



SUSTAINABLE DEVELOPMENT

DEVELOPER CONTRIBUTIONS (OPEN SPACE) EXPENDITURE POLICY

ISSUE	DATE	CHANGE	APPROVED	REVIEW
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**Produced by
Sustainable Development Directorate for
Mitchell Shire Council**



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STATEMENT

1 PURPOSE

The purpose of this Policy is to guide Council in the mechanisms to be used for decision-making regarding expenditure of development contributions (open space) 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 open space contributions collected via planning permit conditions established under the Subdivision Act 1988.

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

MOSS - Mitchell Open Space Strategy (2013)

4 REFERENCES

Subdivision Act 1988 - The *Subdivision Act 1988* authorises Councils to collect contributions from developers for developing public open space 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 open space 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 open space must be expended through the annual budget process utilising a transparent process. To ensure that ratepayers of Mitchell Shire receive the best possible outcome from such funds, it is policy that funds should be aggregated and used to attract matching or

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

Any monies received for open space will be accounted for in a financial 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 by the Statutory Planning department prior to Statement of Compliance being issued for any subdivision where open space contributions were required by agreement or by a planning permit condition.

Contributions will be accounted for in the financial reserve, known as the Recreation Reserve Fund, 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 the 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 MOSS and Annual Action Plans. Funds may be accumulated across financial years to enable the delivery of priority projects.

Council's Manager Leisure and Culture 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 MOSS 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. new funding stream, land acquisition opportunity arises, alternative revenue source) during the year that offers Council an entrepreneurial opportunity to deliver upon MOSS priorities earlier than anticipated. In this instance, the Manager Leisure and Culture will provide a report to Council recommending expenditure from the reserve accounts.

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

The Recreation Reserve Fund amounts shall be reported to Council as part of the quarterly financial briefing. Expenditure from the Recreation 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 within 2 years of adoption.

8 AUTHORISATION

This Policy was adopted by Council on **25 November 2013**.