

DEFERRED PAYMENTS FOR RURAL EXTENSIONS

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RESPONSIBLE OFFICER		General Manager	

PART 1: INTRODUCTION

1.1 Policy Purpose

The intent of this policy is establish the parameters for deferred payment arrangements for landowner contributions for rural mains extensions.

1.2 Policy Objectives

The objective of this Policy is to:

- Provide clear guidance to Council staff in making arrangements with landowners to facilitate time payment arrangements for their costs in paying for rural mains extensions.
- Provide information to members of the public about what arrangements can be made for deferred payment for rural mains extensions.
- Ensure that a consistent approach is made for deferred payment arrangements.
- Ensure that rural consumers are assisted in access to an affordable potable water supply.

1.3 Policy Scope

This policy is applicable to landowner contributions for rural mains extensions only.

1.4 Reference Documents

Nil

PART 2: POLICY CONTENT

Applications for rural mains extensions are dealt with by the Works Manager. This includes the reiterative process of designing the extensions with regard to affordability. There are already many variables and this policy should not introduce scope for haggling with the manager. All the offers for deferred payments should be on the same basis in accordance with the policy.

The policy allows for costs up to \$40,000 to be spread over five annual payments.

The first payment is to be made prior to work commencing, meaning that the series is over 48 months.

For any extension costing over \$40,000, the applicant can still benefit under the policy by paying the value above \$40,000 up front, prior to work commencing.

Rural non-urban extensions and connections to lots over 20 hectares may pay the costs under a deferred payment scheme which recognises the long distances involved. The specific terms are that:

- The components of cost that qualify for deferred payments include the extension costs and development servicing charge (headworks), but not the service connection fee.
- Payments (excluding the connection fee) totalling less than \$10,000 do not qualify for deferred payment and are to be paid in full prior to work commencing.

- Payments between the values of \$10,000 and \$20,000 to be paid in three equal instalments at 0, 12 and 24 months.
- Payments between the values of \$20,000 and \$30,000 to be paid in four equal instalments at 0, 12, 24 and 36 months.
- Payments between the values of \$30,000 and \$40,000 to be paid in five equal instalments at 0, 12, 24, 36 and 48 months.
- Payments over the value of \$40,000 to be paid with the balance above \$40,000 paid at 0 months and the remainder over 48 months as above.
- 0 months is immediately prior to the commencement of construction.