

Provision of Financial Securities

Head of Power

Local Government Act 2009

Related Legislation

Planning Act 2016

Building Act 1975

Environmental Protection Act 1994

Objective

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

Definitions

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 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

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 where the documentation is:

- (1) in a form acceptable to the Manager Legal Services or nominee; and
- (2) duly executed by a person with authority to legally bind the Financial Institution or Authorised Insurer.

A financial security held by 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.

Related Documents

Not applicable.

Review and Evaluation

This policy will be reviewed for applicability, effectiveness, and consistency with relevant legislation, Council resolutions, and other Council documents. Reviews of this policy will occur as required, or at least once every four years.

Responsibility

This Policy is to be:

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

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Document Control			
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