years.

CARRIED

ALL WARDS**3. CONTRIBUTORY SCHEMES – SPECIAL RATES AND CHARGES POLICY**

SUMMARY: *Coordinator – Project Delivery (Hans Pelgrim)*

This report presents the ‘Contributory Schemes – Special Rates and Charges Policy’ to Council for consideration and adoption following a review of the Policy on expiration of the sunset/review date.

RECOMMENDATION

That Council:

- 1. approves the proposed amendment to the Contributory Schemes – Special Rates and Charges Policy as outlined in Appendix A; and**
- 2. adopts the Contributory Schemes – Special Rates and Charges Policy as amended, with a Sunset/Review Date July 2020.**

1. INTRODUCTION

The Contributory Schemes – Special Rates and Charges Policy was originally presented to Council for endorsement in September 2008 and has since been modified, with respect to its application to minor drainage installations, and endorsed in September 2011.

The sunset/review date for the Contributory Schemes – Special Rates and Charges Policy has now expired which necessitates a review of the current Policy to ensure that it remains relevant to current practices of Council.

The Local Government Act 1989 – Section 163 empowers Council to *‘declare a special rate, a special charge or a combination of both only for the purpose of defraying any expenses or repaying (with interest) any advance made to or debt incurred or loan raised by the Council in relation to the performance of a function or the exercise of a power of the Council, if the Council considers the performance of the function or the exercise of the power is or will be of special benefit to the persons required to pay the special rate or special charge.’*

While Council may apply special rates and charges for a number of services, the purpose of this Policy is to provide Council with a mechanism to recover costs from benefitting persons when applied to the improvement or installation of previously unconstructed, substandard or non-existent infrastructure such as roads, footpaths, kerb and channel, drainage and/or off-street car parking.

3. Contributory Schemes – Special Rates and Charges Policy (cont'd)

This mechanism is prescribed in the Local Government Act and Ministerial Guidelines established for the implementation of Special Rates and Charges, in September 2004.

In current subdivision developments, fully constructed assets are generally built into the purchase price of the land and reflected in future purchase/sale prices. Council adopts the fully developed infrastructure (constructed in accordance with Council's standards), upon completion of an agreed defects liability and maintenance period.

However, some areas of the municipality which were subdivided many years ago did not have formal, sealed roads, drainage lines and constructed footpaths and were often considered to be Private Streets.

The subdividers of this time could chose not to construct the infrastructure to Councils standard and today, these substandard assets have become the subject of enquiries, petitions or requests from residents for improvement.

2. DISCUSSION

The application of the Special Rates and Charges Policy provides Council with an option and mechanism to fund infrastructure improvements for benefiting persons, usually, where the cost of formal infrastructure at the time of subdivision was not included in the sale price of the property.

The alternative options are for Council to fully fund infrastructure improvements, to continue maintaining the asset in its current state or to have the asset remain private (eg. private drainage lines).

Council's policy position has been that the benefitting property owners are required to financially contribute to improving the infrastructure and has developed a questionnaire for potential beneficiaries, using a 60% minimum level of support before committing Council funds to the project (although Council maintains the right to proceed for reasons of safety, health or amenity).

While the Policy includes a Council contribution of 10%; payment of the proportional cost of any non-rateable land component; and an allowance for through traffic and for community benefit, those who stand to benefit are usually reluctant to contribute financially, to any level of infrastructure improvements.

Council has received a number of enquiries since this Policy has been adopted and has offered the Scheme as a solution to various issues but no formal scheme has been initiated, due to insufficient local support.

3. **Contributory Schemes – Special Rates and Charges Policy (cont'd)**

The policy principle is that the benefitting property owners are asked to pay for infrastructure improvements which were not included at point of sale and it would be inequitable to provide infrastructure improvements at no cost, unless for the good of the broader community.

Further, with the introduction of Rate Capping, fully funding improvements of this type would impose a further financial impost on Council's resources.

In essence, it is considered that the Policy reflects the provisions of the Local Government Act and in its current form is satisfactory, apart from a practical amendment for minor drainage works (amended September 2011) and a proposed provision for public footpaths.

Public Footpaths

Consideration should be given to a minor change to the Contributory Schemes – Special Rates and Charges Policy which represents a more practical approach to the way footpath projects are managed (see Appendix A).

Council has fully funded new footpath projects, for some time, through Program 4006 – New Footpath Construction Program, within Council's Five Year Capital Works Program.

Criteria in developing a program of priority footpath projects, fully funded by Council are as follows:

1. Governance

- 1.1. Path/facility identified in Councils' Pedestrian Plan
- 1.2. Path identified in Councils' Mobility Study

2. Social / Community Engagement / Community/Health Benefit

- 2.1. Road Hierarchy
- 2.2. Is the path within 400m of significant pedestrian generator (e.g. facility)?
- 2.3. Is there an accessibility need?
- 2.4. Is there an existing path?
- 2.5. Is there an alternative path?
- 2.6. Customer requests for new path/facility
- 2.7. Links to existing path network

3. Environmental

- 3.1. Does the path impact on a Site of Biological Significance?

A priority list of footpath projects is developed through the application of the above criteria and presented for Council's consideration in the Five Year Capital Works Program budget process.

3. Contributory Schemes – Special Rates and Charges Policy (cont'd)

It is recommended that projects which sit outside the Five-Year priority list could be the subject of future contributory schemes if sufficient interest is identified for any such project.

The Contributory Schemes – Special Rates and Charges Policy would then be followed for these footpath/shared path projects.

This approach also preserves Council's ability to negotiate with developers in the provision of future pedestrian/shared path facilities adjacent to proposed developments.

3. CONSULTATION

The original Policy was subject to a comprehensive consultation process and reflects the requirements of the Local Government Act.

The results of this process formed the basis of the Contributory Schemes – Special Rates and Charges Policy which was adopted by Council at its meeting of September 2008.

In the case of drainage improvement works, Council considered amending the Policy to accommodate a Minor Drainage category, when drainage works which were easily implemented, could be undertaken at Councils cost (\$50,000 or less).

Council subsequently amended the Policy to modify the way minor drainage projects are assessed, at its meeting of September 2011.

Internal consultation has occurred for this review.

4. ENVIRONMENTAL/AMENITY ISSUES

While there are minor environmental issues identified with this Policy (e.g. dust reduction on unsealed roads), improved amenity is usually the main factor (e.g. improved access, reduced flooding, additional parking) for undertaking asset improvements.

Those who have approached Council, with a view to improving infrastructure via this Policy, have found it difficult to reach the 60% support levels and believe Council should either fund the works or make the required level of support less.

It is also difficult to explain why Council did not require the original subdivider to construct the assets in question, to the Council standards of the time and that its believed unreasonable to ask the current beneficiaries to make a significant contribution towards the cost.

3. Contributory Schemes – Special Rates and Charges Policy (cont'd)

However, the principle of paying to bring the asset up to Councils' standard should remain, as the original cost was not covered at time of subdivision or was unable to be accommodated (e.g. drainage point connections were not within a reasonable distance).

It may also be the case that, residents prefer to live in areas with unsealed roads, in that they prefer the rural look of a street and feel it reduces the speed of traffic.

Consequently, all failures to proceed with a Scheme cannot be attributed to cost with Council's Policy and process giving potential beneficiaries the opportunity to maintain the status quo.

5. FINANCIAL & ECONOMIC IMPLICATIONS

Recommended changes to the Policy remain aligned with current Council practice and are not expected to have additional financial implications for Council, in the near future.

The application of Special Rates and Charges provides a mechanism for Council to fund improvement works for infrastructure which was not created at the time of subdivision.

However, this does not relieve Council of its obligation for care and management of its current infrastructure assets (eg. maintenance of unmade roads, table drains, etc.).

