



LIVERPOOL PLAINS SHIRE COUNCIL BONDS AND GUARANTEES POLICY

| Version | Date | Resolution No | Details |
|---------|-------------|---------------|------------|
| 1 | 20 Oct 2004 | 1260 | New Policy |
| 2 | 24 May 2018 | 2869 | Review |

POLICY OBJECTIVE

The objective of this Policy is to clarify when, and under what conditions, Council staff will allow the payment of a bond in lieu of construction of infrastructure and the release of a subdivision or occupation certificate associated with a particular development and, if the Developer requests, for the issue to be referred to Council for a decision.

RELEVANT LEGISLATION

Environmental Planning & Assessment Act 1979
Environmental Planning & Assessment Regulation 2000

EFFECTIVE DATE AND POLICY REVIEW

The policy shall be reviewed every four years or earlier if required by legislation, Council resolution or recommendation of the General Manager. If the policy is not reviewed within this timeframe, it remains active until such time as it is reviewed or revoked by Council.

This policy comes into effect on 7 June 2018

Signed by General Manager

R S (Ron) van Katywck

Date Approved 24 May 2018

POLICY

Prior to issue of a subdivision certificate, or an occupation certificate, construction works must be substantially complete unless Council has entered into an agreement to accept cash or security in the form of a bond/guarantee for designated works.

Approval by Staff

Before Council staff will agree to the payment of a bond in lieu of construction, the following key infrastructure is required to be substantially complete:

- ▶ roads and ancillary traffic facilities:
 - all internal roads pavements including initial seal and associated drainage infrastructure; and
 - all external arterial/connector road improvements, intersection upgrades etc. including initial seal and associated drainage infrastructure.
- ▶ drainage:
 - all internal drainage;
 - all downstream works to the legal point of discharge; and
 - all permanent stormwater quality treatment facilities.
- ▶ sewerage:
 - all internal sewerage facilities; and
 - all pumping stations, rising mains, odour control facilities and any external works necessary to deliver sewage to the designated discharge point.
- ▶ water supply:
 - all internal water supply works; and
 - all connecting mains and any other external works necessary to ensure adequate water supply;
- ▶ electricity supply – all works, unless the electricity provider has agreed to allow a bond in lieu of construction and proof of that agreement is provided to Council; and,
- ▶ telecommunications – all works unless the telecommunications provider has agreed to allow a bond in lieu of construction and proof of that agreement is provided to Council.

Infrastructure where a bond may be accepted in lieu of construction includes:

- ▶ final seal, linemarking and signage
- ▶ concrete footpaths on road verges
- ▶ landscaping
- ▶ street lighting (if applicable)
- ▶ other minor structures; and
- ▶ minor defects or omissions, or exceptional circumstances involving key infrastructure.

For the purposes of this Policy, substantially complete is defined as when:

1. the subject works are complete except for minor defects:
 - a. which do not prevent the works from being reasonably capable of being used for their stated purpose; and
 - b. where it is determined there is reasonable grounds for not promptly rectifying; and,
 - c. the rectification of which will not prejudice the convenient use of the works;
2. those tests which are required to be carried out and passed before the works reach practical completion have been carried out and passed; and
3. documents and other information required which, it is considered, are essential for the use, operation and maintenance of the works have been supplied.

Referral to Council

If staff refuse the request for the payment of a bond on the grounds that the proposal does not comply with the details provided above, the Developer can, at their discretion, seek to have the matter referred to Council for determination. In the event the Developer requests referral to Council, a report will be prepared and presented to a Council meeting within one month of the date the written request for referral is received.

Nature of Bond and Assessment of Amounts

If approved, the bond amount payable will be 130% of the estimated cost of constructing the outstanding works. The estimated cost will be based on a detailed quotation provided by a suitably qualified and experienced contractor and be based on the approved design plans and associated construction specification. All valuations are to include GST and any other statutory costs. The bond shall be in the form of cash or an unconditional, unlimited time bank guarantee lodged with Council.

Timeframe for Completion

If a bond is accepted then construction of the subject work must be completed within an agreed time from the date of issue of the subdivision or occupancy certificate or Council will access the bond and undertake the construction work, unless an extension of time is agreed.

Council to Undertake Works

If Council decides to access the bond and complete works, Council will be responsible for the balance if the final cost of the works is more than the bond amount. However, if the final cost of the works is less than the bond amount, no refund will be provided.