

Policy Type	Corporate
Function	Development and Building Controls
Policy Owner	Director Infrastructure Planning and Environmental Services
Policy Contact	Director Infrastructure Planning and Environmental Services
Effective Date	25 November 2025

Purpose

The purpose of this policy is to outline the minimum requirements for security bonds for development and building works and the standards required to properly administer the receipt, control, and return of security bonds. This policy should be read in conjunction with Council's other development policies, conditions of development approvals and other relevant legislation.

Objectives

This policy aims to achieve the following objectives:

- Safeguard Council's financial interests by requiring bonds to cover potential damage to public assets or non-compliance with approved development conditions.
- Ensure the satisfactory completion of building and development works in accordance with approved plans, relevant legislation, and Council standards.
- Promote accountability and risk management by requiring Proponents, contractors and property owners to maintain adequate public liability insurance throughout the duration of the works.

Scope

This policy applies to all individuals, companies, or entities entering into a bonding agreement with Burdekin Shire Council in relation to building and development works.

Policy Statement

Burdekin Shire Council retains, at its discretion, the right to determine when and if a bonding agreement will be entered into and the type of bond applicable to the development or building works.

Security

Council may, where deemed necessary or as a condition of development approval, require the proponent to provide a satisfactory form of security to ensure:

- **Completion of the development** in accordance with approved plans, conditions, and relevant standards.
- **Performance of specified works**, including but not limited to infrastructure construction, site rehabilitation, and other obligations outlined in the development approval.

Bond Categories

The following categories of bonds will be determined by Council:

Bond Category	Description
Maintenance Security Bond	<p>Provided to Council as a defect's liability bond during the On-maintenance period. This bond is to cover the costs of maintenance works on the development works that are to be transferred to Council after the satisfactory completion of the On-maintenance period.</p> <p>This is to be provided prior to the works being accepted as On-maintenance and is held for the duration of the maintenance period.</p>
Incomplete Works Bond	<p>An uncompleted works bond allows a Developer to undertake early plan sealing, while simultaneously completing outstanding works prior to going On maintenance as part of an operational works approval. Incomplete Works Bonds may be requested:</p> <ul style="list-style-type: none"> to cover completion costs if preliminary or early-stage construction work (like site preparation or demolition) or other work required by conditions of approval are not completed prior to the release of survey plans; and/or construction, testing, commissioning and compliance requirements. <p>The acceptance of an uncompleted works bond request requires certain conditions to be met and consideration of associated risks, including default.</p> <p>The value of the bond is based on the value of the operational works that are incomplete at the time of subdivision plan endorsement.</p> <p>This is to be provided prior to the subdivision plan submission and is held until the works are accepted as On-maintenance.</p> <p>Value of incomplete operational works is to be determined by an RPEQ engineer.</p>
Deferred Works Bond	<p>Provided to Council for operational works that are expected to be completed after the work or infrastructure is accepted as On-maintenance and is held until the deferred work have been completed and accepted as Off-maintenance'.</p>
Performance Bond	<p>To secure the performance of work or infrastructure, and ensure fulfilment of development approval conditions and obligations and may include the following examples:</p> <ul style="list-style-type: none"> Removal and Rebuilding – Class 1 and Class 10 buildings and structures Water sensitive urban design bio-retention basins and maintenance Uncompleted landscaping and landscaping maintenance Performance.
Other Requirements Bond	<p>To provide security for any other requirements the Council may, from time to time, deem necessary.</p>

Form and Amount of Security

Bonds and security must be in the form of a Bank Guarantee. Council will not accept any other form of security. Bank Guarantees must:

- Be irrevocable guarantees from a recognised trading bank, approved by Council. Bank guarantees from finance/insurance companies or merchant banks will not be accepted.
- Be accompanied by the Bonding Application Form.
- Be in the name of the landowner or authorised agent of the landowner.
- Be in Council's favour.
- Be given by a financial institution consented to by Council.

- f) Be unlimited in time.
- g) Be otherwise unconditional.
- h) Include a full property description of the subject premises.
- i) Include a full description of the purpose of the security.
- j) Be for an amount which is:
 - i. specified when referring to a maintenance security deposit; or
 - ii. specified in the bonding agreement, in the case of a performance bond; or
 - iii. one point five (1.5) times the fully priced scheduled value of the part of the development which is not complete at the time of lodging the security with Council, in the case of an uncompleted works bond.