While Council has not had any Schemes in recent times, the Policy provides a mechanism for those wishing to have improvements undertaken and a method for apportioning costs, via identified benefits.

6. SOCIAL IMPLICATIONS

Recommended changes to the Policy remain aligned with current Council practice and are not expected to have additional social implications to Council.

The principle of benefitting persons paying for improvements to assets which were not fully developed or installed at the time of subdivision is a key element in this policy.

It also gives an opportunity for those who do not wish for improvements to be undertaken.

7. RELEVANCE TO CITY PLAN 2013-17 (INCORPORATING THE COUNCIL PLAN)

The partial review of the Policy is relevant to Council's Strategic Objective of Dynamic Services & Facilities, directed towards continually reviewing and improving the quality and effectiveness of Council's service provision.

3. Contributory Schemes – Special Rates and Charges Policy (cont'd)**8. CONCLUSION**

It is recommended that the Contributory Schemes – Special Rates and Charges Policy (Appendix A) be amended as highlighted in Appendix 1 of the Policy so as to exclude footpath/shared path projects as prioritised within Council's Five-Year Capital Works Program and that this amendment to the Policy be adopted by Council.

9. CONFIDENTIALITY

There are no issues of confidentiality with this report.

COUNCIL RESOLUTION

MOVED: CR. ORPEN
SECONDED: CR. MORTIMORE

That Council:

1. approves the proposed amendment to the Contributory Schemes – Special Rates and Charges Policy as outlined in Appendix A; and
2. adopts the Contributory Schemes – Special Rates and Charges Policy as amended, with a Sunset/Review Date July 2020.

CARRIED



KNOX POLICY

CONTRIBUTORY SCHEMES SPECIAL RATES AND CHARGES

Policy Number:	2008/03	Directorate:	Engineering & Infrastructure
Authority:	Council	Responsible Officer:	Manager – Engineering Services
Policy Type:	Council	Version Number:	3
Approval Date:	13 September 2009	Sunset/Review Date:	November 2015 July 2020

1. PURPOSE

The purpose of the policy is to set out the principles of a Special Rates and Charges Scheme ([Contributory Scheme](#)) to fund infrastructure works.

2. BACKGROUND

In September 2004, Local Government Victoria established Ministerial Guidelines for the Implementation of Special Rates and Charges in response to amendments to the Local Government Act in 2003 to ensure fairness and equity when implementing Special Rates and Charges under Section 163 of the Local Government Act 1989.

This Policy is intended as a procedural guide for the creation and implementation of all Contributory Schemes, which accords with the Ministerial Guidelines.

Specific guidelines for determining Special and Community Benefits and thus the apportionment of cost referred to as the Maximum Total Levy are included as appendices to this report. Appendix 1 provides apportionment guidelines and methodology in respect of schemes for:

- Road Construction
- Footpath [Construction](#)
~~and~~ Kerb and Channel Construction
- Drainage Construction
- Off street Car Parking ~~Areas~~

Schemes can be used for any project or related project as listed above, ~~and also include traffic control measures, commercial centre promotion and streetscape improvements.~~ An operational guidelines and flowchart is shown in Appendix 2.

3. SCOPE

This policy will apply to the development of all ~~all Council Staff when developing~~ Special Rates and Charges Schemes.

4. REFERENCES

- Local Government Act 1989 and amendments
- Ministerial Guidelines 2004

5. DEFINITIONS

The terms used in this policy are defined in the Local Government Act 1989 and the Ministerial Guidelines.

6. COUNCIL POLICY

6.1 SCHEME INITIATION

The special rate or charge process may be initiated by Council, members of the public, residents within the area, Council Officers or as a result of requests` from officers of Statutory Authorities with services in the area or providing service to the area.

6.1.1 Preliminary Consultation and Report

Except for the case where the process has been initiated by a petition containing the signatures of a two thirds majority of potential contributors, the relevant Director shall circulate a questionnaire to identify the potential contributors and their level of support for a scheme.

Note: At the Council meeting held on 26 June 2007, Council resolved that a 60% minimum level of support from contributing properties ~~as~~ be a base requirement for a road construction scheme to be prepared and before committing Council funds in the Capital Works Program.

Council may consider proceeding with a particular scheme based on compelling reasons relating to issues of safety, health or amenity.

Having allowed fourteen (14) days for reply, the Responsible Officer shall prepare a preliminary report to the subsequent Council Meeting which may include the following:

- background information detailing the reason for canvassing potential contributors;
- a statistical analysis of results of responses and an assessment of their substance;

- the circumstances which may exist whereby the considerations of safety or other matters override all other considerations;
- the outcome of public consultation;
- an expansion of the preliminary report taking into account the following matters where relevant:
 - the function of the infrastructure;
 - safety and amenity;
 - technical matters such as design speeds for local roads, impact on drainage and road networks;
 - environmental impact including removal or protection of native vegetation; and
 - cost to the community regarding options, including no action, i.e. cost to maintain the existing facility.
- Council contribution to the scheme;
- recommendation of any committee which may have been formed to participate with development of the functional and conceptual issues;
- recommendation to either abandon, amend or adopt the proposed scheme and/or proceed with detail design of the preferred option; and
- recommendation that affected owners/occupiers and any party which has registered its interest in the scheme in writing with Council be advised of Council's decision.

6.1.2 Five Year Capital Works Program

Following a resolution by Council to proceed with the scheme, a preliminary estimate ~~should~~would be referred to the Five year Capital Works program. When funding becomes available for the project, the scheme may continue.

6.2 DETAILED SCHEME PREPARATION

Following the Council resolution to proceed with the ~~S~~scheme, the final design, estimates and apportionments shall be prepared. The officer responsible for the detailed preparation of the ~~S~~scheme shall maintain a high level of consultation with parties to be affected by the proposal.

6.3 STATUTORY REQUIREMENTS FOR ~~-~~SCHEME ADOPTION

6.3.1 Declaration of Special Rate or Charge

- A proposed declaration must include a description of the works or services to be provided, the total cost of the works or services and the total amount of the special rates and charges to be levied. (This is in addition to information already required).

- When Council gives public notice of a proposed special rate or charge it must, within three working days, send a copy of the public notice to each person who will be required to pay the rate or charge.
- Before declaring a ~~S~~ scheme, ~~a~~ Council must determine the “total amount” of the special rates and charges to be levied. The total amount may not exceed the maximum total amount calculated by the formula $R \times C = S$; where R is the benefit ratio, C is the total cost of the works or service and S is the total maximum amount.
- If Council proposes to levy a total amount that exceeds two thirds of the total cost, the affected ratepayers have a right to object and if the Council receives objections from a majority of those ratepayers within 28 days of the public notice it may not declare the scheme. (This is in addition to the existing Section 223 consultation process).
- If Council proposes to alter a declared special rate or charge in a way that will require an additional person(s) to pay, or that will involve a material increase in the amount that a person has to pay, it must give public notice of the proposal. The Public Notice in Section 163 (1B) must: Outline the proposed declaration, show date on which it is proposed to make a declaration and allow inspection for at least 28 days after the notice and consider public submissions, in accordance with Section 223 of the Act.
- Council’s responsible officer shall report to Council with the details of the scheme, including calculation of Maximum Total Levy and the maximum amount that Council will levy as outlined in the Ministerial Guidelines dated 23 September 2004 shown in Appendix 3.
- Council or a committee of Council (established by Council) must consider any written submission made in respect of the scheme (S.223).

