

Infrastructure Protection Bond Implementation & Progress

Ruban Ganeshamoorthy

City of Kwinana

Coordinator Engineering Development

What is Infrastructure Protection Bond?

- The applicant must pay a sum of money to cover the cost of repairing damages caused by construction work on public roads or places.
- This payment is made on the condition that the local government may retain an amount from the sum to cover repair costs if the damage is not fixed by the applicant.

Which ACT and Regulation Governs?

- Local Government Act 1995 Sch.9.1 Cl.8
- Local Government (Uniform Local Provisions) Regulations 1996 – Reg 17

Section 5 states following:

“a condition requiring the applicant to deposit with the local government a sum sufficient in the opinion of the CEO of the local government to cover the cost of repairing damage to the public thoroughfare or public place resulting from the construction, on the basis that the local government may retain from that sum the amount required for the cost of repairs by the local government if the damage is not made good by the applicant”

Infrastructure Protection Bond Implementation & Progress

- Infrastructure Bond is adopted in the City's Fees and Charges.
- The minimum bond amount is \$2000 plus \$156 Inspection Fee (Non-refundable).
- Next financial year (24/2025), planning to increase to \$3000.
- The Builder's information sheet is published on the City's website.

What if there is no Bond System

- The Local Government require ongoing maintenance.
- The rate of Asset depression will be rapid and reduced asset life.
- Extremely difficult to increase council rates in the current situation.

Which other LGAs are using Bond system

- City of Stirling – Has a separate Verge inspection team
- City of Vincent
- City of Wanneroo

How Infrastructure Bond currently works?

- Builders lodge the building applications online.
- Building department receives applications and refers to internal departments.
- Once the Engineering department finalizes the BA assessment, an invoice will be sent to the Builder.
- Once all payments, including the Infrastructure bond, are received, the BA will be released.
- Bonds information are stored in a register.

COK Infrastructure Bond Process



Infrastructure Protection Bond refund process

2

City of Kwinana conducts a pre-inspection before build

1

Building Fees Paid

3

Notice of Completion builder sends through (BA7)

4

City of Kwinana conducts a final inspection

5

Inspection passed
Bond returned or inspection failed - builder given the option to repair.

6

Bond retained, refunded or invoice (damage more than 2K)

7

City of Kwinana to repair – if bond retained or Invoiced

How successful is the Bond system?

- Currently, bond invoicing is done manually, resulting in increased administrative work.
- Discussions are underway with the ICT team to automate the invoicing process.
- Only BA 7 inspections are conducted, as there is no dedicated staff to perform regular inspections.
- Not all builders adhere to the City's protocols, leading to mismanagement of sites.
- The rising demand for new houses may contribute to these challenges, along with the potential impact of liquidating building companies.

What's next?

- Aim to have dedicated staff for regular inspections to ensure compliance.
- Plan to automate the Invoicing system to streamline processes and reduce administrative burden.
- Schedule a review of the Bond system in another 12 months to assess effectiveness and make necessary adjustments.

Further consideration

- According to the Liveable Neighbourhood Guidelines of 2009, the standard cross-section for a type C and D access street is as follows:

Access streets (continued)

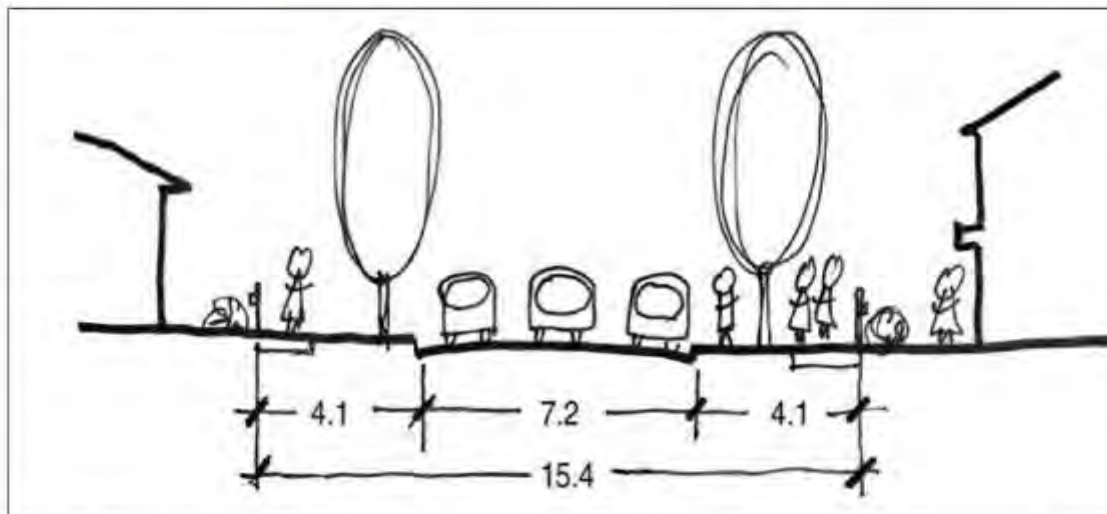


Figure 21: Access street C – yield (or give way) street – Target speed 40 km/hr (< 3000 vehicles per day).

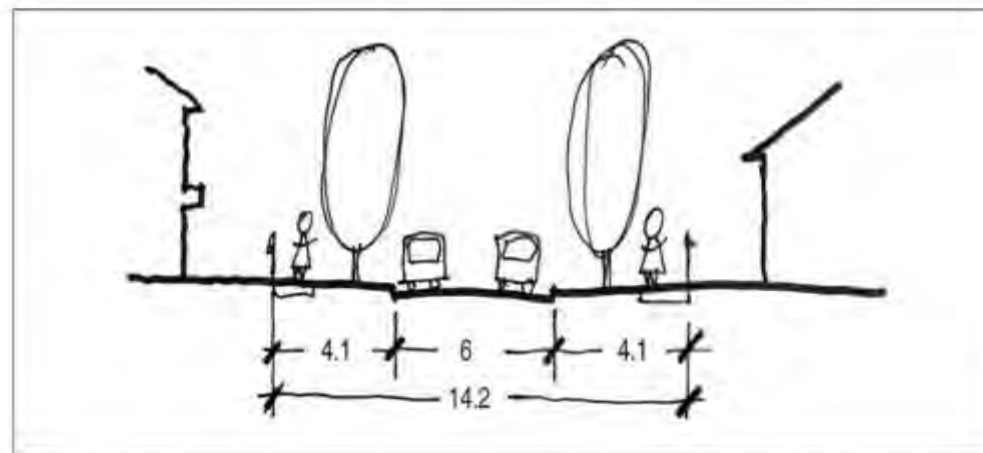


Figure 22: Access street D – narrow yield (or give way) street – Target speed 30 km/hr (< 1000 vehicles per day).

Thanks for watching and question time.