Bonding Agreement

Once approved, the proponent will be required to enter into a bonding agreement, prepared by Council, at the proponents' cost.

Development Works

Development works may be permitted to be bonded for the purpose of early endorsement of survey plans or another purpose as specified, at the discretion of Council.

Reduction of Bonds

Certain types of bonds may be reduced at the discretion of Council upon performance of a proportion of the outstanding works and upon submission of evidence of proportional progress. Upon request, Council may agree to reduce the Incomplete Works Bond against the Maintenance Security Bond, when the On-maintenance is accepted and upon receipt of fees as prescribed in the current register of cost recovery Fees.

Reducing, releasing, or transferring security bonds

Council may, upon the request of the Proponent and upon payment of the relevant administration fee in the current register of cost recovery fees:

- i. reduce the security for the Incomplete Works Bond as the development is carried out, provided the amount of the security retained is not less than:
 - 150% the value of the part of the development not yet complete; or
 - the value of the maintenance security deposit.
- ii. release the security for the Incomplete Works Bond (other than the maintenance security deposit) where the applicant has complied with the applicant's obligations.
- iii. transfer the security for the Incomplete Works Bond to the maintenance security deposit where Council has accepted the works On-maintenance.
- iv. release the security for the Performance Bond where Council has accepted the works On-maintenance.
- v. release the maintenance security deposit where Council has accepted the works Off-maintenance.

The request made by the Proponent must be in writing; and include:

- i. the development application file reference;
- ii. the real property description of the premises;

- iii. Council's bond reference number and bond amount;
- iv. the applicable stage or stages in a staged development;
- v. evidence to substantiate the value of the completed works; and
- vi. where the security is a banker's undertaking, provide details of the registered bank or finance company which provided the security.

Call up of Bonds

Council reserves the right to call up any security which has been provided in the event that the Developer, owner or another entity fails to meet their obligations or has been served with a Compliance Notice, or in the interests of public safety.

Council may call up a bond/security where:

- i. the Proponent has not complied with a Compliance Notice issued by Council;
- ii. certain works are required to be carried out by Council in the interests of public safety or environmental restitution;
- iii. the works have not been completed within the timeframes specified within the bonding agreement; or
- iv. remedial works are required to be carried out by Council due to conditions of the approval not being satisfactorily met.

Where Council believes the Proponent to be in breach of the agreement, Council may exercise its rights under the agreement to call up the bond to satisfy the bond conditions. Before exercising this right, Council will issue written advice detailing the alleged breach of the agreement specifying the actions required by the Developer/Proponent for compliance.

In the event the Developer/Proponent does not comply with orders specified in the timeframe stipulated, Council may exercise its legal rights under the agreement and call up the value of the works or conditions from the monies held.

Should the fair estimated cost of the outstanding works or conditions (including Council's charges for supervision, interest, administration costs, legal costs, overheads and contingency sum) be greater than the bond, Council will apply the bond as far as it extends and look to recover any shortfall as a liquidated debt, as well as take actions regarding a breach of a development approval condition.

Forfeiture of Bond- Incomplete Works/ Maintenance Bonds

If at the close of business on the last day of the bonding period the works have not been completed to the satisfaction of Council, the entity will forfeit the total bond to Council.

Council will undertake the works as soon as practicable after this date.

If a bond is forfeited, Council reserves the right to not enter into any further bonding arrangements with the entity. It is the responsibility of the entity to be aware of the expiry date of the bonding period.

Bonding of Development Requirements

The following requirements apply to the bonding of developments:

Maintenance Security Bond

The Maintenance Security Bond must be:

- paid to Council by the applicant;
- in the form specified above (see Form and Amount of Security);
- for an amount: minimum \$5,000, or 5% (whichever is the greater) of the total value of the development work (verified by a fully priced Bill of Quantities for all development work), or the amount prescribed in Council's register of fees and charges, whichever is the greater; and
- for a period as determined by Council (usually 12 months after acceptance of completed works or as otherwise specified in the development permit) and known as the maintenance period.