Also included in this report will be a Notice of Motion including:

- the period the Special Rate or Charge remains in force;
- the purpose of the Special Rate or Charge;
- a specification of the wards, groups, users or areas for which the Special Rate or Charge is declared;
- a specification of the criteria which forms the basis of the Special Rate or Charge. For local street construction this will be the ownership of properties that abut or are adjacent to the project and/or derive benefit from improved access and amenity;
- a specification of the manner in which the Special Rate or Charge will be assessed and levied. In general, apportionment should be carried out using the traditional methods well established through Administrative Appeals Tribunal precedent;
- an estimate of owners’ liabilities. This estimate shall include ancillary costs such as survey, design, supervision and administration. Ancillary costs may

be estimated using the Association of Consulting Engineers Australia (ACEA) Principle Consultant rates;

- the impact of the Council's liability to the contribution in the event of over expenditure;
- period of maintenance required for the works (if works are relevant to the rate or charge);
- incentives to be given to ratepayers as detailed in the policy;
- planning policies and specific objectives (if any) as referred in Section 185 of the Local Government Act 1989;
- the manner of payment of the Special Rate or Charge and the detail of the financing provisions to be accommodated by Council in regard to the scheme;
- that a Public Notice will be given of the declaration;
- that submissions made in accordance with Section 223 Local Government Act 1989 will be considered by Council; and
- a requirement for Council to establish a committee to consider any written submission made and hear people, in respect of the scheme (S223).

The Responsible Officer for the scheme in his report to Council will have regard to the Council policy which applies at the time in respect to the level of interest to be charged on the principal and any penalty interest which may apply to overdue repayment instalments.

6.3.2 Advice to Affected Persons

Should Council resolve to declare a Special Rate or Charge, a letter advising of this decision shall be sent to ~~all~~ all persons required to pay ~~owners~~ and occupiers. This letter shall include the information to be contained in the Public Notice, including advice that submissions may be lodged by any interested party.

6.3.3 Public Notice

Following the declaration of the Special Rate or Charge a notice shall be published in a newspaper generally circulating in the area setting out the declaration and stating that submissions will be considered in accordance with Section 223 Local Government Act 1989.

The Responsible Officer shall ensure that copies of the advertisement are retained on file as confirmation that the notice was given.

6.3.4 Consideration of Submissions

Written submissions received by Council within the time prescribed in the public notice will be considered by a committee nominated by the Council. Personal appearances to support written submissions will be ~~encouraged~~, encouraged.

~~H~~However, submitters must state their desire to appear before the Committee in their written submission. This committee will then make a recommendation to full Council for a final decision.

6.3.5 Council Resolution following Submissions

Following consideration of the committee's recommendation Council may resolve to:

- abandon the scheme by not giving effect to the declaration to levy the Special Rate or Charge or;
- prepare a new Special Rate or Charge Scheme due to the need to significantly modify the original scheme, therefore requiring the process to be recommenced or;
- proceed with or without minor variation to the original declaration.

NOTE: Any variation in the amount of the proposed rate or charge which exceeds more than 10% of the amount specified in the original notice will require the scheme to be returned to Council for consideration of a new declaration.

All persons making submissions and all parties affected by the scheme shall be advised of Council's resolution.

In the circumstance that no submissions are lodged, Council may resolve to confirm, modify or abandon its original scheme.

6.3.6 Levy of Special Rate or Charge

Council levies the Special Rate or Charge by sending a notice to all those liable to pay. This notice shall be in accordance with sub-sections 163(1A) and (1B) and (1C) of the Local Government Act 1989 and shall contain prescribed information detailed in Regulation 163(3).

6.3.7 Appeal

Following the levying of the Special Rate or Charge aggrieved persons may appeal to the Victorian Civil and Administrative Tribunal (VCAT) within one month after the date of issue of a notice to the person of the Special Rate or Special Charge or combination thereof. Section 185 of the Local Government Act sets down the criteria for an appeal and provides the following grounds:

- i. the works and projects or the period of maintenance for the purposes of which the Special Rate or Special Charge was imposed are not or will not provide a special benefit to that person; or
- ii. the basis of distribution of the rate or charge amongst those persons who are liable to pay it is unreasonable; or
- iii. if the planning scheme for the area contains any relevant policies or specific objectives, the works and projects proposed for the construction of a road or for the drainage of any land are inconsistent with those policies or objectives; or

- iv. if the planning scheme for the area does not contain any relevant policies or specific objectives, the works and projects proposed for the construction of a road or for the drainage of the land are unnecessary, unreasonable, excessive, insufficient, unsuitable or costly, having regard to the locality or environment and to the probable use of the road or drainage of land.

Following notification from the VCAT of appeals lodged, contact may be made with appellants in order to carry out negotiations prior to the hearing. Failing this the Responsible Officer will prepare Council's case for the VCAT hearing.

NOTE: An aggrieved person may in addition, or alternatively, appeal within 60 days to the County Court. Notice must be given to Council in the prescribed form for this to occur. (S. 184 L.G.A.). Grounds of appeal can be non-rateable land, assessment calculated incorrectly or the person considers that they are not liable to be rated.

6.3.8 Council Options Following VCAT Decision

Where VCAT upholds the scheme entirely or varies it with respect to the applicants, Council must proceed with the scheme as determined by VCAT.

Council can then:

- issue notices requiring payment within fourteen (14) days (S.167 (3)); or
- resolve to declare a variation to the scheme with all liable owners to be notified of the variation advice (S.166 (1) (b) and (2)); or

Where VCAT quashes a scheme, Council could only proceed to declare a scheme for the same street if the new scheme differs significantly from the quashed one and in particular in no way is inconsistent with VCAT's reasons for quashing the scheme as determined by VCAT.

Council may then:

- resolve the discontinuance of the declaration and provide all liable owners with discontinuance advice (S.164(2)); and
- significantly differ the scheme and proceed.

- NOTE:**
- (i) The issue of notice requiring payment (S.167 (3)) would follow Council's resolution to declare a variation and notification of variation.
 - (ii) Once a discontinuance notice has been sent out no further action is required.
 - (iii) The person who is liable to pay the Special Rate or Charge may apply to Council for permission to pay by a lump sum as determined between that person and Council S167 (4).

6.4 SCHEME IMPLEMENTATION AND FINALISATION

6.4.1 Implementation Process

The Responsible Officer shall ensure that the tasks necessary to implement the scheme are carried out. Schemes which involve provision of services or Capital Works for the provision of infrastructure shall be competitively tendered in accordance with the procedure set down in the Council's Contract Administration Policy.

If the Tendered Price for the Contract works component of the Scheme exceeds the estimated cost by 10% or more, the proposal shall be referred to Council for reconsideration and a resolution sought to either abandon the scheme or accept the Tendered Price and proceed with the work.

6.4.1.1 Notice of Demand for Payment

Following the decision of Council to proceed with the Scheme and its implementation through the Public Tender Process, a Notice of Demand for Payment will be served on all contributors indicating all the relevant scheme details and the charge or rate based on the accepted tender price.

The notice shall clearly indicate that this demand for payment is based on the tendered price for the contract work forming part of the estimated scheme total cost and may be subject to variation of up to a maximum of 10% of the amount stated.

[Should demand for payment exceed the maximum variation of 10% of the amount stated, then the amount in excess shall be funded by Council.](#)

6.4.2 Reconciliation and Report to Council

6.4.2.1 Special Charge Schemes

Schemes shall be finalised and reconciled within two months of finalisation of the works.

The responsible officer shall report to Council advising that the works are completed and costs finalised. The report will include final apportionment of costs and details where variations from original estimates affect final apportionments costs.

NOTE: In any case where the Special Rate or Charge is varied by any amount, notice is required to be given to all affected parties pursuant to Section 166(2) of the Local Government Act 1989.

7. RELATED DOCUMENTS

The policy document is related to the Local Government Act 1989.

