



Local Planning Policy 6.6.2 – Bank Guarantees and Bonds

1. Introduction

This is a Local Planning Policy prepared under Schedule 2 of the Planning and Development (Local Planning Schemes) Regulations 2015. This Policy may be cited as Local Planning Policy 6.6.2 – Bank Guarantees and Bonds, and LPP 6.6.2.

Development approvals obtained under the Shire’s Local Planning Scheme No. 2 (the Scheme) often contain conditions that must be met prior to certain occurrences such as prior to the issue of a Building Permit, commencement of works or prior to occupation or use of the development. On occasion for a variety of reasons, the conditions cannot be met at that time. This Policy provides guidance on when a Bank Guarantee or Bond may be permitted in lieu of compliance with the condition timeframe, how the amount of the bank guarantee or bond will be calculated and the implications if the condition is not met.

2. Objectives

- To enable the early clearance of conditions of an approval.
- To provide a procedure for the provision of bank guarantees and bonds for the early clearance of conditions of an approval.
- To outline the Shire’s administration procedure for bank guarantees and bonds provided for the early clearance of conditions of an approval and the release of such bank guarantees and bonds.

3. Policy Scope

- This Policy applies when a proponent requests the early clearance of approval conditions.

4. Application requirements

If a proponent wishes to undertake certain works required by specific conditions of the approval at a later date, the proponent will be required to submit a written request to the Shire detailing:

- a) The particular condition/s of the approval to be the subject of a bank guarantee or bond.
- b) Reasons why the works required by the condition/s of the approval have not been undertaken.
- c) Estimated timeframe for when the works required by the condition/s of the approval will be undertaken.
- d) An itemised quote or estimate for the costs to undertake, and manage, the works required by the conditions of the approval.

5. Policy

- 5.1 When an approval is subject to specific conditions requiring certain works to be undertaken prior to the issue of a Building Permit, commencement of works or occupation or use of the development, and such conditions have not been, or cannot yet be, fulfilled, a bank guarantee or bond may be permitted in certain circumstances.
- 5.2 The amount of a bank guarantee or bond will be based on the quoted or estimated cost of undertaking and managing the works required by the condition of the approval, plus a 30% contingency fee.
- 5.3 Early clearance of the condition cannot be achieved until the original bank guarantee or bond is received by the Shire.
- 5.4 A bank guarantee will be securely stored by the Shire.
- 5.5 A bond will be held by the Shire in a trust account.
- 5.6 No interest is payable to the proponent upon return of a bond.
- 5.7 A bank guarantee or bond will not be returned by the Shire to the proponent until the relevant works have been undertaken to the satisfaction of the Shire and as required by the relevant condition.
- 5.8 The Shire will not act to undertake work in default by the proponent until after successful legal action has been taken against the proponent for failure to comply with a condition of Development Approval or a provision of a legal agreement.

6. Strategic objective

The policy aligns to the following strategic objective:



Effective civic leadership

Effective civic leadership is visionary and influential. It means listening to the community, balancing competing demands, making fair decisions and acting with integrity.

7. Definitions

- Nil.

8. Legislation

- *Planning and Development Act 2005.*
- *Planning and Development (Local Planning Schemes) Regulations 2015 – Schedule 2 Deemed Provisions (Part 2).*
- Shire of Harvey's Local Planning Scheme No. 2.

Responsible officer	Director Sustainable Development		
Responsible team	Planning		
Responsible area	Planning Services		
Version control	Date	Resolution	Number
Version 1	24.03.1997	Resolution	
Version 2	11.12.2007	Resolution	21902
Version 3	19.09.2017	Resolution	17/259
Version 4	22.03.2022	Resolution	22/040
Version 5	23.04.2024	Resolution	24/78