



### **Guidelines for Apportionment of Costs for Road Construction**

#### **Apportionment of 75% of the Road Construction Cost on the Basis of Benefit Unit**

A property derives 'special benefit' through having its road constructed. This benefit may be made up of issues including reduction in dust, better/smooth access, reduced vehicle operating costs, environmental benefits and control of storm water runoff from the road. This 'benefit' is not necessarily related to a properties dimensions, so the concept of Benefit Unit is used, as follows:

- All properties whether developed or otherwise, to which direct access may reasonably be obtained by means of the streets to be constructed shall be apportioned one (1) Benefit Unit.
- All properties that have a sideage or rearage to the scheme shall be apportioned one half (0.5) of a Benefit Unit.
- Units or dual occupancies that have a frontage to the scheme shall be apportioned 0.6 of a Benefit Unit.
- Units or dual occupancies that have a sideage to the scheme shall be apportioned 0.3 of a Benefit Unit.
- The benefit unit for properties (where there is already a section of constructed road in front of their property) will be based on a percentage of constructed road versus unconstructed road.
- Properties which are considered to have subdivisional potential when the owners have demonstrated an intention to subdivide by applying for a planning permit either prior to or during the Scheme process, up to the reconciliation stage. These properties will be apportioned an extra benefit unit for each additional property for the purpose of being "fair and equitable" in regards to the special benefit that these properties will receive.

#### **Apportionment of 25% of the Road Construction Cost on the Basis of Amenity**

The benefit that a property receives from road construction varies to some extent with the exposure that it has to the road. For example, a property with a very long frontage has more exposure to the dust problem from a gravel road and, therefore, is considered to receive more benefit from construction of the road than does a differently shaped property that has a relatively small frontage. This difference in relative benefit is not generally proportional to the difference in dimensions between

properties, which is why only 25 percent of the total cost of road construction is apportioned on this basis. The concept of Amenity Unit is outlined as follows:

- All properties fronting the scheme will be apportioned one (1) Amenity Unit per metre of frontage for that property.
- All properties with a sideage to the scheme will be apportioned one half (0.5) Amenity Unit per metre of sideage for that property.
- All properties with a rearage to the scheme will be apportioned one half (0.5) Amenity Unit per metre of rearage for that property.

### **Apportionment of Easement Drainage Cost on the Basis of Area**

- Each property that contributes runoff to the catchment will be apportioned a drainage charge, based on the properties area as a proportion of the total catchment area.

### **Council Contributions**

#### **Exempt Land**

“Exempt” land is land controlled by the Government. Generally speaking this is Council reserves and Crown Land controlled by the State Government.

Council and/or State Government shall be liable for a contribution as a land owner based on the Guidelines for Apportionment of Costs.

- **Exempt Land:** The limit on Council’s contribution to a scheme for Council owned land and exempt land will not exceed \$1,000 per average property involved in the scheme without specific Council approval. Should the required Council contribution exceed \$10,000 in total, it will need to be considered as part of the Capital Works budget estimates process.

This is to ensure both equity and financial control, to manage Council’s obligations in cases where the contribution required for exempt land may be an excessive subsidy provided to individual property owners by the ratepayers of Nillumbik. It provides guidelines to affected property owners in the case where high Council contributions may arise and simply means that such a case would need to go through the Council approval and budget process.

Whilst Government shall make a financial contribution as outlined above they are exempt from voting procedures to determine whether or not the scheme proceeds.

- **Community Benefit:** In addition to the special benefit derived by those properties with direct abuttal or sole access from a road, Council will make a contribution for ‘community benefit’ in cases where the construction standard needs to be increased beyond that of a typical residential street, to cater for through traffic. The level of Council’s contribution will be based on the cost differential between the required standard and the standard that would be required solely for local traffic.