APPENDICES

- APPENDIX 1** Apportionment Principles
- APPENDIX 2** Summary of Procedure for Implementation of a
Special Charge for Road Schemes
Flowchart of Procedure
- APPENDIX 3** Special Rates and Charges
Calculation of Maximum Levy – Ministerial Guidelines 2004

APPENDIX 1

SPECIAL RATES AND CHARGES POLICY

APPORTIONMENT PRINCIPLES

Officers responsible for the detailed development of cost apportionment for contributory schemes should have regard to this policy and the following principles:

1.0 BENEFIT RATIO

The calculation of the maximum total levy for a scheme shall comply with the Ministerial Guideline applying to Section 163(2C) of the Local Government Act 1989 as promulgated in the Victoria Government Gazette G39 23 September 2004. In most cases this will yield the limiting amount for levying by way of a special charge scheme. However to ensure consistency with past practice the following guidelines shall also be regarded in determining the Benefit Ratio.

2.0 METHOD OF APPORTIONMENT

The general method of apportionment in residential areas is based on 80% for access benefit and 20% amenity benefit using the effective frontage guidelines set out in City of Knox Plan 225-A1.

3.0 FOOTPATH AND BICYCLE PATH PROJECTS

The construction of imperviously sealed paths, ~~in other than~~ with the exception of those in Council reserves, and projects prioritised within the Capital Works Program, Program 4006 – New Footpath Construction Program, are to be undertaken by Special Charge Scheme with full cost of vehicle crossings and footpath thickenings chargeable to owners. The maintenance of the constructed asset will be Council responsibility.

Contributions by adjoining owners to be based on fairness, equity and in the absence of special circumstance on the following guidelines:

3.1 Residential Area - Access Roads

Subject to Council paying for non-rateable land proportion. Then:

- Extent of scheme - abutting and opposite residences.
- Owners pay costs as derived.
- Individual charges based on Special Benefit derived from the calculation of maximum total levy and for through traffic that provides "Community Benefit".

Allow one Benefit Unit per residential Unit as determined by the Planning Scheme provision for the area (i.e. minimum Lot size for a residential unit).

Where a larger lot exists and more than one residential unit can be developed then an additional Benefit Unit should be charged for each additional potential development unit.

3.2 Residential Area - Residential Collector Road

Subject to Council paying for non-rateable land proportion. Then:

- Residences included in scheme where path is proposed.
- Owners charged 2/3 of scheme cost. (Subject to variation when using Maximum Levy calculation).
- Council pays 1/3 of cost.
- Benefit Unit based on residential unit and apportionment as above prescribed under Section 2.1.

3.3 Link Roads

- Due to the need to ultimately have paths on both sides, then abutting residents only will be included in the scheme. Owners charged on benefit unit basis of 1/3 scheme cost.
- Due to function of path to serve broader needs of the community, Council to meet 2/3 of cost of construction i.e. owners liable for 1/3 cost of footpath.

3.4 Arterial Road

- Due to function of path to serve broader needs of the community Council to meet 100% of cost of construction. Owners charged nil cost.

3.5 Recreational Paths

3.5.1 Path located in Council Reserve.

- Full cost to Council.

3.5.2 Shared Pedestrian/Cycle Paths

Owners of abutting and, where applicable, opposite residences are required to contribute to the normal 1.4 metre width path as prescribed for the various types of situations above. The extra width for cycle use, whether shared or segregated, being paid for by Council.

3.6 Paths in Commercial and Industrial Areas

Where an existing or proposed development requires construction of a footpath, the Council contribution shall not exceed 50% of the cost of the works unless special circumstances exist.

4.0 DRAINAGE CONSTRUCTION SCHEMES

Council's policy is aimed at making drainage schemes equitable and creating an incentive by offering the following:

- Council will contribute 10% of the total cost of works as a subsidy.

For all property drainage schemes apportionment shall be undertaken on the following basis:

- All properties which benefit from the construction of the drain by being able to connect to the drain or receive protection by the drain shall be included in the scheme.
- The determination of benefit to be derived from the construction of such drains shall be at the discretion of Council with the liability being assessed on the general basis that properties contributing to the drain and being protected by it will be treated equally on an area basis.

Special Rates and Charges Schemes shall not be applied in the provision of public drains where the works:

- are considered minor;
- can be delivered for an estimated cost of \$50,000 or less;
- will improve amenity, safety and health;
- will mitigate local flooding;
- can be delivered with minimal consultation;
- are unencumbered by other infrastructure needs (ie. the scheme does not require road construction, kerb and channel or other works);
- satisfies a missing link in the drainage network; and
- is uncomplicated to deliver.

5.0 ROAD CONSTRUCTION SCHEMES

5.1 Policy for Unsealed Roads Program

Council's policy is aimed at making road schemes equitable and creating an incentive by offering the following:

- i Council will make an allowance for through traffic and pay the percentage of works as a "Community Benefit".
- ii Council will also pay the proportional cost share of the non-rateable component.
- iii Council will contribute 10% of the total cost of works as a subsidy.

Full cost of vehicle crossings and footpath thickenings to be met by owners.

Council maintains constructed asset.

5.2 Access Roads

Cost to owners based on using guidelines in Appendix 3 part H and I for Benefit Ratio and Calculation of Maximum Benefit and apportioned on the basis of Benefit Unit and/or Frontage. (Refer to Council Plan No. 225-A1 when frontage is to be considered).

The actual cost to owners is based on a calculation of Maximum Levy which now exempts non-rateable property. An allowance for through traffic component with a community benefit is to be used as shown in Appendix 3.

5.3 Collector Roads

Cost to owners using through traffic volumes as community benefit and based on the attached Benefit Ratio and Calculation of Maximum Levy and cost as for residential streets and exempting non-rateable land.

5.4 Arterial Roads

Full cost of Road Pavement to Road Authority (i.e. Council or VicRoads).

Half cost of kerb and channel to owner; half cost to Road Authority.

6.0 OFF STREET CAR PARKING SCHEME (RATE OR CHARGE)

6.1 Retail

The cost to be recovered shall be apportioned to those properties which will derive a benefit. Have regard to existing and potential shop size, type, proximity and any provision or contribution towards spaces provided.

6.2 Commercial

Costs to be apportioned to beneficiaries on the basis of leasable floor space and proximity and any previous contributions or provisions.

7.0 COUNCIL CONTRIBUTIONS

General principles to follow:

A Council contribution should occur where there is an identifiable benefit received from a project to persons other than those landowners determined as being liable for the Special Rate or Charge (e.g. a street being constructed that is used as a through road to serve other streets). This is generally known as "Community Benefit" as defined and used in Appendix 3.

A Council contribution may occur on behalf of a non contributing Government Authority which has a property within the boundary of a Scheme. (Section 221(3) states that Crown land cannot be included in a Special Rate or Charge). Council will pay the proportional costs of the non-rateable land.

A Council contribution will occur where there exists Council owned property within the boundary of a Scheme. The extent of contribution should be based upon the existing or potential equivalent benefit received compared to other properties included in the Scheme.

A Council contribution should occur for replacement, modification or reinstatement of any existing infrastructure affected by a proposed project.

A Council contribution should occur for works included in a project that are for the main benefit of the wider community or landowners outside the designated area of a proposed Special Charge Scheme.

