

## Emery Lane, Montrose

### Calculation of Special Benefit and Maximum Total Levy

In accordance with Section 163 (2) of the Local Government Act and Ministerial Guidelines prepared relating to special rates and charges, Council is required to give consideration to special benefit received from properties external to the proposed special charge as compared to those that will be liable for the special charge.

Landowners involved in the scheme are not to be charged more than their proportional benefit for the proposed works (Maximum Total Levy).

The Maximum Total Levy equates to the product of the Benefit Ratio (R) and total cost of the works for which the special charge is being established.

Council is required to establish a Benefit Ratio calculated as follows:

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

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.

#### Properties included in the scheme - TSB (in)

It is proposed to include 7 properties within the scheme which having regard to development result in 6 development units for those properties that abut or gain primary access via Emery Lane, Montrose. The criteria considered appropriate for differentiating between special benefit received by these properties compared to properties not included in the scheme and the broader community are as follows:

- works will provide continued and safer vehicular access to and from properties abutting or gaining primary access via Emery Lane, Montrose
- works take waters flowing from the lands or premises towards other lands or premises
- works take waters flowing towards the land or premises from other lands or premises
- works enhance the physical and environmental amenity of the land and local area.

TSB (in) is therefore calculated as having a result of 6.

### Properties not included in the scheme receiving special benefit - TSB (out)

There are no other properties with an identified special benefit that Council does not propose to include in the scheme (apart from Melbourne Water Crown land for which Council is making a contribution based on ½ cost abuttal).

TSB (out) is therefore calculated as having a result of 0.

### Community benefits – TCB

As Emery Lane, Montrose do not act as collector roads for the benefit of the broader community and there is no community facility that may derive a special benefit from the works, it is considered that a community benefit is not applicable for this scheme.

TCB is therefore calculated as having a result of 0.

### Maximum Total Levy

Having regard to "properties not included in the scheme receiving special benefit" and "community benefits", it is considered that the 7 landowners within the proposed special charge will receive 100 percent of the overall benefit as a Benefit Ratio (R) for the proposed scheme by applying the above factors to the Ministerial Guidelines formula.

The calculation of the Maximum Total Levy therefore equates to \$377,052 (cost of scheme work – ½ cost abuttal Melbourne Water Crown Land).

Having regard to Council's contribution towards the works, as per the Scheme Details, Council will not be seeking to levy more than the Maximum Total Levy, as required by section 163 (2A) of the Act.

### **Manner of assessment and levy**

Pursuant to Council's Special Charge Scheme Policy the manner of assessment will take into account the following criteria:-

- all lands within the designated area, described above
- the zoning of those lands, their existing and potential use
- the special benefit to each of those lands
- the accessibility of the works for those lands.

The basis of apportionment has been formulated in accordance with Council's Special Rates and Charges Policy on a development unit basis as follows:

- (i) special benefit where a dwelling or building is permitted
- (ii) the degree of special benefit having regard to the use or future use of the land of the land.

Generally, lots will be charged one development unit where access to the property is primarily taken directly from Emery Lane, Montrose.

Instances where a property takes primary access from an alternative road and has an additional abuttal to Emery Lane, Montrose as sideage or rearage, the property would then be generally charged one half of a development unit.

The basis of allocated charge to properties has been calculated from:-

- (a) \$7,000 (fixed) per development unit.
- (b) plus financing cost of 3.68% per annum.

The special charge will be levied by serving on each person liable, a notice pursuant to Section 163 (5) of the Local Government Act 1989.