

RUE DE GARE AND PROSPECT ROAD, WANDIN NORTH SPECIAL CHARGE SCHEME FINAL COST

Report Author: Special Charge Scheme Officer
Responsible Officer: Director Built Environment & Infrastructure
Ward(s) affected: Chandler;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

This report presents to Council for approval the final cost of works for the Rue De Gare and Prospect Road, Wandin North Road Improvement Works Special Charge Scheme.

RECOMMENDATION

That

- 1. Council approve the Final Cost of Works (Attachment 1) associated with the Rue De Gare and Prospect Road, Wandin North Special Charge Scheme with no variation in the landowner apportionment costs.***
- 2. Landowners included in the Special Charge Scheme be advised of the result of the final costing of the scheme.***

RELATED COUNCIL DECISIONS

At the meeting held on the 26 March 2019, Council declared a Special Charge Scheme for the construction of Rue De Gare and Prospect Road, Wandin North.

DISCUSSION

Purpose and Background

Council's *Special Charge Scheme Policy for Infrastructure Improvements* recommends that upon completion of the final costing of the project that a report be presented to Council advising:

- That the works are complete, and costs finalised.
- Of the final apportionment costs to liable property owners.
- Of the details of any variation between the original estimate and final costing.

The *Local Government Act 1989 (Section 165)* requires that where there have been savings achieved with a special rate or special charge, Council must make a refund which is proportionate to the contributions received by the Council, to the current owners of the relevant land.

Recommended option and justification

This report recommends that Council approve the Final Cost of Works (Attachment 1) associated with the Rue De Gare and Prospect Road, Wandin North Special Charge Scheme, with no variation in the landowner apportionment costs.

FINANCIAL ANALYSIS

Works have been formally completed for the improvement of Rue De Gare and Prospect Road, Wandin North, as proposed to landowners.

Rue De Gare and Prospect Road, Wandin North	Project Estimate	Actual Cost	Saving (Overrun)
Total Cost of Works	\$1,031,640	\$786,084	\$245,556
Council Costs			
Footpath (<u>ex Scheme</u>)	\$74,950	\$57,110	\$17,840
Council SCS Costs			
Council's 20% Contribution (broader community benefit)	\$191,338	\$145,795	\$45,543
Contribution for landowner costs over Federal Funding ceiling of \$7,000 per Residential Development Unit	\$126,007	\$209	\$125,798
Contribution for works abutting rail trail reserve (280m)	\$207,654	\$158,227	\$49,427

Contribution for Council Reserve 35 Prospect Road	\$9,191	\$7,004	\$2,187
Intersection Improvements Warb Hwy/Rue De Gare	\$20,000	\$15,239	\$4,761
Total Council Scheme Costs	\$554,190	\$326,474	\$227,716
Total Council Project Costs	\$629,140	\$383,584	\$245,556
Landowner Costs			
Costs per individual Residential Development Unit (Federal Government Ceiling	\$7,000	\$7,000	Nil
Total Landowner Costs (excluding financing costs)	\$402,500	\$402,500	Nil

The Special Charge Scheme has been completed at a cost saving of \$227,716 compared to the initial scheme estimate.

The methodology for determining the apportionment of costs for the scheme is as follows:

1. Estimate of Cost is established.
2. Council costs for any external works (to the scheme) are deducted from the Estimate of Cost (Footpath construction).
3. A calculation of broader community benefit is determined as a percentage of the sum of Estimate of Cost less Council cost for external works.
4. Council contribution for intersection works, works abutting the Rail Trail Reserve and Council Reserve at 35 Prospect Road are calculated.
5. A sub-total is established of Estimate of Cost less costs for external works and less Council contribution for broader community benefit, intersection works and works abutting Rail Trail Reserve and Council Reserve at 35 Prospect Road.
6. The sub-total is then apportioned amongst landowners.
7. If the costs per Residential Development Unit exceeds the Federal Government ceiling amount of \$7,000, a further contribution is made by Council on the basis that should there be any savings achieved in delivering the scheme compared to the Estimate of Cost, that this subsidy will be first reduced before any savings would become available to landowners.

This same process is then applied in the distribution of the actual costs incurred for the scheme.

Council scheme costs have reduced by \$227,716.

As the actual landowner costs exceed the Federal Government ceiling amount of \$7,000 per development unit, the actual costs to landowners will not vary.

APPLICABLE PLANS AND POLICIES

The construction of local roads as a Special Charge Scheme meets the *Council Plan 2021-2025* strategic objective of Quality Infrastructure and Liveable Places. Local road construction also has benefits related to the strategic objective of a Vibrant Economy, Agriculture and Tourism.

Council's *Special Charge Scheme Policy for Infrastructure Improvements* sets out in detail the procedures for managing Special Charge Schemes.

RELEVANT LAW

Special Charge Schemes for Infrastructure Improvements are implemented under the special charge provisions of the *Local Government Act 1989*.

SUSTAINABILITY IMPLICATIONS

Economic Implications

As the actual landowner costs still exceed the Federal Government ceiling amount of \$7,000 (per Residential Development Unit), these costs will not vary.

Social Implications

See comments (above) under Economic Implications.

Environmental Implications

Environmental implications of the works were considered when Council declared the Special Charge Scheme.

COMMUNITY ENGAGEMENT

Landowners were advised at the time that the Special Charge Scheme was declared that, if there are any savings when final costing of works are determined upon completion of the scheme, the savings will be reapportioned, and the landowner component of the savings will then be passed onto landowners.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Council's funding for the Special Charge Scheme was sourced from the Federal Government's Roads for the Community Initiative.

RISK ASSESSMENT

Risk assessment of the works was considered when Council declared the Special Charge Scheme.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Final Cost of Works