



LITHGOW CITY COUNCIL

7. PLANNING

Policy 7.2

PROVISIONS FOR DEFERMENT OF PAYMENT OF DEVELOPER
CONTRIBUTIONS APPLICABLE UNDER THE WATER MANAGEMENT
ACT 2000

Version 2

7. PLANNING

7.2 PROVISIONS FOR DEFERMENT OF PAYMENT OF DEVELOPER CONTRIBUTIONS APPLICABLE UNDER THE WATER MANAGEMENT ACT 2000

OBJECTIVE: To provide a standard procedure for settlement and deferred payment of developer contributions under the Water Management Act 2000.

POLICY:

1 SETTLEMENT OF CONTRIBUTIONS

Payment of monetary contributions shall be finalised at the following stages:

- development applications involving subdivision : at the issue of the subdivision certificate;
- development applications involving building work : at the issue of the construction certificate;
- development applications where no building or subdivision approval is required at the time of development consent.

2 DEFERMENT OF SETTLEMENT OF CONTRIBUTIONS

2.1 General Development

- (i) Where the applicant can demonstrate that the settlement of the contribution in accordance with Clause 1 is unreasonable in the circumstances of the case, the Council may accept deferred or periodic settlement.
- (ii) The applicant needs to make written request and satisfy the Council that:
 - there are valid reasons for deferral or periodic payment; and
 - no prejudice will be caused to the community deriving benefit from the public facilities required by the proposed development; and
 - the provision of the public facility in accordance with the adopted works schedule will not be adversely affected.
- (iii) The conditions under which Council may accept deferred or periodic settlement by way of instalments is that the instalments be paid before the work commences on any stage of the development as the amount pro-rated to the proportion of the overall development.
- (iv) The conditions under which the Council may accept deferred or periodic settlement by way of a bank guarantee is that:
 - the bank guarantee be by an Australian Bank for the amount of the total contribution or the amount of the outstanding contribution;
 - the Bank unconditionally pay the guaranteed sum to the Council if the Council so demands in writing not earlier than six months from the provision of the guarantee or completion of the work which occurs first;

- the Bank must pay the guaranteed sum without reference to the applicant or landowner or other person who provided the guarantee, and without regard to any dispute, controversy, issue or other matter relating to the development consent or the carrying out of development in accordance with the development consent;
 - the Bank's obligations are discharged when payment to the Council is made in accordance with this guarantee or when Council notifies the Bank in writing that the guarantee is no longer required.
- (v) Any outstanding component of the contribution shall be indexed quarterly at a rate not less than the private borrowing rate for local government as may be proclaimed, from time to time, by the Minister for Local Government.
- (vi) Indexing will be calculated from the date the contribution was due until the date of payment. The applicant will be required to pay the contribution, the accrued interest and any charges associated with establishing or operating the bank security.

2.2 Small Business Development

- (i) Where a small business employing not more than three (3) people use large quantities of water, the opportunity is given to finance the headworks charge as part of the water consumption used in the business;
- (ii) A Council water meter must be installed at the proprietors expense to measure water used;
- (iii) For a maximum period of three (3) years from commencement of the business, a charge be established by combining the headworks charge for water and sewer, and then charging interest only, on the notional loan amount to support the headwork's contribution;
- (iv) Interest rates charged would be established by Council each year in conjunction with the review of revenue policy; and
- (v) At the end of the initial three (3) year period described in (iii) above, the business be required to pay the full original headwork's charge with the option of paying by instalments over a further three (3) year period.
- (vi) A monetary bond is required equal to the amount of the estimated charge for water in a charging period.

2.3 Sale of Business with deferment approved

- (i) Should a business that has been granted a deferment be sold, Council will require that:
 - a) The amount outstanding be paid in full; or
 - b) The Council be provided with written confirmation from the new owner that they will honour the arrangement and the notification must note the amount outstanding; and
 - c) The new owner must enter into a new agreement with the Council and all costs associated with the agreement will be met by the new owner.

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