

# WELLINGTON SHIRE COUNCIL



WELLINGTON  
SHIRE COUNCIL

*The Heart of Gippsland*

## ABELS ROAD & BOYLE ROAD LONGFORD

PROPOSED DECLARATION

**SCHEME No. 2004**

SPECIAL CHARGE STREET SCHEME

# PROPOSED DECLARATION OF SPECIAL CHARGE

## 'Abels Road & Boyles Road, Longford - Special Charge Street Construction

### Scheme

### Number 2004'

1. Wellington Shire Council (**Council**) proposes to declare a Special Charge (**Special Charge** or **Scheme**) under section 163(1) of the *Local Government Act 1989 (Act)* for the purpose of defraying any expenses or repaying (with interest) any advance made to or any debt incurred or loan to be raised by Council in relation to the construction of Abels Road & Boyles Road in Longford (**Street**) and for providing all and any necessary ancillary works associated with the construction of the Road, including drainage. The Scheme, if declared, is to be known as the 'Abels Road & Boyle Road - Special Charge Street Construction Scheme Number 2004'.
2. The criteria which will form the basis of the proposed declaration of the Special Charge are the ownership of rateable properties in the area of the Scheme (being properties within the 'rural - residential area' of Longford) and based on the application of access benefit units, including having regard to the driveway access of those properties in the Scheme to Abels Road & Boyle Road (as the properties are set out in paragraphs 7 and 8 of the proposed declaration), the overall benefits which it is considered the properties in the Scheme (based on the physical and other benefits) will receive from the works to be provided under the Scheme.
3. In proposing the declaration of the Special Charge, Council is performing functions and exercising powers in relation to the peace, order and good government of the municipal district of the Shire of Wellington, in particular the provision of proper, safe and suitable roads and property services within the area for which the proposed Special Charge is to be declared (**Works**).
4. The total cost of the performance of the function and the exercise of the power by Council (in relation to the Works) is \$430,000 and this amount is the total estimated cost of the Works to be undertaken by the Scheme.
5. The total amount to be levied under the Scheme as the Special Charge is \$61,200
6. The Special Charge will commence on the date on which it is levied by Council and will remain in force for a period of 5 years.
7. The area for which the proposed Special Charge is to be declared is all of the land shown on the plan set out in the Schedule forming a part of this proposed declaration (being **Schedule 1**).
8. The land in relation to which the proposed Special Charge is to be declared is all that rateable land described in the listing of rateable properties set in the Schedule forming a part of this proposed declaration of Special Charge (being **Schedule 2**).

9. The proposed Special Charge will be assessed and levied in accordance with the amounts set out alongside each property in the Schedule forming a part of this proposed declaration (being **Schedule 2**), such amounts having been assessed and determined by Council as (and are based on) a fixed charge for each property having regard to access, including and in particular driveway access. Properties which have a shared driveway access to the street to be constructed via common property will have their access benefits calculated on the basis of 100% for the first property and 50% for each additional property (with access being apportioned to each of the properties so as to equal the sum of the percentages divided by the number of properties with common property access), and any other benefits.

(More particularly, the Special Charge is to be apportioned to properties included in the Scheme on the basis of each property having a driveway access to the street to be constructed under the Scheme being apportioned one (1) Access Benefit Unit (ABU) and properties within an Owners Corporation with a shared driveway access to the street via common property being apportioned an Access Benefit Unit calculated on the basis of 100% for the first property and 50% for each additional property. The Access Benefit Unit is otherwise to be apportioned to each of these properties equaling the sum of the percentages divided by the number of properties with common property access.)