An increased Council contribution may occur for locations:

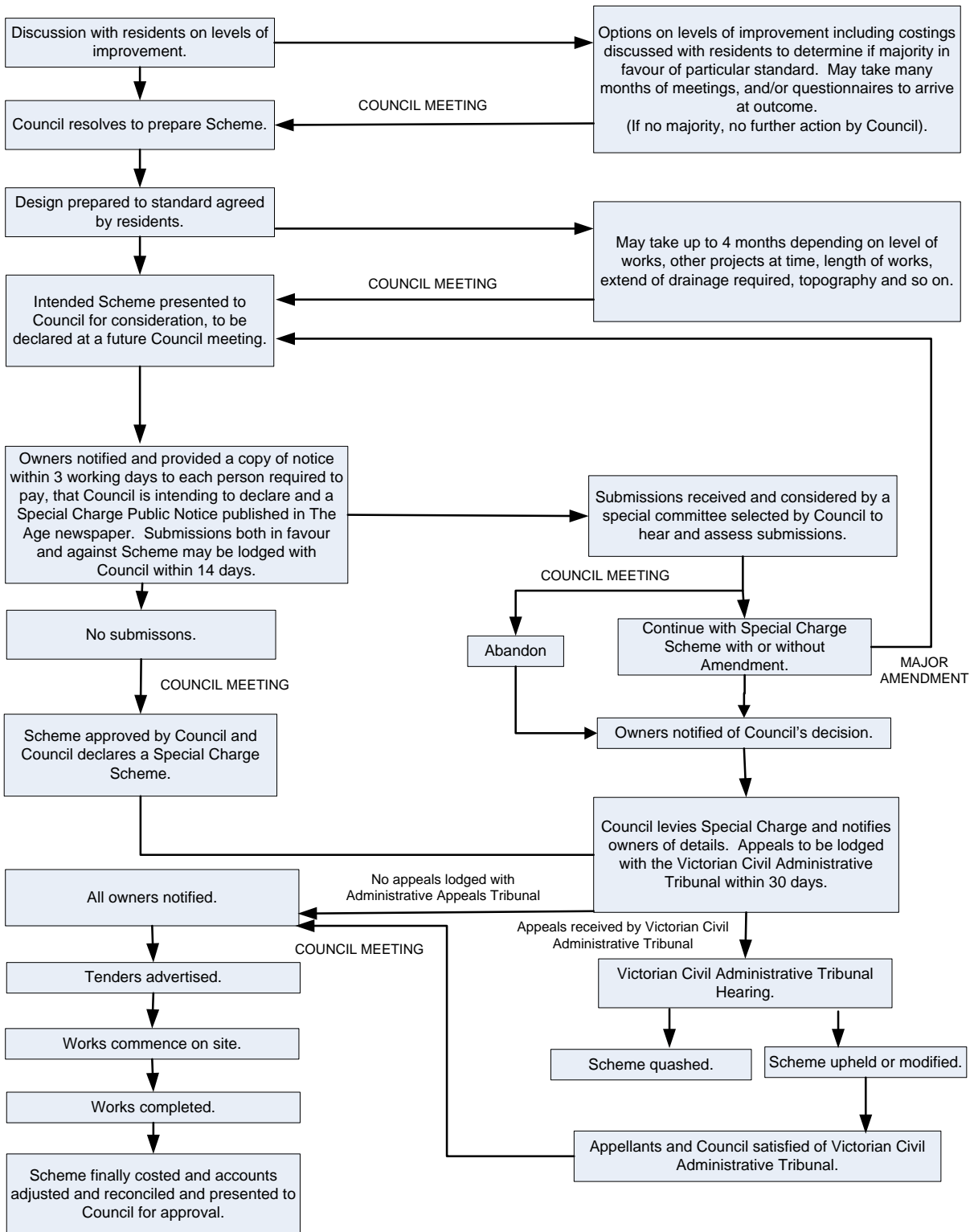
- where severe slope and terrain require more significant works than for general locations;
- where user or community safety is of concern;
- where significant risk management issues to Council exist;
- where excessive maintenance costs of the existing conditions are being incurred by Council.

APPENDIX 2**SUMMARY OF PROCEDURE FOR IMPLEMENTATION OF A SPECIAL CHARGE SCHEME FOR ROAD CONSTRUCTION**

1. A report is prepared and presented to Council requesting Council resolve to approve the preparation of a Scheme as a result of a request and consultation with landowners.
2. Survey, design plans and scheme prepared in accordance with landowners. (This step may take several months depending on the length of the street, the extent of drainage required, topography etc.)
3. A report is prepared and presented to Council to consider the Intended Scheme.
Council may either:
 - approve the intended scheme and agree to proceed and declare at a future meeting; or
 - decide not to proceed with the intended scheme.
- 4(a) If Council resolves to proceed, liable landowners shall be notified and a public notice published. Submissions, both in favour and against the scheme, may be lodged with the Council within 14 days.
- 4(b) When Council gives public notice of a proposed special rate or charge it must, within three working days, send a copy of the public notice to each person who will be required to pay the rate or charge.
5. A person who has made a submission may apply to Council to speak in support of their submission before the Council. A committee of the Council must consider any written submission which is received by the Council within 14 days after the publication of the public notice.
- 6(a) A report is prepared and presented to Council, to declare and adopt the Special Charge, with or without modification or may decide to abandon the scheme.
- 6(b) If the Council resolves to proceed, notice is served on landowners stating details of scheme, charge liable and advising that persons aggrieved by Council's decision may (within 30 days) apply to the Planning division of the Victorian Civil Administrative Tribunal for a review of the decision.
7. If no submissions are received by the Victorian Civil Administrative Tribunal, Council proceeds to administer the scheme.

8. If Submissions are received by the Victorian Civil Administrative Tribunal, a date shall be set by the Tribunal to consider the submissions.
9. Tribunal conducts the hearing and advises those who made submissions and Council of its decision. A time delay up to four months can be experienced while waiting for a hearing time to be set and a decision to be handed down.
10. A report is presented to Council to finalise the scheme details and determine the scheme will proceed or otherwise.
11. All landowners liable are advised of whether the scheme has been approved or abandoned.
12. If the scheme is approved, the works are tendered out to obtain the most competitive price.
13. Council considers tenders received and resolves to award the contract for the scheme.
14. Works commence.
15. Payment will generally be aligned with your payment of municipal rates, as described in the notice sent to landowners and will be based on the estimated cost of works
16. Following completion of works, actual costs are calculated and become the final amount payable by landowners. If the actual cost is less than the estimated cost, a refund is forwarded to those landowners whose payment has been received in full. If the actual cost is greater than the estimated cost, landowners are advised and become liable for the additional cost, (up to 10% above the estimated cost of works). Where instalments are being paid by a landowner, these are adjusted as appropriate.

Knox City Council
TYPICAL PROCEDURE FOR IMPLEMENTATION OF A SPECIAL CHARGE FOR ROAD AND/OR UNDERGROUND DRAINAGE IMPROVEMENTS



APPENDIX 3

Local Government Act 1989 – Section 163(2C)

Special Rates and Special Charges: Calculating Maximum Total Levy

Ministerial Guideline

(Published in the Government Gazette on 23 September 2004)

INTRODUCTION

1. This Guideline is made under section 163(2C) of the Local Government Act 1989 (the Act). It relates to the application of sections 163(2), 163(2A) and 163(2B) of the Act. It specifically addresses the calculation of the maximum total amount that may be levied as a special rate or special charge (referred to as the “*maximum total levy*”).
2. Some terminology used in this Guideline should be noted:
 - a. “*Scheme*” refers to a special rate or special charge scheme.
 - b. “*Works or services*” refers to the functions or powers being exercised by the council for which it is proposed to levy a special rate or charge.
 - c. “*Property*” refers to property in the form of land.
3. The calculation of the *maximum total levy* requires the following:
 - a. Calculation of the “total cost” of the works or services,
 - b. Calculation of the “benefit ratio”, which depends on reasonable estimates of:
 - “*Total special benefits*” to properties included in the scheme,
 - “*Total special benefits*” to properties not included in the scheme (if any), and
 - “*Total community benefits*” (if any).

