



**JUNEE SHIRE COUNCIL**

**DEFERRED PAYMENT  
AGREEMENT FOR  
SEWERAGE HEADWORKS  
CHARGES**

Adopted by Council:  
Minute No:

## PART A – OUTLINE

### 1. OBJECTIVES

The purpose of this policy is to achieve the following objectives:

- Ensure consistency and fairness in Council’s dealings with developers and ratepayers.
- Facilitate investment by allowing for the staged deferral of sewerage headworks charges, thereby assisting cash flow.
- Ensure that new developments contribute to the necessary additional infrastructure required for community growth.
- Ensure compliance with legislative requirements under *Local Government Act 1993*.
- Make the Council’s policies and requirements for sewer headworks charges readily accessible and understandable to the public.

### 2. BACKGROUND

The provision of sewer services, encompassing operations and maintenance activities, asset renewals and level of service upgrades is sustained through revenue generated from existing consumers through sewer availability and usage charges.

The financing of new infrastructure necessitated by development is primarily borne by the developer through direct construction expenses and headworks charges. The developer funds the development of new assets required to provide service to their development and *contributes to enhancing the capacity of the existing sewerage network to accommodate the increased demand resulting from the project.*

Junee Shire Council levies sewerage headworks charges in accordance with Section 64 of the *Local Government Act 1993* and Division 5 of Part 2 of Chapter 6 of the *Water Management Act 2000*. *Developer contributions to the construction of works (sections 305, 306 and 307).*

### 3. APPLICATION

This policy is designed for proposed new residential land developments within Junee Shire, specifically targeting multi-lot residential developers (five or more lots, excluding Strata or Community Title Lots).

A Deferred Payment Agreement (DPA) will set out the terms for the postponed payment of sewer headworks charges. Each application will be evaluated individually.

Council reserves the right to decline entering into a DPA to safeguard its legal and financial position. Council will only enter into a deferred payment arrangement, where the legal and financial risks are appropriately mitigated that protect Council’s and the community’s interests.

The applicant must agree in writing to statutory or legal controls that are specified in any deferred payment arrangement.

## PART B – PROCEDURES

### 4. APPLICATION PROCEDURE

For proposals to defer payment of levied headworks charges, Council will only consider a DPA where all of the following criteria are established:

- An invoice (debt) has been raised for the headworks charge.
- An application for a DPA is made in the Approved Form and made prior to the due date for payment.
- The applicant meets the following eligibility criteria:
  - The Applicant must submit evidence of the individual's or entity's credit worthiness including disclosure of information that a reasonable person or entity has that may prevent the individual or entity from meeting the financial obligations under the deferred payment agreement (e.g. CreditWatch Report, Bankruptcy check).
- If required, the Applicant has provided Council with appropriate 'security' in the form of an irrevocable and unconditional bank guarantee or insurance bond:
  - Upon which Council will be entitled to rely upon in order to recover the levied sewerage headwork charges; and
  - At least the amount of the levied charge.
- The Applicant / Developer acknowledges that, until the sewerage headworks charges are paid to Council, the Council may exercise the bank guarantee or insurance bond if required.
- Council officers have considered the availability of Council funds to support a DPA.

When Council officers deem a request to have reasonable merit, they will forward it to the Council for their deliberation and decision-making.

### 5. OPERATIONAL PROCEDURES

If a development involves the subdivision of land into more than five lots, Junee Shire Council may allow a developer to defer payment of the sewerage headworks charge applicable to each subdivided lot for up to five years.

Deferred sewerage headworks charges work as follows:

- The Applicant will be responsible for payment of the sewerage headworks charges to Council for the first five lots.
- The life of the agreement is limited to the sale of the individual lots specified, or five years, whichever is lesser. Any debts outstanding beyond the life of the agreement shall attract a penalty fee equal to the T-Corp five-year borrowing rate, plus 0.5% and be subject to such other recovery action as Junee Shire Council may determine (eg. exercise of bank guarantee).
- It shall be the responsibility of the property developer to ensure that full payment is made to Junee Shire Council for the outstanding debt for that lot at the time of settlement of the individual lots.