10. Subject to any further resolution of Council, the Special Charge will be levied by Council sending a notice in the prescribed form to the owners of the properties in the Scheme by which the Special Charge is to be paid –
- (a) In full amount within 45 days of the notice; or
  - (b) By way of quarterly instalments in the manner set out in paragraph 11.
11. Because the performance of the function and the exercise of the power in respect of which the proposed Special Charge is to be declared and levied relates substantially to the provision of capital works, special ratepayers will be given an instalment plan under which –
- (a) Quarterly instalments are to be paid over a 5 year period, or other such period as negotiated; and
  - (b) Quarterly instalments will include a component for reasonable interest costs, the total of which will not exceed the estimated borrowing costs of Council in respect of the construction of the Road by more than 1 per cent.
12. Council will consider cases of financial and other hardship, and may consider other payment options for the Special Charge.
13. No incentives will be given for the payment of the Special Charge before the due date for payment.
14. Council considers that there will be a special benefit to the persons required to pay the Special Charge because there will be a benefit to those persons over and above, or greater than, the benefit that is available to persons who are not subject to the proposed Special Charge, and directly and indirectly as a result of the expenditure proposed by the Special Charge, the value and the use, occupation and

enjoyment of the properties included in the Scheme will be maintained or enhanced through the provision of proper, safe and suitable roads and property services. Without limitation, Council considers that the Works will –

- (a) Reduce dust;
- (b) Enhance the amenity and character of the land, and local area;
- (c) Create improved riding surfaces for the roads;
- (d) Improve access and egress from properties;
- (e) Improve road drainage; and
- (f) Improve road safety for motorists, cyclists.

- 15.** For the purposes of having determined the total amount of the Special Charge to be levied under the Scheme, Council further considers and formally determines for the purposes of sections 163(2)(a), (2A) and (2B) of the Act that the estimated proportion of the total benefits of the Scheme to which the performance of the function and the exercise of the power relates (including all special and community benefits) that will accrue as special benefits to all persons who are liable to pay the Special Charge is in a ratio of 0.82 or 82%, noting however that, in the exercise of its discretions, Council has chosen to make a further contribution to the cost of the Works so as to arrive at a Revised Maximum Total Levy Amount of \$61,200.

## **SCHEDULES TO DECLARATION**

Schedule 1 - Scheme plan area

Schedule 2 - Listing of all properties with amount of special charges payable and showing manner of calculation of special charge apportionment;