STEPS IN CALCULATION

4. The following steps apply to the calculation of the maximum total levy.
 - A. DEFINE PURPOSE
 - B. ENSURE COHERENCE.
 - C. CALCULATE TOTAL COST
 - D. IDENTIFY SPECIAL BENEFICIARIES
 - E. DETERMINE PROPERTIES TO INCLUDE
 - F. ESTIMATE TOTAL SPECIAL BENEFITS
 - G. ESTIMATE COMMUNITY BENEFITS
 - H. CALCULATE THE “BENEFIT RATIO”
 - I. CALCULATE THE MAXIMUM TOTAL LEVY

A. Define Purpose

5. The purpose, or purposes, of the proposed works or services should be clearly defined at the outset. The purpose should describe the reasons why the proposed works or services are proposed.
6. The description of the purpose would normally take account of the following:
 - a. Reasons why the works or services are considered necessary or appropriate, noting any relevant background information.
 - b. Who has proposed that the works or services be undertaken and including the following information;
 - If the works or services have been proposed by the council, the relevant council policy or resolution.
 - If the works or services were requested by a person or people other than the council, an indication of whether those people are proposed to be included in the scheme and what reasons they have given for requesting the works or services.
7. A scheme may serve multiple purposes and can be proposed by multiple parties.

B. Ensure Coherence

8. For the purposes of calculating the maximum total levy, and therefore total cost and benefit ratio, the works or services for which the special rate or charge is proposed should have a natural coherence.
9. Proposed works or services can be considered to have a natural coherence if:
 - a. They will be physically or logically connected, or
 - b. They will provide special benefits, of a related nature, to a common, or overlapping, group of properties.

C. Calculate total cost

10. The "*total cost*" is the aggregate cost of defraying expenses related to providing the works or services and establishing the scheme.
11. The following should apply to the calculation of the "total cost":
 - a. Costs included in the *total cost* must be for purposes in section 163(1) of the Act.
 - b. Costs included in the *total cost* may only be for expenses listed in section 163(6) of the Act.

- c. Costs included in the *total cost* should be based on actual expenses that have been incurred, or reasonable estimates of expenses expected to be incurred. (For example, any interest should be based on estimated actual interest costs rather than on prescribed penalty interest rates).
- d. Costs included in the *total cost* may relate to known activities but not to activities that are purely speculative or hypothetical in nature. (For example, provision for incidental costs related to the proposed works might be included but not costs related to possible legal proceedings that may or may not occur).

D. Identify special beneficiaries

- 12. The council should identify, as far as possible, which properties will receive a special benefit from the proposed works or services. A "*special benefit*" is considered to be provided to a property if the proposed works or services will provide a benefit that is additional to or greater than the benefit to other properties.
- 13. It is important to note that, while special benefits are considered to accrue to properties, the actual measurable benefits are provided to the owners and/or occupiers of the properties (see also paragraph 23.a).
- 14. Special benefits should be benefits that are either tangible benefits to the owners or occupiers of the properties that are not remote, or they should be clear benefits to those owners or occupiers that were identified in the defined purpose of the works or services (paragraph 5). Types of benefits included as special benefits generally include services provided for the properties, identifiable improvements in physical or environmental amenity, improved access, improved safety or economic benefits.
- 15. A special benefit may be considered to exist if it would reasonably be expected to benefit the owners or occupiers of the property. It is not necessary for the benefit to be actually used by the particular owners or occupiers of a specified property at a particular time in order for a special benefit to be attributed to the property.

E. Determine properties to include

- 16. Having identified which properties will receive *special benefits*, the council must decide which properties to include in the scheme. The properties included in the scheme will be those that are required to pay the special rate or charge.
- 17. If a property will receive a *special benefit* but is not included in the scheme, the calculation of the benefit ratio will result in the council paying the share of costs related to the special benefits for those properties.

18. The council is not required to levy a special rate or charge on any or every property that will receive a *special benefit*. A property with a special benefit may be excluded from the scheme for any of the following reasons:
- a. the council is unable to levy a special rate or charge on the property,
 - b. the owner of the property has already contributed to the costs of the works through a development levy,
 - c. the council considers that there are particular advantages for the municipality in excluding the property from the scheme,
 - d. the council considers that the special benefits for the property are marginal and would not warrant including the property in the scheme, or
 - e. any other reason that the council considers appropriate.

F. Estimate total special benefits

19. Total special benefits can be defined to include two parts, as follows:

$$TSB = TSB_{(in)} + TSB_{(out)}$$

- ***TSB*** is the estimated total special benefit for all properties that have been identified to receive a special benefit.
 - ***TSB_(in)*** is the estimated total special benefit for those properties that the council proposes to include in the scheme.
 - ***TSB_(out)*** is the estimated total special benefit for those properties with an identified special benefit that the council does not propose to include in the scheme.
20. In estimating the total special benefits for properties that will be included in the scheme, particular attention should be paid to:
- a. The identified purpose of the proposed works or services.
 - b. Specific benefits relevant to the type of works or services proposed.
21. There is no single or prescribed method for estimating total special benefits. However, whatever method is used, it is essential that the comparative weightings attributed to different types of benefits are reasonable and are applied consistently by a council. It is also essential that consistent weightings are used between those properties that are included in the scheme and those that are not included.
22. It is particularly important to note that, while it may sometimes be useful to estimate special benefits on a property by property basis, this is not always necessary. The calculation of the benefit ratio only requires aggregate estimates of total special benefits for properties included in the scheme and for properties excluded from the scheme.

23. The following matters should be noted in calculating “total special benefits”
- a. While changes in property values are considered to be an indication that a special benefit exists, this is generally derived from benefits provided to the owners or occupiers of the property. To avoid double counting, changes in property values should not normally be included in the calculation of total special benefits.
 - b. Where the services or works proposed under a scheme include benefits to people who are servicing or accessing properties that are identified as having special benefits, the benefits to those people may be included as special benefits to the properties rather than as community benefits.

G. Estimate total community benefit

24. Before calculating the benefit ratio, a council must consider if the proposed works or services will provide “*community benefits*”. Not all schemes have community benefits.
25. *Community benefits* are considered to exist where the works or services will provide tangible and direct benefits to people in the broader community. These will generally derive from the provision of facilities or services that are generally available to people, other than owners or occupiers of properties with special benefits.
26. Where there is a use or amenity value to people in the broader community that is a clear, tangible and direct, the council should attribute a community benefit. The council should also attribute a community benefit where it identified in the defined purpose of the works or services (paragraph 5).
27. Councils should use a method of estimating community benefits that is reasonable and consistent in comparison to the estimates of special benefits. In making these estimates, care should be taken to avoid double counting. If a benefit is identified as a special benefit it should not also be counted as a community benefit.

H. Calculating the benefit ratio

28. The benefit ratio is calculated as follows:

$$\frac{TSB(in)}{TSB(in)+TSB(out)+TCB} = R$$

- ***TSB(in)*** is the estimated total special benefit for those properties that the council proposes to include in the scheme
- ***TSB(out)*** is the estimated total special benefit for those properties with an identified special benefit that the council does not propose to include in the scheme.
- ***TCB*** is the estimated total community benefit,
- ***R*** is the benefit ratio.

I. Calculating the Maximum Total Levy

29. Having calculated the total cost and the benefit ratio, the council is required to calculate the maximum total levy, in accordance with section 163(2A) of the Act.

$$R \times C = S$$

- *R* is the benefit ratio
 - *C* is the total cost
 - *S* is the maximum total levy.
30. A council may not levy a special rate or charge to recover an amount that exceeds the maximum total levy. However, a council may decide to levy a lower amount.

ALL WARDS**4. KNOX CENTRAL PROJECT – OPERATIONS CENTRE RELOCATION**

SUMMARY: *Director – Engineering & Infrastructure (Ian Bell)*

This report seeks Council’s endorsement for the Knox Central Project – Operations Centre Relocation as a key phase of the Knox Central Project. This report seeks to inform Council of the proposed project tasks, timing and resource requirements for the delivery of the Operations Centre Relocation. The report also seeks to inform Council in regard to the proposed project management and control structures that have been put in place to guide this project.

