



# Development Performance Bonds and Bank Guarantees Local Planning Policy

Version 1

**Scheme Provisions:**

**Other References:**

Shire of Northampton Local Planning Scheme No. 10  
Shire of Northampton Local Planning Scheme No. 11  
Planning and Development Act 2005

**Special procedural considerations:**

<b>RESPONSIBILITY</b>	Chief Executive Officer as per the Delegations Policy and Register.		
<b>ADOPTION</b>	16 November 2018	Advertising/Final Approval	

## 1.0 CITATION

This is a local planning policy prepared under the *Planning and Development (Local Planning Schemes) Regulations 2015* and the *Shire of Northampton Local Planning Schemes: No. 10 - Northampton District; and No. 11 - Kalbarri Townsite* ('the Scheme'). It may be cited as the Development Performance Bonds and Bank Guarantees local planning policy.

The local government may prepare a local planning policy in respect of any matter related to the planning and development of the Scheme area. In making a determination under the Scheme the local government must have regard to each relevant local planning policy to the extent that the policy is consistent with the Scheme.

## 2.0 OBJECTIVE

- 2.1 To outline circumstances whereby development performance bonds or bank guarantees may be accepted to secure compliance with development approvals, in order to ensure a satisfactory standard of development.

## 3.0 POLICY STATEMENT

- 3.1 Where a development approval is issued and that approval is acted upon, the developer is under a legal obligation to comply with the approved application, including any conditions of approval.

- 3.2 As a general rule, the Shire of Northampton will utilise powers available to it under relevant legislation to enforce compliance with the terms of any development approval. However, notwithstanding these powers, consideration may be given to accepting a development performance bond or bank guarantee to ensure compliance. The circumstances warranting a possible requirement for a development performance bond or bank guarantee will be considered on their individual merits, however they may include (but are not limited to) the following:

- a) where failure to complete a development, or part of a development, in accordance with approved plans and conditions could adversely affect an adjoining property or the public in general;
- b) where a condition of approval requires ancillary works associated with a development to be completed within a specified timescale; and
- c) where failure to complete development satisfactorily could adversely affect adjacent Council infrastructure.

- 3.3 The amount of a bank guarantee or bond will be as per the following:

- a) Assessed based on the estimated cost to undertake and manage the works required by the conditions of Development Approval, plus a 20% contingency fee;
- b) A bond amount equivalent to 20% of the estimated value of the approved works (as per 3.3(a) above) shall be required by the Shire of Northampton to ensure the completed building presentation is of an acceptable standard, with a minimum bond amount of \$5,000.00 (unless 3.3(c) below applies);
- c) A \$10,000 bond shall be required for any outbuilding to be constructed prior to a dwelling (and which has an approved building permit for the dwelling's construction) on any residential, rural residential or rural smallholding zoned land.

- 3.4 A bank guarantee or bond is to be received by the Shire prior to a Building Permit being issued and no part of the bank guarantee shall be reduced, or no part of the bond shall be returned, until the development complies with all the conditions of the Development Approval.
- 3.5 Payment of bond monies must be accompanied by a Statutory Declaration, stating the Owner/Applicant's commitment to completing the development in accordance with any conditions of Development Approval and within the timeframes specified by the local government.
- 3.6 In the event of a developer failing to complete approved works in accordance with conditions of a development approval or as otherwise advised or agreed to by Council in writing, the Shire of Northampton may complete the outstanding works and deduct the cost including administrative or other overhead costs from the performance bond or guarantee.
- 3.7 Nothing in this Local Planning Policy shall constrain Council from taking legal action as prescribed under the Local Planning Scheme and/or the *Planning and Development Act 2005* and associated Regulations.