Method 1 - Maximum Levy at 50% Access Benefit & 50% Frontage

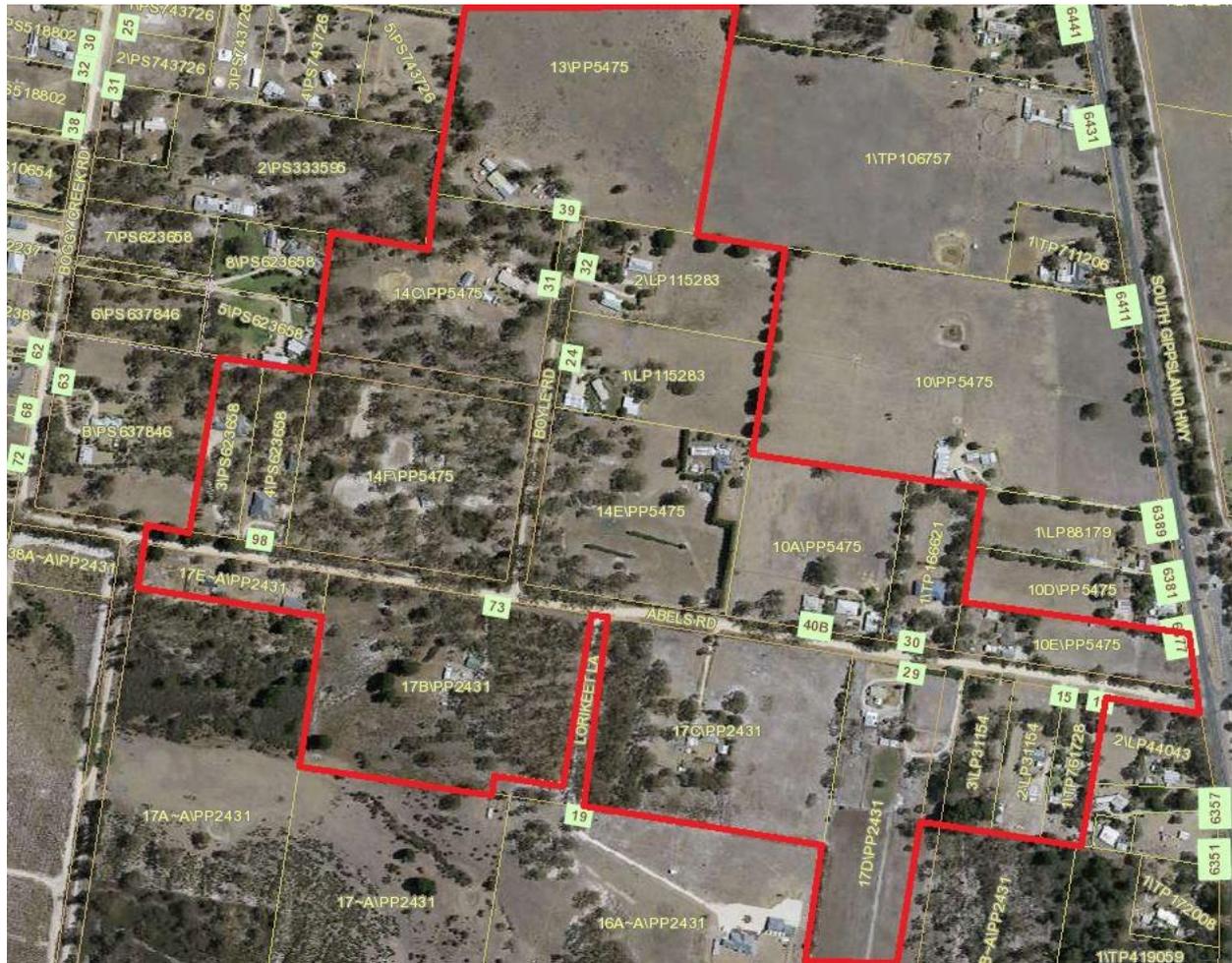
Method 2 - Maximum Levy at 100% Access Benefit

Method 3 - Fixed Fee

# Schedule 1

## ABELS ROAD & BOYLES ROAD – LONGFORD PLAN OF SPECIAL CHARGE SCHEME AREA.

Scheme Boundary 



Schedule 2

Method 1 - Maximum Levy at 50% Access Benefit & 50% Frontage

**WELLINGTON SHIRE COUNCIL**  
**ABELS RD & BOYLE RD CONSTRUCTION SCHEME - APPORTIONMENT OF COST - MAX. LEVY AMOUNT - 50% ACCESS & 50% FRONTAGE**