- Any further subdivision of a lot will require the payment of the additional sewerage headworks charge for any useable lots created.
- Only one DPA will be granted per applicant, irrespective of whether the residential development is staged or not.
- The penalty fee will be calculated daily and invoiced monthly to the applicant, commencing on the day of settlement of a lot or five years, whichever is lesser.
- The applicant will cover all legal costs incurred by Council in discharging responsibilities under this policy.

The DPA agreement will remain confidential between Council and the applicant. No details of the agreement will be disclosed by the applicant to another party without the written authorisation of Council.

# APPLICATION FOR DEFERRED PAYMENT OF SEWERAGE HEADWORKS CHARGES

## PURPOSE

The purpose of this form is to assist applicants in providing sufficient information and justification for a request for an Infrastructure Payment Agreement (IPA) for the Deferred Payment of Sewerage Headwork Charges under Council's General Policy for Deferred Payment of Sewerage Headwork Charges.

**Note:** Applicants must be made within the approved form and prior to the due date of payment.

Council manages requests for Deferred Payment of Sewerage Headworks Charges under its General Policy for the Deferred Payment of Sewerage Headworks Charges.

Applicants are required to meet the condition for Deferred Payment of Sewerage Headworks Charges as set out in the Policy and this Approved Form.

The recipient of a sewerage headworks charge may approach Council to enter into a deferred payment arrangement. Council is not obliged to enter into a deferred payment arrangement and is entitled to protect its legal and financial position. Council will only enter into a deferred payment arrangement, where the legal and financial risks are appropriately mitigated that protect Council's and the community's interests.

<b>1.</b>	<b>Applicant Details</b>			
	Name of Applicant			
	Name of Company			
	Phone Numbers			
	Postal Address			
	Email Address			
	Applicant Reference			
<b>2.</b>	<b>Property Details</b>			
	Property Address			
	Lot and Plan			
<b>3.</b>	<b>Landowner Details</b>			
	Landowner Name/s			
<b>4.</b>	<b>Development Approval Details</b>			
	Application:	Number:	Date:	
	Invoice Notice:	Number:	Date:	
	Levied Charges Amount:			

	Payment Date:	Date:		
<b>5.</b>	Complete this section for proposal to defer payment of levied sewerage headworks charges for up to five years from the due payment date. <i>Note: Council will only consider the deferred payment of sewerage headworks charges where all of the following criteria are established.</i>			
	<b>Condition</b>	<b>Criteria</b>	<b>Yes</b>	<b>No</b>
	1	Has a development approval taken effect?		
	2	Has a sewerage headworks charge		
	3	Has the applicant submitted evidence of the individuals or entity's credit worthiness including disclosure of information that a reasonable person or entity has that may prevent the individual or entity from meeting the financial obligations under the IPA. <b>Example: Current CreditWatch Report for companies or public register of bankruptcy search for individuals.</b> <b>Note: Council may take reasonable steps to verify the consumer's financial situation.</b>		
	4	Has the Application been made prior to the date of due payment?		
	5	Does the Applicant agree to the terms of the Council's Infrastructure Payment Agreement for Deferred Sewerage Headworks Charges?		
	6	The Applicant confirms that appropriate 'security' will be provided in the form of an irrevocable and unconditional bank guarantee or insurance bond: i. Upon which Council will be entitled to reply upon in order to cover the sewerage headworks charge; and ii. To at least the amount of the levied charge.		
	7	Is the Applicant and/or Owner of the land the subject of the development approval, willing to enter into an IPA reflecting Council's agreement to apply this policy and defer the payment of the sewerage headworks charges?		
<b>6.</b>	<b>Supporting Information</b>			
	Insert listing of supporting information			

<b>7. Applicant Declaration</b>		
I, the Applicant listed below confirm that the above information is true and correct.		
Name of Applicant:		
Name of Company:		
Phone Numbers:		
Date:		
Signature:		
Submit the form	Mail	<p>Junee Shire Council  Att: Director of Corporate and Community Development  PO Box 93, JUNEE NSW 2663</p>
	In Person	<p>Present your application at Council Chambers located at:  29 Belmore Street, Junee.  This office is open from 9.00am to 5.00pm weekdays (excluding public holidays)</p>
	Email	<p>You may email your documentation to <a href="mailto:jsc@junee.nsw.gov.au">jsc@junee.nsw.gov.au</a></p>