RECOMMENDATION

That Council

- 1. note the project management and control structures that have been established to guide the delivery of the Operations Centre relocation;**
- 2. endorse the proposed project tasks timeframes and resource requirements as outlined; and**
- 3. resolve to proceed with the Operations Centre relocation as a key phase in the delivery of the Knox Central Project.**

1. INTRODUCTION

At the Strategic Planning Committee (SPC) Meeting of 8 March 2016, Council resolved to progress the Knox Central Precinct Project through the acquisition of 14B Henderson Road (now known as 14 Henderson Road, Knoxfield) in order to construct an Operations Centre.

As was reported to Council at the SPC meeting of 10 May 2016, negotiations were undertaken and contracts signed on 12 April 2016 with settlement occurring on 26 April 2016. The acquisition of this site is a key milestone in Council progressing the relocation of Council’s Operation Centre. The relocation of the Operations Centre is recognised by Council as a key initiative in the realisation of its aspirations for Knox Central.

This report provides a background to the project, major tasks and timing and the proposed budget, project management and governance arrangements.

4. Knox Central Project – Operations Centre Relocation (cont'd)

2. DISCUSSION

2.1 Background

The Knox Central precinct includes an area of approximately 200 ha (equivalent to the size of the Melbourne CBD grid) in the heart of Knox. It is defined by Stud Road to the west, Burwood Highway to the south, Scoresby Road to the east and a variable northern boundary.

The precinct offers a substantial redevelopment and urban renewal opportunity. Over the next 25 years, Knox Central is envisaged to cater for thousands of new people, new dwellings and new jobs, along with additional retail and office space and many significant cultural, civic, environmental and social outcomes.

Many of the various components of Council's aspiration for Knox Central, such as the construction of an arts centre, the provision of a modern, contemporary library and the desire to drive change in the Lewis Road sub-precinct have been high priority for many years.

Significantly, Council is progressing a plan to achieve the most significant Knox Central aspirations. The plan has the potential to be fully funded and delivered within ten years. This plan identifies the need to relocate Council's Operations Centre or depot to free up that site for building a mixed use (residential, retail, civic) precinct including an arts centre, library and civic centre over time.

2.2 Operations Centre Relocation

As a part of Council's 2016/17 budget process, Councillors were advised that the identification of a possible site had progressed. At Council's SPC Meeting of 8 March, 2016, Council resolved to commence negotiations to acquire 14B Henderson Road, Knoxfield (now known as 14 Henderson Road, Knoxfield) as the site for Council's Operations Centre.

Officers successfully finalised negotiations for the acquisition of the property, with settlement occurring on 26 April, 2016. A subsequent report was presented to the 10 May, 2016 Strategic Planning Committee Meeting, where Council formally noted the acquisition of the property at 14 Henderson Road, Knoxfield.

With a site now having been acquired, a Project Plan has been prepared to detail the work required to plan for and deliver the relocation including the construction of a new Operations Centre and to decommission the site we are exiting. Refer Figure One – Existing Operations Centre site.

4. Knox Central Project – Operations Centre Relocation (cont'd)



Figure One – The existing Knox Operations Centre site

2.2.1 Proposed Project Staging and Timeframes

With the acquisition of the Henderson Road site, work has been undertaken to prepare a plan that will outline the key considerations of the project, the process or stages to be followed and the anticipated timing and the resource requirements. In terms of considerations, the following higher level factors are noted:

- The current site is 2Ha. The Henderson Road site is substantially smaller at 1.2Ha.
- The existing facilities incorporate:
 - offices;
 - amenities; and
 - meeting rooms and storage for approximately 120 staff.
- Workshops, vehicle wash bay, waste treatment, material storage (outdoor and secure).
- Vehicle and plant storage, staff and visitor parking for approximately 200 vehicles and items of plant.
- Dependencies – noting that a number of Council departments (outside of Operations) make use of the Operations Centre on a regular basis. This use includes:

4. Knox Central Project – Operations Centre Relocation (cont'd)

- vehicle storage (Community Transport – buses);
- fleet/car pool (Health Services, Health and Community Care (HACC), Assets, etc.); and
- property storage (Local Laws – impounded property storage).

There will also be a number of ongoing issues with the current site that will need to be addressed prior to new uses being established; including de-commissioning, demolition and possible rehabilitation needs.

The project plan itself has outlined the key stages or phases to be progressed in delivering this project. The plan recognises the investigation and audit requirements (current site) and the business analysis, service planning and process improvement aspects to be worked through – to establish the project scope. Given the new site is 1.2Ha, this aspect presents a number of opportunities to create efficiencies not only in regard to how the new Operations Centre will be set up, but also in regard to how it will function. The proposed project plan is as follows:

	DATE (TIME)
Stage	
Project planning – Phase 1 (<i>Achieved</i>)	December, 2015
Procurement of alternative site(s) – Phase 2 (<i>Achieved</i>)	April, 2016
Project approval – Phase 3	July, 2016
Project manager – project establishment – Phase 4	August, 2016
Principal consultant engagement – Phase 5	November, 2016
Investigation and audit (current and new sites) – Phase 6	January, 2017
Business analysis, service planning and process improvement – Phase 7	April, 2017
Project scope – Phase 8	June, 2017
Concept design (new site) - Phase 9	October, 2017
Design development – Phase 10	March, 2018
Detail design – Phase 11	June, 2018
Project Tendering and Tender Evaluation – Phase 12	September, 2018
Project Delivery – Phase 13	July, 2019
Project Completion – Phase 14	November, 2019
De-commissioning of current site – Phase 15	December, 2019

2.3 Project Management and Governance

The establishment of Project Management and Governance arrangements to steer the delivery of the Operations Centre relocation is seen to be an important step in the delivery of this project. A proposed project management and control structure has been developed and is outlined as Appendix A. This follows a similar arrangement as the Eastern Recreation Precinct. An overview of the roles and responsibilities is outlined as follows.

Knox Central Advisory Committee – involvement will be on high order, strategic issues and providing oversight on Council's endorsed direction and outcomes for this project.

4. **Knox Central Project – Operations Centre Relocation (cont'd)**

Project Control Group – provision of high level management support to the project including oversight of project timing and milestones, budget, risk management and reports to Council and provides project status reports to the Knox Central Advisory Committee.

Project Management Group – the officers within Council (including the Project Manager) that are assembled to undertake the project. A number will have key roles and will be responsible for the delivery of key aspects of the project including responsibility for project timing and milestones, budget, risk management, probity and reports to the Project Control Group. There will be three (3) teams operating under and reporting to the Project Management Group which will leave specific aspects of the project. These are:

- **Project Team – Project Delivery** – responsible for the project delivery aspects of the project including project procurement, project cost control, design consultants, project management, design, documentation and contract administration, quality control, environmental occupational health and safety (EOH&S).
- **Project Team – Finance** – responsible for the finance aspects of the project including account management, budget oversight, cash flow management, finance procurement, financial reporting.
- **Technical Team** – specialist officers within Council who will provide input into the project as needed including at key project stages.

3. CONSULTATION

The project plan was presented to Council's Executive Management Team (EMT) Meeting on Thursday 16th June 2016 and was endorsed. The key aspects of the plan have been presented to Council's Knox Central Advisory Committee (KCAC) for comment.

Consultation has been undertaken with internal stakeholders, Council's valuers, the Knox Central Advisory Committee and Council. Consultation has also taken place with Operations Centre staff to keep them informed as to the process and of Council's acquisition of the Henderson Road site. There was no feedback received from staff as a part of this process. It is noted that consultation with affected staff is a key requirement of Council's Enterprise Agreement. Consultation with staff will continue as required.

The proposed project plan – including proposed project tasks, timeframes and resource requirements is now presented to Council for consideration and endorsement.