ASSESSES NO.	PARCEL NO.	TITLE DETAILS	STREET ADDRESS OF PROPERTY	ACCESS BENEFIT (AB)	FRONTAGE (F)	SIDEAGE & REARAGE (S&R)	TOTAL APPORTIONED LENGTH (AL=Fx0.3S&R)	SCHEME AMOUNT DUE (=ABxR+ALxR)
1	197376	10636	Lot 1 TP761728	1	41.5		41.50	\$14,041.04
2	197368	10635	Lot 2 LP31154	1	50.5		50.50	\$14,837.04
3	207357	10634	Lot 3 LP31154	1	50.5		50.50	\$14,837.04
4	197343	10632	CA 17D	1	94.5		94.50	\$18,728.60
5	369074	46234	CA 17C	1	247.2		247.20	\$32,234.07
6	197335	10628	CA 17B	1	266.7		266.70	\$33,968.74
7	380667	47885	CA 17E	1	189.9		189.90	\$27,166.20
8	185116	9359	CA 10E	1		247.0	74.10	\$16,924.33
9	185124	9360	Lot 1 TP166621	1	72.4		72.40	\$16,773.97
10	185132	9361	CA 10A	1	159.5		159.50	\$24,477.49
11	185140	9362	CA 14E	1	202.7		257.24	\$33,122.06
12	411827	56034	Lot 4 PS623658	1	49.0	181.8	49.00	\$14,704.37
13	411066	56033	Lot 3 PS623658	1	49.0		49.00	\$14,704.37
14	185470	9395	CA 14C	1	177.0		177.00	\$26,025.27
15	185462	9394	CA 13	1	20.1		20.10	\$12,148.32
16	185447	9392	Lot 1 LP115283	1	98.4		98.40	\$19,073.53
17	185454	9393	Lot 2 LP115283	1	95.8		95.80	\$18,843.57
18	185157	48258	CA 14F	1	exempt property			
<b>TOTALS</b>				<b>17</b>	<b>1864.7</b>	<b>428.8</b>	<b>1993.34</b>	<b>\$352,600.00</b>
<b>TOTAL ESTIMATED COST OF SCHEME</b>				<b>\$</b>	<b>430,000</b>			
<b>COUNCIL CONTRIBUTION</b>				<b>\$</b>	<b>77,400</b>			
<b>APPORTIONED AMOUNT</b>				<b>\$</b>	<b>352,600</b>			
AMOUNT APPORTIONED TO ACCESS - 50%				\$	176,300			
AMOUNT APPORTIONED TO FRONTAGE 50%				\$	176,300			
Apportionment Rate - (Access Benefit Units)				\$	10,370.59	per ABU (R)		
Apportionment Rate - (Abuttal Length)				\$	88.44	per m (R)		

Method 2 - Maximum Levy at 100% Access Benefit

**WELLINGTON SHIRE COUNCIL**  
**ABELS RD & BOYLE RD CONSTRUCTION SCHEME - APPORTIONMENT OF COST - MAX. LEVY AMOUNT - ACCESS ONLY**

ASSESS NO.	PARCEL NO.	TITLE DETAILS	STREET ADDRESS OF PROPERTY	ACCESS BENEFIT	ACCESS BENEFIT FACTOR APPLIED FOR COMM. PROP.	APPORTIONED ACCESS BENEFIT (AAB)	FIXED RATE CONTRIBUTION (FRC)	SCHEME AMOUNT DUE (= AAB x FRC)
1	197376	10636	Lot 1 TP761728	11 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
2	197368	10635	Lot 2 LP31154	15 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
3	207357	10634	Lot 3 LP31154	Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
4	197343	10632	CA 17D	29 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
5	369074	46234	CA 17C	49 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
6	197335	10628	CA 17B	73 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
7	380667	47885	CA 17E	93 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
8	185116	9359	CA 10E	18 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
9	185124	9360	Lot 1 TP166621	30 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
10	185132	9361	CA 10A	40A Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
11	185140	9362	CA 14E	48 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
12	411827	56034	Lot 4 PS623658	98 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
13	411066	56033	Lot 3 PS623658	100 Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
14	185470	9395	CA 14C	31 Boyle RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
15	185462	9394	CA 13	39 Boyle RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
16	185447	9392	Lot 1 LP115283	24 Boyle RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
17	185454	9393	Lot 2 LP115283	32 Boyle RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
18	185157	48258	CA 14F	Abels RD, LONGFORD	1	1	\$20,741.18	\$20,741.18
				<b>TOTALS</b>	<b>17</b>	<b>17</b>		<b>\$352,600.00</b>
				<b>TOTAL ESTIMATED COST OF SCHEME</b>	<b>\$</b>	<b>430,000</b>		
				<b>COUNCIL CONTRIBUTION</b>	<b>\$</b>	<b>77,400</b>		
				<b>APPORTIONED AMOUNT</b>	<b>\$</b>	<b>352,600</b>		

ABU FACTOR CALCULATION FOR COMMON PROPERTY  
 Calculation - First property at 100% with 50% for each additional property divided by number of properties

