Provision of Financial Securities

Head of Power

Local Government Act 2009
Sustainable Planning Act 2009
Building Act 1975
Environmental Protection Act 1994
A “local government Act” as defined in the Local Government Act 2009

Objective

To provide guidance on the process to be followed for the acceptance of financial securities by the Council.

Definitions/Application

Definitions

“A local government Act” - means an Act under which a local government may exercise the jurisdiction of local government.

“Authorised Deposit-Taking Institution” (ADI) - means a corporation that is authorised under the Banking Act 1959 and regulated by the Australian Prudential Regulation Authority (APRA) under APRA’s enabling legislation. ADIs include banks, building societies and credit unions.

“Authorised Insurer” - means an Insurer authorised to conduct new or renewal insurance business in Australia and are corporations that are registered by APRA under the Insurance Act 1973 and have a Standard & Poor’s rating of ‘A+’ or better.

“Financial Institution” - means an ADI regulated by the Australian Prudential Regulation Authority (APRA) under APRA’s enabling legislation. A list of ADIs is available on the APRA website: www.apra.gov.au.

“Financial security” - means a security provided by a Financial Institution or an Authorised Insurer.

“Security” - includes a guarantee, bond or undertaking.

Application

This policy applies to the provision of Financial securities where the Council requires or is prepared to accept a Financial security for any purpose (such as development approvals and construction contracts) relating to the exercise of its local government jurisdiction.

Policy Statement

The Council will accept a Financial security from a Financial Institution or Authorised Insurer for any purpose relating to the exercise of its local government jurisdiction:

1. where the documentation is in a form acceptable to the Manager Legal Services; and
2. the security documentation is duly executed by a person with authority to legally bind the Financial Institution or Authorised Insurer.

A Financial security held by the Council will be returned to the Financial Institution or Authorised Insurer when the obligations secured by the Financial security have been satisfied, or when the Financial security is, for any other reason, no longer required.
Review Triggers

This Policy is reviewed internally for applicability, continuing effect and consistency with related documents and other legislative provisions when any of the following occurs:

(1) The related documents are amended.
(2) The related documents are replaced by new documents.
(3) Amendments which affect the allowable scope and effect of a Policy of this nature are made to the head of power.
(4) Other circumstances as determined from time to time by a resolution of Council.

Notwithstanding the above, this Policy is to be reviewed at least once every two years for relevance and to ensure that its effectiveness is maintained.

Responsibility

This Policy is to be:

(1) implemented by the Manager Legal Services; and
(2) reviewed and amended in accordance with the "Review Triggers" by the Manager Legal Services.

Version Control

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Related Links: