

Pioneer Bay – Proposed Road and Drainage Improvement Project

Cost Estimates

Where does Council base their costs?

Council based the cost estimates on quantifying individual elements within the project, current and past construction market rates and inflation factors.

Will we have access to the breakdown of the estimated costs?

The individual cost breakdowns were shown at the Workshop on 1 April 2017. If property owners wish to see a copy of the cost estimates, they can be made available at Council's Wonthaggi Office. Please contact the Infrastructure Delivery Team on 1300 BCOAST (226 278) or (03) 5671 2211 to arrange to see the estimates.

Will the Tender be open Australia Wide?

Yes, should the project go ahead there will be a full open public tender.

What date are costing estimates current?

The costing estimates were current as of March 2017. Construction Industry CPI has been factored into the cost estimates.

Why do different properties have different estimated costs?

Estimated costs are based on the area and frontage of each property. Generally a larger property with a greater frontage would have a higher estimated cost.

What is Council contributing towards the costs?

Council's contribution estimates are set out on our website www.basscoast.vic.gov.au/pioneerbay.

Construction

If the project goes ahead, when will construction commence?

If Council decides to proceed with this project, construction would likely start 12-18 months after Council resolves its intention to declare a user pays charge. Council's decision is likely to be made in early 2017/18 financial year.

Will access to properties be affected?

We understand that this project would cause an inconvenience to property owners during construction and all efforts will be made by the successful contractor to keep disruption to your property as minimal as possible during any works.

Why can't we have a dust suppression seal?

The dust suppression seal was part of a trial program back in 2005-2007. Council has not continued with the program following the trial. Since the trial, it has been found that roads treated with a dust suppression seal are on average eight times more expensive to maintain. Due to these higher maintenance costs the program has ceased. All current roads that have been treated with this dust suppression seal will be returned back to crushed rock once the condition of the road has reached intervention levels as set out the long term dust suppression management strategy.

A copy of Council's decision regarding this program can be found on Council's website at http://www.basscoast.vic.gov.au/Services/Roads_Parking_Transport/Roads/Residential_Streets_and_Dust_Suppression

Why can't we just have a spray seal?

Council's current policy is for the upgrade of roads and drainage to be in accordance with Council's standards, which means that unmade roads should be properly constructed. During the community consultation sessions the community noted that they preferred kerb, drainage and sealed roads.

What if I don't have any dust, drainage, safety or access concerns, and I don't need the upgrade?

While some, or all, of these issues may not be a problem for you, many others in the community would like these issues addressed. Council receives many requests each year across the Shire and within Pioneer Bay for road, drainage and maintenance issues.

Concept Design Options

Can the concept designs be changed?

Yes, minor variations to the concept designs can occur following the adoption by Council of a preferred design for the estate. Major variations to any concept design endorsed by Council would need to be adopted by Council through a formal resolution at a Council meeting.

What will happen with our driveways?

Driveway crossovers would be replaced on a like for like basis. If you currently have a concrete driveway that needs be removed as a result of the proposed works, it will be replaced with a like for like material in this case a concrete driveway. As a minimum, a crushed rock driveway would be provided for properties with a driveway within the project boundary. No driveway will be installed if one does not exist and any replacement driveway will be constructed to Council's current standards.

Are many trees being removed?

We try to avoid removing trees and vegetation wherever possible because they are generally valued by the community. Further to this, unnecessary removal of vegetation can

result in increased costs. If vegetation does need to be removed, it is done in accordance with Council's planning requirements which generally involve an offset planting plan.

Payments

At this stage Council has not adopted a position on how this project would be funded, however in the past Council has used a user pays charge on properties through the Special Rates and Charges provisions within the Local Government Act 1989.

If Council was to resolve to use the Special Rates and Charges provisions within the Act then a formal legislated process would need to be undertaken.

How would payments be made?

In the past there have been options for a lump sum payment, a payment plan of a minimum of four years (in accordance with the legislation) and hardship options. Payment terms will be decided by Council at the August 2017 meeting.

Under the *Local Government Act 1989* there is a provision for a minimum payment term of four years. Feedback from the community at the last community workshop indicated that property owners would prefer a longer time period of up to ten years.

Would there be an interest rate on payment options?

Under the legislation the interest rate will be determined on what Council can borrow the funds for plus 1% for administrative fees.

Would financial hardship be available?

Yes, there is a provision for financial hardship in Council's Debt Management Policy.

If you believe you will have difficulty paying a user pays charge you can apply to have a suitable payment arrangement put in place. All applications are treated confidentially and all assessments are made non-judgmentally on a case by case basis.

For more information you can contact the Finance Project Officer on 1300 BCOAST (226 278) Monday to Wednesday.

Would there be pension payment plans?

Pension Payment plans will not be available but we will have financial hardship options (see above).

Would the user pays payments be added to our rates?

No, a user pays charge would be separate from your rates.

Would the valuation and rates increase due to the construction of the road?

Generally speaking, it would be reasonable to expect the value of a block of land on a constructed road to be higher compared to the same block of land on a gravel road. In practice there are many other factors that may overshadow the road construction

influence. These may include the economic climate and market at the time of the valuation, demand and supply of comparable blocks in the area, topography, views and shape of site to name a few.

Council is required by the *Valuation of Land Act 1960* to value/revalue all rateable properties within the municipality on a two yearly cycle. Valuations are conducted by a qualified valuer.

Future market prices are not known and ultimately the properties' value will be determined by sales of similar property, close to the date of the valuation.

The amount of rates charged will depend on the Council's Budget and rate in the dollar struck by Council and apportioned by the properties valuation in relation to the value of all other properties in the municipality. The Council's Budget and rate in the dollar change annually depending on the level of expenditure proposed for that year.

What do the rates I pay go towards?

Council's Budget is committed to the provision of over 100 services such as garbage collection, recycling, community facilities, aged, disability and childcare services, parks and reserves, library services and expenditure on Capital Works projects. A large portion of the Capital Works budget is allocated to preserving and maintaining existing assets for which Council is responsible.

Bass Coast Shire Council has significant demands for infrastructure improvements with in excess of 125 kilometres of unmade roads, limited footpath networks and high demand for drainage improvements throughout the municipality. Unfortunately Council does not have the capacity to meet the demand for these improvements or to fully fund these works from rates that are collected.

Process

How do we object to the project?

Before you can submit an objection, Council needs to adopt a concept design option and resolves its intention to declare a user pays charge as legislated for this project. You will then receive information on when and how you can provide a submission or object to the project.

Should the property owners put their roads and drainage concerns in writing?

Yes, you are welcome to send through your concerns. However please be aware that all queries from earlier consultations have been filtered into the current design options.

What happens if this project does not go ahead?

Council's current priority list includes over 125 kilometres of unsealed roads in urban areas. If the community does not support the project, the project will be re-prioritised. Council's current funding model indicates that it will take over 50 years to complete all of the roads within the priority list.

Will everyone receive information updates?

Information updates will be available online www.basscoastshire.vic.gov.au/pioneerbay, via post and newsletters which are being sent to property owners. Please make sure that your postal information is up to date with Council's Rates department on 1300 BCOAST (226 278).