Address Nil  
 Factor

**Method 3 – Fixed Fee - Access Benefit (Revised Maximun Levy)**

**WELLINGTON SHIRE COUNCIL  
ABELS RD & BOYLE RD CONSTRUCTION SCHEME - APPORTIONMENT OF COST - REVISED MAX. LEVY AMOUNT - ACCESS ONLY**

ASSESS NO.	PARCEL NO.	TITLE DETAILS	STREET ADDRESS OF PROPERTY	ACCESS BENEFIT	ACCESS BENEFIT FACTOR APPLIED FOR COMM. PROP.	APPORTIONED ACCESS BENEFIT (AAB)	FIXED RATE CONTRIBUTION (FRC)	SCHEME AMOUNT DUE (= AAB x FRC)
1	197376	10636	Lot 1 TP761728	1		1	\$3,600.00	\$3,600.00
2	197368	10635	Lot 2 LP31154	1		1	\$3,600.00	\$3,600.00
3	207357	10634	Lot 3 LP31154	1		1	\$3,600.00	\$3,600.00
4	197343	10632	CA 17D	1		1	\$3,600.00	\$3,600.00
5	369074	46234	CA 17C	1		1	\$3,600.00	\$3,600.00
6	197335	10628	CA 17B	1		1	\$3,600.00	\$3,600.00
7	380667	47885	CA 17E	1		1	\$3,600.00	\$3,600.00
8	185116	9359	CA 10E	1		1	\$3,600.00	\$3,600.00
9	185124	9360	Lot 1 TP166621	1		1	\$3,600.00	\$3,600.00
10	185132	9361	CA 10A	1		1	\$3,600.00	\$3,600.00
11	185140	9362	CA 14E	1		1	\$3,600.00	\$3,600.00
12	411827	56034	Lot 4 PS623658	1		1	\$3,600.00	\$3,600.00
13	411066	56033	Lot 3 PS623658	1		1	\$3,600.00	\$3,600.00
14	185470	9395	CA 14C	1		1	\$3,600.00	\$3,600.00
15	185462	9394	CA 13	1		1	\$3,600.00	\$3,600.00
16	185447	9392	Lot 1 LP115283	1		1	\$3,600.00	\$3,600.00
17	185454	9393	Lot 2 LP115283	1		1	\$3,600.00	\$3,600.00
18	185157	48258	CA 14F	1	exempt property	1	\$3,600.00	\$3,600.00
<b>TOTALS</b>				<b>17</b>		<b>17</b>		<b>\$61,200.00</b>
<b>TOTAL ESTIMATED COST OF SCHEME</b>				<b>\$</b>	<b>430,000</b>			
<b>COUNCIL CONTRIBUTION</b>				<b>\$</b>	<b>368,800</b>			
<b>APPORTIONED AMOUNT</b>				<b>\$</b>	<b>61,200</b>			

ABU FACTOR CALCULATION FOR COMMON PROPERTY  
Calculation - First property at 100% with 50% for each additional property divided by number of properties

Address Nil  
Factor

## ABELS ROAD & BOYLE ROAD, LONGFORD – SPECIAL CHARGE STREET CONSTRUCTION SCHEME NUMBER 2004

### Determination under Sections 163(2)(a), (2A) and (2B) of the *Local Government Act 1989* – Calculation of Total Amount of Special Charges to be Levied ('Maximum Total Levy')

#### Introduction

Wellington Shire Council (**Council**) has a legacy of being required to deal with a number of issues associated with sub-standard roads and streets throughout the Shire. A key objective of Council is to renew and improve roads and streets within residential environments with a view to providing proper community infrastructure and improved amenity and liveability, and overall resident satisfaction.

Council has (following a review of its 'Residential Road and Street Construction Plan 2014') adopted the 'Residential Road and Street Construction Plan 2019' (**Plan**). As a strategic policy document, the Plan seeks to provide a sustainable budgetary response to the renewal and improvement of sub-standard roads and streets within residential environments throughout the Shire.