4. Knox Central Project – Operations Centre Relocation (cont'd)

4. ENVIRONMENTAL/AMENITY ISSUES

As a part of Council's due diligence process in regard to the Henderson Road site, an environmental study incorporating soil testing, was undertaken. The report indicated no environmental issues. In relation to the current Operations Centre site, environmental testing and monitoring is ongoing. With the history of the site, having incorporated a former fuel depot and current waste water treatment, it is anticipated that there will be requirements for rehabilitation and or ongoing environmental management. This will be determined as the environmental study and analysis is further progressed.

5. FINANCIAL & ECONOMIC IMPLICATIONS

The cost of acquiring the property at 14 Henderson Road, Knoxfield was \$3,356,100 (+GST). This was in accord with Council's previous resolution and is within the budget provided for in the LTFF.

The broader estimated cost of relocating the Operations Centre is \$21.9M. This is a preliminary estimate inclusive of project management, design, contract administration and contingency. A Quantity Surveyor will prepare a final estimate once the design development process has progressed.

The projected cash flows, based on the proposed project staging and timeframes, is as follows:

2015/16	\$3.356M
2016/17	\$0.750M
2017/18	\$0.500M
2018/19	\$17.294M

6. SOCIAL IMPLICATIONS

The land currently occupied by Council's Operations Centre is some of the most valuable land in the municipality, not only in financial terms but also in terms of amenity to the community. Freeing this currently inaccessible land from its current use allows Council to in turn free up significant adjacent and nearby holdings that can be developed for civic purposes (currently proposed to include an arts and conference centre, a library and a new civic centre) as well as residential and retail.

The residential development on this land will allow for a significant number of new dwellings, concentrating much needed higher density housing in the central city. This in turn relieves pressure on outer areas of the municipality to increase density to meet housing demand.

The civic development on this land will significantly increase and improve the availability of cultural activities within the municipality.

4. Knox Central Project – Operations Centre Relocation (cont'd)

7. RELEVANCE TO CITY PLAN 2013-17 (INCORPORATING THE COUNCIL PLAN)

The matters outlined in this report relate directly to a number of City Plan objectives -

- **2: Prosperous, Advancing Economy**
 - 2.2 Improve opportunities for people to live, work, learn and play in Knox.

Relocating the Operations Centre makes way for the development of a significant number of new dwellings, increased arts, cultural, retail and civic amenity and increased links to the Westfield shopping centre in the heart of Knox.

- **4: Culturally Rich and Active Communities**
 - 4.2 Increase use of public spaces and infrastructure for the purposes of cultural expression and physical activity.
 - 4.2.2 Create a key focal point for culture in Knox to improve the visibility of artistic expression and support and guide the community to other arts and cultural events and spaces.
 - 4.2.5 Promote and celebrate the arts in Knox and provide an environment in which artistic and cultural expression in the public domain is encouraged and valued.

The return of largely closed off and industrial land to the municipality as a mixed use precinct that includes an arts and conference centre as well as a library (over time) provides a significant focus on art, culture and leisure in the heart of Knox.

8. CONCLUSION

The relocation of Council's Operation Centre activities out of the Knox Central Precinct will be a key plank in delivering Council's vision for Knox Central. This report has provided an outline of the project stages, timing, budget and project management and governance structures to be put in place to deliver on this important project. Once achieved, Council will be in a strong position to progress its vision to deliver a Council owned Arts and Conference Centre and Library in Knox Central within the next 25 to 30 years.

9. CONFIDENTIALITY

A confidential report providing details of the Knox Central Project is attached to this report. It is deemed confidential due to reference to matters of a commercially sensitive nature.

4. Knox Central Project – Operations Centre Relocation (cont'd)**COUNCIL RESOLUTION**

MOVED: CR. PEARCE

SECONDED: CR. COSSARI

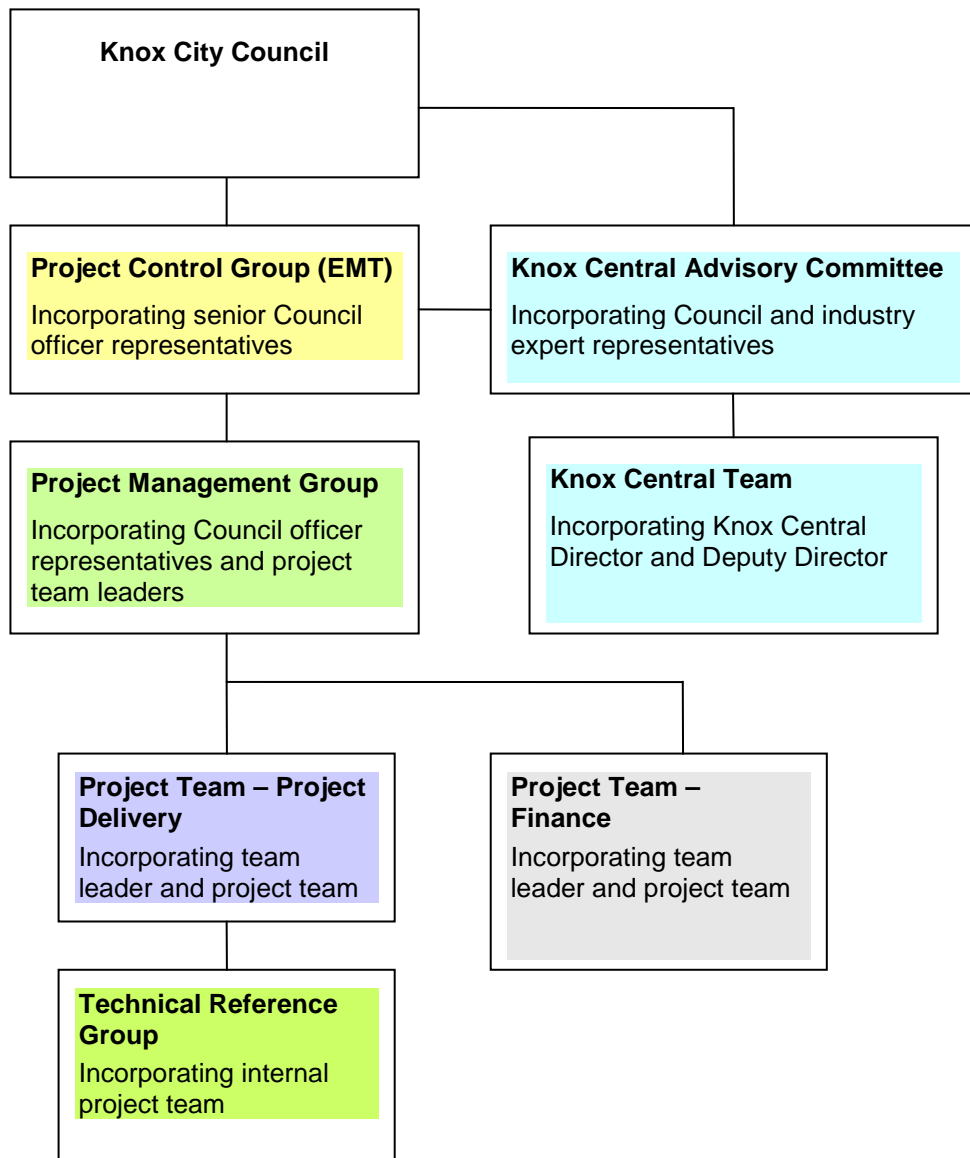
That Council

1. note the project management and control structures that have been established to guide the delivery of the Operations Centre relocation;
2. endorse the proposed project tasks timeframes and resource requirements as outlined; and
3. resolve to proceed with the Operations Centre relocation as a key phase in the delivery of the Knox Central Project.

CARRIED

4. Knox Central Project – Operations Centre Relocation (cont'd)

APPENDIX A



MEETING CLOSED AT 7.09PM

Minutes of Meeting confirmed at the
Ordinary Meeting of Council
held on
Tuesday 26 July 2016

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Chairperson