Agreement to Bond Development for Incomplete Works and Deferred Works

- a) The Proponent may apply to Council to enter into a bonding agreement for uncompleted works and/or deferred works, pursuant to which the Proponent is to provide a security for the completion of development where (unless otherwise required by Council):
- i. the works, based on a fully priced Bill of Quantities, are valued at greater than greater than \$10,000 for civil works;
 - ii. the bond is for completion of the following level of works as detailed in the table below:

Type of Works	Level of Completion of Works
Construction and Earthworks	100% of earthworks are completed and stabilised to Council's satisfaction.
	100% of stormwater and drainage works (including kerb and channel) are completed to Council's satisfaction and RPEQ certified.
	All services under pavements and in private properties.
	100% of roads are certified by an authorised surveyor that the roads are within the correct alignment and at the correct level where applicable.
	All electrical and telecommunications networks to the satisfaction of the relevant service provider.
	Any other essential infrastructure required to service the development or related properties.
	100% of the total value of construction works are completed to the Council's satisfaction.
Sewerage and Water Supply Works	100% of the total water supply and sewerage infrastructure, both external and internal reticulation and drainage works are constructed and function, to Council's satisfaction.
	All testing and As-constructed information is provided to Council.

- iii. Before releasing the survey plans, Council is satisfied that all works and services will be completed and operational within **three (3) months** of receiving an Incomplete Works Bond, or as otherwise agreed to by Council; and
- iv. the Proponent has provided Council with:

- a. a fully priced schedule of the parts of the development which are not complete.
- b. where a maintenance security deposit is required, confirmation of the total cost of the development.
- c. a summary sheet of all works which are not complete, and the maintenance works which are to be bonded.
- d. a certificate from the consultant that:
 - (ii) the information provided to Council is correct.
 - (ii) any part of the development which is not complete can be completed within the time specified in (a) iii (above).
- b) Council will undertake a risk assessment of the bonding application prior to making any offer to the Proponent to enter into a bonding agreement and reserves the right to refuse applications based on its risk assessment.
- c) Council will not enter into a bonding agreement for the completion of essential services.
- d) Uncompleted works that may be bonded include:
 - i. pavement base course layer, prime and asphalt.
 - ii. line marking, street signage, and other road furniture.
 - iii. pathways, driveways, bin pads and other concrete works, noting that if a driveway is the only means of access to lots, then this will need to be completed so newly created lots can be accessed.
 - iv. landscaping, including streetscaping works.
 - v. other non-critical development works as agreed by Council.
- e) Where a development is not complete, Council will not release a plan of survey for sealing until:
 - v. a bonding agreement for the uncompleted works has been entered into between Council and the Proponent.
 - vi. a bond for the uncompleted works has been paid by the Proponent.
 - vii. Council is satisfied that any part of the development which is not complete can be completed within the time period specified in (a) iii (above).
 - viii. Council has received any outstanding:
 - a. rates.
 - b. monetary contributions and charges.

Agreement to Bond Development for Performance

- a) Council may, as a condition of development approval, require the payment of security under a bonding agreement pursuant to which the Proponent is to provide a security to ensure the satisfactory performance of work pursuant to the development approval (performance bond).
- b) Council may require a bonding agreement for the payment of a performance bond in the following situations:
 - i. where the development approval includes critical external works not subject to an Infrastructure Agreement (IA), such as major drainage works.
 - ii. where the development approval includes revegetation or rehabilitation areas.
 - iii. where there is a need to protect existing infrastructure, such as existing roads impacted by construction vehicle traffic routes.
 - iv. where there is a need to protect existing vegetation.
 - v. where any development could require restitution works in order to:

- a) protect the safety of persons or property; or
- b) mitigate any potential environmental harm or downstream impacts.
- c) Council will determine the need for a performance bond by having regard to:
 - a. past experience with performance by either the Proponent or any associated consulting engineer, on other or previous developments.
 - b. the risk the development poses.
- d) The value of a performance bond is to be:
 - a. for works which are not subject to staging - between 30% and 50% of the full estimated cost of all works for the subject site, set at the discretion of Council; or
 - b. for works which are subject to staging - 100% of the value of an agreed number of stages, provided that, at the discretion of Council, the performance bond may be transferred from stage to stage, or a parcel of stages to a parcel of stages as work progresses.
 - c. the value of the bond may be reduced upon written request by the Proponent, provided that at no time will the value of security be allowed to fall below 150% of the value of the works.
- e) The bonding agreement is to be executed, and payment of the performance bond is to be made by the Proponent prior to the commencement of the work the subject of the performance bond.

Agreement to Bond Removal and Rebuilding – Class 1 and Class 10 building and structures

Council may require as a condition of development approval, submission of security for the completion of administrative and other requirements relating to removal and/or relocation and/or rebuilding of relocated Class 1 and Class 10 buildings and structures.