The proposed special charge scheme for the construction and improvement of Abels Road and Boyle Road in Longford (to be known as the 'Abels Road & Boyle Road - Special Charge Street Construction Scheme Number 2004') (**Special Charge** or **Scheme**) is consistent with, and otherwise supports, the Plan.

This determination is made by Council under and for the purposes of sections 163(2)(a), (2A) and (2B) of the *Local Government Act 1989* (**Act**). It addresses the calculation of the 'benefit ratio' in order to determine the total amount of the special charges that may be levied on those property owners who it is considered will receive a benefit from the proposed works through the imposition of the Special Charge (**Maximum Total Levy**).

The calculation of the Maximum Total Levy requires Council to –

- Calculate the total cost of the works; and
- Calculate the 'benefit ratio' based on reasonable estimates being made of –
  - i. The 'total special benefits' to the properties included in the Scheme (TSB(in));
  - ii. The 'total special benefits' to the properties not included in the Scheme (if any) (TSB(out)); and
  - iii. The 'total community benefits' (if any) to be provided by the Scheme (TCB).

## **A. Define Purpose**

The purpose of the Special Charge Scheme is to defray an expense or to repay (with interest) an advance made to or a debt or loan to be raised by Council in connection with the construction, improvement of Abels Road & Boyle Road in Longford

Abels & Boyle Roads are located within a rural - residential area and currently consists of a formed (but unsealed) gravel pavement of approximately 5 - 6m width and a combined 1450m in length with irregular surface drains. The roads are primarily a rural type road, with the unsealed sections extending for the full lengths of the roads. The roads are managed and maintained by Council.

A formal investigation of the proposed Special Charge Scheme was commenced following ongoing property owner concerns and complaints in relation to Council's maintenance grading regime, which applied to the roads. The initial work undertaken by Council in response to these concerns included the preparation of concept designs and an estimate of costs. Property owners were advised that, if implemented, the Scheme would provide for the construction and sealing of the road to a 6m width, with kerbing at intersections, and improved surface drainage and stormwater management.

The construction and sealing of Abels Road & Boyle Road will reduce Council's need for ongoing maintenance intervention, while providing a higher level of service for property owners and the general public. Under Council's Road Management Plan, Abels & Boyle Roads are designated as a 'Local Access A Road' and 'Local Access B Road' respectively and (as required by the Plan), 88% or more of property owners have expressed support for its construction.

Consistent with the Plan, it is considered that the 17 rateable properties which it is proposed will be included in the Scheme (and the general public) will benefit from the proposed works in the following ways –

- Improved amenity and liveability for residents and community through quality infrastructure and streetscape;
- Removal of dust and health related issues currently experienced in unsealed streets;
- Improved safety for motorists with modern road infrastructure, that is less exposed to rapid degradation;
- Decreased maintenance costs incurred by Council, through reduced demand associated with upkeep of poorly constructed roads, streets & drains;
- Increased community satisfaction via the provision of infrastructure that meets expectations;

Following further investigation of potential methods to facilitate the construction works in Abels Road & Boyle Roads, a further consideration of survey results and further discussions with property owners (who continue to show support for the Scheme), it has been concluded that a Special Charge Scheme, generally in accordance with and supported by the Plan, is the preferred approach to facilitate the project outcomes.

## B. Ensure Coherence

The proposed road and surface drainage improvement works to be located within the Scheme area will provide a special benefit to the 17 rateable property owners located within the Scheme boundaries, and are otherwise physically connected to the purpose set out in A.

## C. Calculate Total Costs

The implementation of the Special Charge is regulated by section 163 of Act. Ministerial Guidelines made pursuant to the Act require Councils to be transparent about how they calculate the 'Maximum Total Levy'.

For this project, the Maximum Total Levy has been calculated in accordance with the Act and the Guidelines. The Maximum Total Levy, and other relevant information, is summarised in the table below.

