Maribyrnong
CITY COUNCIL

Draft Special Rate and Charge Policy

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Introduction

The Local Government Act enables Councils to levy a Special Rate or Special Charge to help pay for any Council or service or activity that will be a of a special benefit to a particular group of property owners. This Policy establishes Councils approach to handling requests to establish a Special Rate or Special Charge.

Definitions

States key word/abbreviation with definitions

Term	Definition
Act	Refers to the Local Government Act 1989 (Vic).
Council	Refers to Maribyrnong City Council
Special Rate and/or Charge	A rate or charge (or combination of both) levied under Section 163 of the Act or its successor provisions, for the purposes of defraying expenses in relation to works, services or facilities that benefit specific properties.
Beneficiaries	Property owners and/or occupiers who receive a special benefit from the proposed service, works or improvements.
Scheme	The mechanism through which the Special Rate and/or Charge is levied.
Business Precinct	A defined commercial or industrial area where businesses seek a coordinated service (e.g. marketing, events, improvements).

Purpose

This policy establishes a framework for assessing, initiating, and implementing Special Rate and/or Charge Schemes in accordance with relevant legislation. It provides guidance to Council officers, businesses, and community groups on the process, criteria, and expectations for establishing such schemes.

Scope

This policy applies to all proposals for Special Rate and/or Charge Schemes initiated by Council, business precincts, community groups or others within the municipality.

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Background

The Act enables councils to levy a Special Rate or a Special Charge (or a combination of these) to help pay for any Council service or any activity that will be of special benefit to a particular group of property owners. A "special benefit" is a benefit that is additional to, or greater than, the benefit generally available to other people.

Common examples of special rates or charges include schemes for constructing footpaths, roads, kerbs and channels or drains; and arrangements for providing services like promotion, marketing or economic development (e.g. for commercial businesses).

While Council may set a special rate or charge for almost any type of activity that Council undertakes, it is limited by provisions of the Act which require special rates and charges to be levied in proportion to special benefits. Before Council proposes a special rate or charge, it must estimate the proportion of the benefits of the proposed works or services that will be of benefit to the people who are liable to pay.

For example, before Council proposes a special charge for a road construction scheme it will calculate what share of the benefits the road construction will provide for the adjoining properties (improved drainage, reduced dust, better access, etc) compared with general benefits to other people (e.g. other drivers using the road). Council will limit the total proportion of costs to be paid by all the property owners to their combined share of the benefits

Policy

Principles

The application and administration of a Special Rate and/or Charge Scheme will be underpinned by the following principles:

- **Beneficiary Pays**: Costs are borne by those receiving the special benefit.
- **Accountability and Transparency**: Clear methodology, consultation, and communication.
- **Community Support**: Evidenced by petitions, letters of support or survey results.
- **Proportionality**: The charge reflects the degree of special benefit received.
- **Cost Efficiency**: The benefits justify the cost of implementation.

Eligible Purposes

Special Rate and/or Charge Schemes may be considered for:

- Business precinct promotion, events, and marketing

- Capital improvements such as road, footpath, drainage, or streetscape works
- Security enhancements (e.g. lighting, CCTV) in commercial zones
- Environmental or amenity upgrades with localised benefit
- Any other matters that will be of special benefit to beneficiaries.

Assessment Criteria

Council will assess proposals based on:

- Alignment with Council Plan and strategic objectives
- Evidence of special benefit to the defined area or persons
- Cost-benefit analysis
- Stakeholder support (generally measured as a minimum of 60% support of the affected parties is the recommended level or support required.)
- Administrative and legal feasibility.

Consultation and Engagement

Meaningful engagement must occur with all potentially affected parties. Council will:

- Notify all liable parties of the proposal
- Provide detailed documentation and cost breakdowns
- Invite submissions during a formal consultation period (minimum 28 days)
- Conduct hearings (where required).

Declaration and Implementation

Following consultation, Council may resolve to declare the Scheme. Once declared:

- Affected parties will be formally notified
- Charges will be applied to rates notices as a separate line item
- Council will administer the Scheme and report annually on outcomes (where applicable).

Duration and Renewal

Schemes are typically established for a fixed term (e.g. 3–5 years for business precincts). Renewal will usually require a new proposal, including updated evidence of support and benefit.

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Review of Charges and Objections

Affected property owners may:

- Lodge a written objection during the consultation period
- Seek a review of apportionment methodology if discrepancies arise

Appeal via the Victorian Civil and Administrative Tribunal (VCAT) in accordance with legislative rights.

Policy Statement

Council generally supports the appropriate use of Special Rate and/or Charge Schemes where there is a clear and demonstrable special benefit to affected properties, and where there is sufficient support from the benefiting community. Schemes will only proceed where they are:

- Transparent in their design and administration
- Equitable in the distribution of cost and benefit
- Aligned with Council's strategic objectives.

Key Stakeholders

- **Council**: Approval, oversight and governance
- **CEO and Executive Team**: Operational implementation
- **Relevant Departments**: Project development, consultation, administration and ongoing management and oversight.
- **Applicants (business/community)**: Providing evidence, support and input.

Consultation

This policy was developed based on consultation with relevant teams within Council who would be involved in the administration of Special Rates and/or Charge Scheme.

Implementation and Monitoring

Policy Owner	Directorate
Manager City Futures	Planning and Environment

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Review of Policy

This policy will be reviewed every four years or following any significant legislative change.

References

This policy is guided by:

- Local Government Act 2020 (Vic)
- Local Government Act 1989 (Vic)

This policy is intended to provide general guidance about the way that Council will approach Special Rate and/or Charge Schemes. It is not intended to limit or fetter Council's discretion to establish or vary a Special Rate and/or Charge Scheme in accordance with the requirements of the Act.

Appendix

Appendix 1: Supporting Documents to Accompany the Special Rate and Charge Policy

- Sample Petition
- Consultation Notice Template
- Application Form

Revision Record

Date	Version	Revision Description
24/10/2025	1	Draft Policy

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