



POLICY NO. CP 2.4.22

CLEARANCE OF CONDITIONS OF SUBDIVISION AND DEVELOPMENT APPROVAL - SECURITY DEPOSITS FOR OUTSTANDING WORKS

PURPOSE

To outline the minimum requirements for the receipt and return of security payments imposed to ensure the satisfactory completion of conditions of subdivision or development.

1. POLICY

- 1.1** The City does not support the lodgement of security payments as a precursor to the completion of works, unless the following circumstances apply:
- a) The applicant has demonstrated that the satisfactory completion of works has been affected by events which are beyond the applicant's control;
 - b) The acceptance of a security payment allows the coordination of works in a manner that the City agrees is substantively more efficient; or
 - c) Where the delay in completing a development or subdivision would adversely affect an adjoining property or the public in general.
- 1.2** Any request to enter into a security payment arrangement is to be determined by the relevant Director on receipt of a written application which addresses policy criteria 1.1(a), (b) or (c).
- 1.3** Public Open Space (POS) and environmental maintenance is to be bonded in accordance with this policy, without requiring Director approval.

2. APPLICANT'S AGREEMENT WITH THE CITY

Where the City has agreed that a request to defer conditions of subdivision is acceptable, the applicant must enter into a legal agreement with the City to facilitate the arrangement. The legal agreement must deal with the following issues.

- 2.1** A description of the relevant conditions of the subdivision or development that are being deferred/bonded.
- 2.2** A detailed description of the works to be carried out by the applicant including completion timeframes.
- 2.3** Contingency measures available to the City in the event that the applicant defaults on its obligations.
- 2.4** Indemnification of the City for any claims that might arise from the agreement or its contingent effects on other land or development within the City. If the City is required to undertake the work where the applicant is in default, the City shall be indemnified against any claim for compensation by the applicant by means of either a clause written into the legal agreement or another form of indemnity.



- 2.5** In the event the City is required to undertake the work where the applicant is in default, the agreement shall provide for the City to enter the private land to affect those works.
- 2.6** In the event the City is required to undertake the work where the applicant is in default, the applicant agrees to reimburse the City for the total costs of undertaking the works irrespective of whether the costs exceed the bonded amount.
- 2.7** Any other issues that the City identifies due to the particular circumstances of the application.

3. ADMINISTRATION COSTS

The City's preparation and administration costs will be calculated on the basis of:

- 3.1** The City's fees and charges as may be applicable at the time that the agreement is entered into; and
- 3.2** The City's full costs directly incurred in establishing the legal agreement and security payment. Preparation and/or assessment of the legal agreement is to be at the applicant's cost.

4. CALCULATION OF SECURITY PAYMENT AMOUNT

- 4.1** The applicant is to provide a written cost estimate of the proposed works that are the subject of the security payment. The cost estimate is to be undertaken by a qualified contractor or accredited consulting engineer, landscape architect or environmental consultant and if deemed necessary by the City, verified by a quantity surveyor.
- 4.2** On being satisfied of the quantum of the cost estimate of the proposed works, the City will establish the required security payment as being 1.875 times that amount, acknowledging the risks, potential maintenance periods, and time delays that may result from contingencies needed to deliver the works. The City reserves the right to increase the contingency amount at the discretion of the relevant Director based on the assessment of risk to the City.

5. FORM OF THE SECURITY PAYMENT

The payment shall be in a form acceptable to the City, and may include a cash payment, bank guarantee, or other absolute financial security.

6. RELEASE OF SECURITY PAYMENT

The release of the security payment will be in accord with the conditions of the agreement.

**GOVERNANCE REFERENCES**

Statutory Compliance	Local Government Act 1995 – Section 6.16 Thoroughfares and Public Places Local Law 2021
Industry Compliance	IPWEA Local Government Guidelines for Subdivisional Works (as amended by the City of Gosnells)
Organisational Compliance	Nil.
Process Links	Nil.

POLICY ADMINISTRATION

Directorate		Officer Title	Contact:
Planning and Development		Manager Development Services	9397 3000
Risk Rating	Low	Review Cycle	Triennial
		Next Due:	2027
Version	Decision Reference	Synopsis	
1.	OCM 414/25/08/2009	New Policy – replaces Policy 5.1.9	
2.	OCM 386/24/08/2010	Reviewed and amended.	
3.	OCM 415/24/09/2013	Reviewed, re-numbered, re-titled and replaced due to significant amendments to outline the minimum requirements for the receipt and return of security payments.	
4.	OCM 382/23/09/2014	Reviewed and amended clause 1.1.3 to improve clarity. Removed clause 4.4 as GST is not applicable to security deposits which are intended to be refunded.	
5.	Exec. Team Meeting 02/10/2017	Reviewed with administrative changes - staff title change and statutory compliance details.	
6.	OCM 305/11/09/2018	Reviewed with no amendments	
7.	OCM 16/08/02/2022	Reviewed with amendments to incorporate additional issues to be covered in legal agreements in relation to payment of security deposits in return for clearance and change to the value of the security deposit value.	
8.	OCM 229/10/09/2024	Reviewed and amended.	