

GUIDELINES FOR BONDING INCOMPLETE SUBDIVISION WORKS UNDER RMA S222

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/WaikatoDistrictCouncil 

1. Introduction

- Section 222 of the Resource Management Act 1991 (RMA) allows for subdivision consent conditions to be bonded, and a completion certificate to be issued, to enable a section 224 certificate to issue prior to compliance with the relevant consent conditions.
- Note: These guidelines do not apply to bonds imposed as a resource consent condition under section 108(2)(b) of the RMA.

2. General Principles

- All subdivision works required by resource consent conditions should be completed and certified prior to Council signing the RMA s 224(c) certificate, rather than being bonded.
- Council will not grant requests for bonds as a matter of course. Accepting bonds is the exception.
- Customers requesting a bond need to apply in writing to Council outlining the matters covered in this guideline.
- Council will not give approval for a bond prior to a written request being made.
- Allowing subdivision works to be bonded is at Council's discretion. There is no requirement, legal or otherwise, for Council to accept bonds.

3. Bond amounts

The amount of a bond will be at least 1.5 times the value of a GST inclusive quote to complete the works. The multiplier allows for contingency including contingency if prices increase during the term of the bond. Bond amounts under \$10,000 will not be considered. A bond under \$25,000 needs to be a cash bond. No interest will be paid on bond monies held by Council.

4. Bond timeframes

The maximum timeframe allowed in any bond agreement entered into by Council to complete subdivision works required by resource consent conditions will be six months. Minor works that can be completed in less than three months, such as vehicle entranceways, landscape planting and fencing, should not be considered for bonding unless the customer has a substantive reason that is acceptable to Council.

5. Essential services

Council will not consider bonding utilities or underground services that are required by resource consent conditions.

Postal Address

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Private Bag 544
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Huntly Office

142 Main Street,
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15 Galileo Street,
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Raglan Office

7 Bow Street,
Raglan

Te Kauwhata Office

1 Main Road,
Te Kauwhata

Tuakau Office

2 Dominion Road,
Tuakau

6. Request for a bond

A request to bond subdivision works required by resource consent conditions must be made in writing and include the following information:

- A detailed explanation of why the request is being made and why the resource consent condition/s cannot be complied with prior to the Council signing the RMA s 224(c) certificate
- A copy of the Computer Freehold Register (Certificate of Title) for the subject land that is not more than two months old.
- A list of the resource consent condition/s proposed to be bonded.
- A detailed description of the works proposed to be bonded to satisfy the resource consent conditions.
- The anticipated completion date of the works proposed to be bonded.
- A detailed quote for the works proposed to be bonded provided by a contractor acceptable to Council (an estimate or an amount proposed by the customer will not be acceptable).
- Bank guaranteed bond requests require written confirmation from the bank that it has agreed to guarantee the bond.

7. Bond request assessments

Requests are looked at by Council on a case-by-case basis.

8. Timeframes

A written request for a bond should be made as early as possible and in all cases prior to applying to Council for the RMA s 224(c) certificate. An RMA s 224(c) certificate will not be issued until the request for a bond has been decided. Council will endeavour to assess a bond request within 10 working days of receiving all required information. If approved, Council will endeavour to prepare and arrange for the bond document to be signed within a further 10 working days. Achieving these timeframes is dependent on prompt communication from the customer and their representatives.

9. Charges

The associated technical, legal, and administration fees for assessing bond requests and for preparing the bond document will be charged in accordance with the Council's Schedule of Fees and Charges for the current financial year and must be paid prior to Council issuing the RMA s 224(c) certificate.

10. Registration against title/s

Where the subdivision works to be bonded are within or affect any proposed private lots, the bond shall be registered against those titles. The registration will give notice that there are works to be completed. A letter of undertaking will be required from the customer's solicitor confirming that they will register the bond against the title/s.

11. Affected parties

Bonds for works on third party properties are discouraged unless there are compelling reasons to do so. Where the subdivision works proposed to be bonded are within third-party properties, a covenant shall be registered against the third parties' title to ensure full access to the land in question.

12. Waikato Regional Council

The Waikato District Council cannot bond works relating to the conditions of a resource consent issued by the Waikato Regional Council.

13. Discharge of a bond

Upon completion of bonded subdivision works, the customer must make a request in writing to the Council to discharge the bond. The process to discharge the bond will require written confirmation from the appropriate Council team that the works have been undertaken to Council's satisfaction. The associated inspection, technical, legal, and administration fees will be charged to the bond holder in accordance with the Council's Schedule of Fees and Charges for that current financial year. The associated fees must be paid before the bond is released. The Council will endeavour to send out a reminder letter to customers two months before a bond expires.

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