<b>Total Scheme Cost</b>	<b>\$430,000</b>
'Benefit Ratio' Determination	0.82 or 82%
<b>Maximum Total Levy Amount</b>	<b>\$352,600</b>
Further Council Contribution	\$291,400
<b>Revised Maximum Total Levy Amount</b>	<b>\$ 61,200</b>

## D. Identify Special Beneficiaries

It is considered that all 17 rateable properties in the Scheme (as they are listed in the apportionment spreadsheet) will receive both road- and drainage-related special benefits from the proposed works.

The relevant special benefits which it is considered each property will receive are –

- Reduction in dust;
- Enhancement of the amenity and character of the land and local area;
- Creation of improved riding surfaces for the street;
- Improvement in access and egress from properties;
- Improved road drainage; and
- Improved road safety for motorists and cyclists.

The Scheme area (showing the 17 properties and the location of the roads to be constructed) is shown in on the plan below.



**E. Determine Properties to Include**

For the purposes of calculating the Benefit Ratio, a notional benefit value – to be called a Benefit Unit (BU) – will be used. A BU is a deemed benefit equal to the *average* benefit for each and every property included in the Scheme. This average benefit is considered to comprise *both* access and amenity benefits.

It is considered that that all of the properties included within the Scheme will receive a benefit from the works to be provided under the Scheme (being 1 BU for each property), regardless (for the purposes of calculating the Benefit Ratio but not for the purposes of the final distribution of the Special Charge amongst the Special Charge contributors) and regardless of whether or not particular properties have subdivision or other development potential (or, in some cases, further subdivision or development potential). The BU so chosen has been broken up equally into both access benefit and amenity benefit (viz., 0.5 BU for 'improved access' and 0.5 BU for 'improved amenity').

**F. Estimate Total Special Benefits**

Total Special Benefit Units are defined as follows –

Total Special Benefits = Total Special Benefits In + Total Special Benefits Out, that is –

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

**TSB<sub>(in)</sub>** has been calculated as follows –

Total Special Benefit Units In (TSB <sub>(in)</sub> )	Access (50%)	Amenity (50%)
Total number of Rateable Properties in Scheme receiving Special Benefit and being required to pay the Special Charge (17)	0.5 x 17 = 8.5 BU	0.5 x 17 = 8.5 BU
<b>TSB<sub>(in)</sub> =</b>	<b>17 BU</b>	

**TSB<sub>(out)</sub>** has been calculated as follows –

Because –

- All of the properties in the Scheme (including common property) are rateable; and
- There is one properties in the Scheme receiving a special benefit which are not required to pay the Special Charge –

there is one **TSB<sub>(out)</sub>** properties. **TSB<sub>(out)</sub> = 1**

**G. Estimate Total Community Benefit**

In addition to establishing the Total Special Benefits for the Scheme, an assessment of any Community Benefit is also required to be undertaken in order to calculate the Maximum Total Levy.

In terms of assessing the level of any Community Benefit, it is generally considered that the works included in the Scheme will primarily benefit only those properties which are included within the Scheme boundary, and that accordingly the level of benefit to the broader community will be limited.

It is considered that the Community Benefit attributable to the proposed Scheme works will be generated from the broader community receiving some benefits and which benefits (in the interest of fairness and equity) Council should be pay for (and not the special charge contributors).

The community benefits are considered to be –

- A wider use of Abels Road and Boyle Road following its construction;
- Improved drainage and water quality; and
- Reduced ongoing maintenance costs for Council.

#### *Broader traffic use*

To calculate the level of Community Benefit which it is considered will be attributable to persons who are not accessing or servicing the properties within the Scheme boundary (but who will nevertheless use the road for wider access purposes), an assessment of vehicle movements has been undertaken. Based on a Traffic Count taken in September 2020, it was determined that there are 120 vehicle movements per day along Abels road (in its present form).