In accordance with Council's Amenity and Aesthetics and Removal and Rebuilding Works Policy, the requirement for and value of removal house bonds will be at the discretion of Council being a minimum charge of the current fee prescribed in Council's fees and charges, and site-specific conditions will be incorporated into the Building Approval or other Council permit generated to permit the action, including completion of works within the two (2) year currency period of the development permit given for any building work/s.

Proponents Obligations

Proponent's obligations pursuant to an agreement to bond development - Incomplete works, Early Release, Deferred Works and Performance only.

The Proponent must:

- complete the development;
- comply with all conditions of approval;
- ensure that any works are accepted on-maintenance by Council;
- provide a maintenance security deposit to Council; and
- prepare and submit to Council the as-constructed drawings and documentation;

within the specified timeframes outlined above.

Where a plan is approved by Council pursuant to schedule 18 (Approving plans of subdivision) of the *Planning Regulation 2017*, the Proponent must comply also provide to Council a certificate from a licensed surveyor that all property survey marks have been reinstated.

Proponent's obligations pursuant to an agreement to bond Removal and Rebuilding – Class 1 and Class 10 buildings and structures

The Proponent must complete the works required to the standard and timetable specified in the schedule forming part of the agreement or within the currency period of a valid development permit.

Proponent's obligations pursuant to an agreement to bond for an Other Requirements Bond

The Proponent must complete the works required and to the standard specified in the schedule forming part of the bonding agreement, as agreed to between Council and the proponent.

Compliance Notice

Where the Proponent does not comply with the agreements detailed in this policy, Council may issue a Compliance Notice to the Proponent requiring that the Proponent comply with the Proponent's obligations or show cause why Council should not call up the security.

Indemnity

The Proponent, owner, contractor or consultant engineer is to indemnify the Local Government against any claim, action or process for damage or injury which might arise during the progress of the works for the full construction period or until the works are completed.

No work is to commence unless the Developer has in place the following insurances:

- Public Liability Insurance to a limit of indemnity of not less than \$20,000,000 with a notation with the Local Government as an Insured Party; and
- Workers' Compensation Insurance.

The Developer is to take steps to ensure that all contractors employed by them are also covered in relation to the above insurances and that they in turn ensure that all subcontractors employed on the job are covered in relation to the abovementioned insurances.

Risk Management

This policy aims to mitigate against the risks associated with development and building works that may be undertaken by property owners and Developers that could damage Council's public infrastructure and/or remain uncompleted. The policy also addresses the risks associated with the administration, receipt and return of bonds by detailing the minimum requirements associated with these processes. Further, the policy reduces Council's exposure to risk by enforcing requirements for indemnity and insurance.

Legislation

Planning Act 2016

Planning Regulation 2017

Local Government Act 2009

Building Act 1975

Definitions and Abbreviations

Bank Guarantee means financial security issued by an approved financial institution that allows Council to draw down on the specified funds should the Developer fail to complete specified works within a specified timeframe.

Bill of Quantities	means a fully priced list, certified by a RPEQ, of the development works and maintenance responsibilities that will be transferred to Council at the end of the On-maintenance period
Bond	Security provided to ensure compliance with conditions of a development approval, or to allow for an agreed action by the applicant or the Council.
Bonding Agreement	A formal document of agreement between the Council and any other party (for example the Proponent) for the purpose of defining the obligations and required actions of both parties, and the amount and type of security to be provided.
Building Approval	refers to how a building will be constructed. It is required for most developments to ensure a building complies with building laws, including the Building Code of Australia.
Compliance Notice	means a written notice by Council to the Proponent (howsoever described in a bonding agreement, including any show cause notice) advising of the Proponent's non-compliance with a term of the bonding agreement.
Council	Council shall mean Burdekin Shire Council.
Developer	Any entity or individual undertaking development works related to a development approval.
Off-maintenance	means the formal acceptance by Council of the transfer of works and maintenance responsibility to Council by the applicant after the satisfactory completion of the On-maintenance period.
On-maintenance	means a period specified by Council for the maintenance of works that are to be transferred to Council. This period commences after the formal acceptance of the works completed by the applicant.
Proponent	any party who puts forward a legal instrument for consideration or acceptance related to a development approval.
RPEQ	means a Registered Professional Engineer of Queensland

Related Documents

Reference Number	Document Title
BLD-FRM-0021	Security Bond Return Request Form
BLD-FRM-0022	Security Bond Application Form

Document History and Version Control

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