



## **SUSTAINABLE DEVELOPMENT**

### **DEVELOPER CONTRIBUTIONS (COMMUNITY INFRASTRUCTURE) EXPENDITURE POLICY**

<b>ISSUE</b>	<b>DATE</b>	<b>CHANGE</b>	<b>APPROVED</b>	<b>REVIEW</b>
A	February 2014	Initial Issue	24 February 2014	24 February 2016

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## **STATEMENT**

### **1 PURPOSE**

#### **Purpose and scope of policy**

The purpose of this policy is to guide Council in the mechanisms to be used for decision-making regarding expenditure of development contributions (community infrastructure) such that it conforms to legislative requirements and achieves the maximum benefit to the Shire.

### **2 APPLICATION**

This Policy is relevant to the collection and expenditure of community infrastructure contributions collected via planning permit conditions.

### **3 DEFINITIONS**

VAGO – Victorian Auditor General’s Office

Geographic location – Area based on a suburb or locality where real benefit can be demonstrated for lots created in the relevant subdivision

ICSIP – Mitchell Integrated Community Services and Infrastructure Plan

### **4 REFERENCES**

*Planning & Environment Act 1987* – The *Planning & Environment Act 1987* authorises Councils to collect, via negotiated agreements, contributions from developers for improving community infrastructure.

*Local Government Act 1989* - The *Local Government Act 1989* requires councils to implement sound financial management, including management of the financial risks associated with development contributions. It also directs councils to collect all the funds that are due to them, provide quarterly financial reporting, and have adequate internal control systems in place.

### **5 POLICY**

Contributions for community infrastructure that have been received as a result of a planning permit condition for a subdivision must demonstrate a nexus between receipt and expenditure.

The expenditure of funds received from developers for community infrastructure must be expended through the annual budget process utilising a transparent process. To ensure the residents of Mitchell receive the best possible outcome from such funds, it is policy that funds should be aggregated and used to attract matching

funding from other sources prior to expenditure being committed for any particular project.

Any monies received for community infrastructure will be accounted for in a Community Development reserve and tracked as to the geographic location from which it is collected so that the expenditure of the funds, when expended, can be traced in accordance with the requirements as identified by the Victorian Auditor General.

## **Process**

Funds will be collected prior to Statement of Compliance being issued for any subdivision where community infrastructure contributions were required by agreement or by a planning permit condition.

Contributions will be accounted for in the financial reserve, known as the Community Development Reserve, for the purpose of aggregating funds and then attracting matching funding from other sources. This fund is known as a Statutory Reserve and the funds collected by Council represent future obligations and are therefore separately accounted for to ensure sound financial management of Council's operations.

Funds will be expended through the Capital Improvement Programme portion of the annual budget process on a priority basis, based on Council's adopted CSIP and Annual Action Plans. Funds may be accumulated across financial years to enable the delivery of priority projects.

Council's Manager Community Development & Services will be responsible for recommending and identifying planned expenditure from the reserve accounts to Council on an annual basis. These recommendations will be based on the priorities identified in the ICSIP and its Action Plans. These recommendations will form part of Council's annual Capital Works deliberations.

The only exception to this principle is where a reactive situation occurs (i.e. a new funding stream, alternative revenue source) during the year that offers Council an entrepreneurial opportunity to deliver upon ICSIP priorities earlier than anticipated. In this instance, the Manager Community Services and Development will provide a report to Council recommending expenditure from the reserve accounts.

Grants will be sought to ensure that matching funding is attracted to maximise the benefit to the Mitchell community.

The Community Development Reserve Fund amounts shall be reported to Council as part of the quarterly financial briefing. Expenditure from the Community Development Reserve Funds shall also be reported to Council as part of the quarterly financial briefing.

## **6 FURTHER INFORMATION AND ADVICE**

### **Council Plan Reference – Key Performance Area**

The policy is consistent with the Council Plan Strategic Objective:

*“Plan developments and public spaces that take into account community needs and desires while being practical and responsive to longer term need”*

## **7 REVIEW**

This Policy will be reviewed 2 years after adoption.

## **8 AUTHORISATION**

This Policy was adopted by Council on 24 February 2014.