

Information Sheet

Developer's guide to bonding of works

Service

Early clearance of a land development prior to completion of the works required can be requested by the provision of a bond for the value of the drinking/recycled water and wastewater infrastructure. The benefits of bonding early include:

- title creation
- settlement of sale
- construction of a building (private pipes are not permitted to be connected to the contract work before the Certificate of Practical Completion is issued)

If your request to bond is accepted you will need to meet conditions set by the Land Developer Agreement.

What can be bonded?

Drinking/recycled water and/or wastewater infrastructure either from when the agreement is issued or while works are in progress.

Acceptable forms of security

Financial Guarantee - an agreement between you and a financial institution whereby the institution guarantees the developer's duty to carry out the works. SA Water requires the following documents:

- an unconditional guarantee from an approved financial institution (eg most large banks in Australia). Please ensure the institution is acceptable to SA Water before applying for the guarantee
- customarily, the institution providing the guarantee should have no interest in the development
- the guarantee must nominate SA Water as the "favouree" and quote the Land Developer Agreement number/s
- the guarantee must be open ended (eg must not be for a fixed term)

Cash

Developers may provide a cash deposit as a bond.

N.B. Developers are not entitled to any interest accrued on the cash deposit.

The process

1. Confirm the bond amount with SA Water.
2. Provide a financial guarantee or cash.
3. Instruct the surveyor to lodge the final plan of division with the Development Assessment Commission.
4. On completion of steps 1 to 3, SA Water will advise the Development Assessment Commission all conditions have been met.
5. As the project proceeds, SA Water will consider requests to reduce the bond amount in line with the reducing value of outstanding works. The number of bond reductions is limited to two.
6. When a Certificate of Practical Completion has been issued the bond will be reduced to the security sum (5% of the total value of the works). It will remain at this level for the 12 month defects liability period. Upon expiration of this period a Certificate of Final Completion will be issued and the guarantee returned to the financial institution for cancellation.

Further information

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