Based on these traffic movements, it is considered that the majority (if not all) of these vehicle movements relate to use by persons who are accessing or servicing the Special Benefit (in) properties the scheme (based on an average of 6 vehicle movements per day).

Therefore, the Total Special Benefits for 'road access' by the Special Benefit (in) properties is determined to be 8.5 BU (this is based on approximately 102 vehicle movements per day (17 x 6 (averaged out and give or take))).

Based on current traffic volumes (and any projected increases in traffic following construction of the road by persons not receiving special benefits), it is anticipated that the overall traffic along Abels Road would not significantly increase, meaning that it is anticipated that there will be little additional vehicle movements per day following construction of the roads. Despite this, an allowance is made for what may be some increase in traffic movements and, accordingly, any projected increase in external traffic will account for the Total Community Benefit, and this will result in the calculation of the following BU's for any such traffic by the broader community.

Total Community Benefit Units for any broader traffic use of the road is calculated as follows–

$$\begin{aligned} \text{TCB}_{\text{traffic}} &= 8.5 \times (1 - 102 / 120) \\ &= 8.5 \times 0.15 \end{aligned}$$

$$\text{TCB}_{\text{traffic}} = 1.3$$

#### *Improved drainage and water quality*

Sealing of the roads will result in improved drainage and better water quality: It is recommended therefore that **0.5 BU** be allowed for this benefit, which is however considered to be a marginal benefit.

$$\text{TCB}_{\text{drainage}} = 0.5$$

### *Reduced ongoing maintenance costs*

There will be less ongoing maintenance costs for Council in having to care for and manage a sealed road, rather than an unsealed road: It is recommended therefore that **1 BU** be allowed for this benefit, which again is considered to be a marginal benefit.

$$TCB_{\text{maintenance}} = 1$$

Therefore,

$$\begin{aligned} TCB_{\text{total}} &= TCB_{\text{traffic}} + TCB_{\text{drainage}} + TCB_{\text{maintenance}} \\ &= 1.3 + 0.5 + 1 \end{aligned}$$

$$TCB_{\text{total}} = 2.8$$

### **H. Calculating the 'Benefit Ratio'**

The Benefit Ratio is calculated as follows –

$$\begin{aligned} R &= \frac{TSB_{(in)}}{TSB_{(in)} + TSB_{(out)} + TCB} \\ &= 17 / (17 + 1 + 2.8) \\ &= 17 / 20.8 \end{aligned}$$

$$\text{Benefit Ratio (R)} = 0.82$$

### **I. Calculating the Maximum Total Levy**

The following formula, as set out in the Act, is used to determine the Maximum Total Levy–

$$\mathbf{R \times C = S}$$

where –

**R** is the Benefit Ratio determined by Council;

**C** is the total Scheme cost; and

**S** is the Maximum Total Levy

<b>Maximum Total Levy Amount (R x C = S)</b>
0.82 x \$430,000 = \$352,600

Council may levy up to **82%** of total costs, or **\$352,600**

## **J. Other relevant considerations**

Council notes that if it levies the Maximum Total Levy Amount of \$352,600 the special charge contributors would be required to pay by way of special charges amounts which exceed the amounts set out in Council's Residential Road and Street Construction Plan 2019<sup>1</sup>.

In the exercise of its discretions, and otherwise in accordance with the Plan (and the objectives which the Plan seeks to achieve), Council chooses to allocate a further amount of \$291,400 in and towards the cost of the Scheme works, meaning that the Maximum Levy Amount to be charged to the Scheme will be \$61,200 (***Revised Maximum Total Levy Amount***).

The Revised Maximum Total Levy Amount is to be apportioned amongst the property owners within the scheme area in accordance with the method of distribution of the Special Charge to be determined by Council in the declaration of the Special Charge.

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<sup>1</sup> Refer to section 6.2 of the Plan by which a fixed rate contribution model of \$3,600 has been proposed and adopted by Council for Small & Coastal Towns where sealed roads are to be provided.