



POLICY NO. CP 4.1.13

POLICY STATEMENT: **APPLICATION OF INTEREST EARNED ON DEVELOPER CONTRIBUTION FUNDS**

PURPOSE: To determine how interest earned on funds held in Developer Contribution Arrangement reserves may be used.

POLICY

1. Funds collected through Developer Contribution Arrangements are held in separate reserve accounts.
2. The City may invest funds held in Developer Contribution Arrangement reserves in term deposits or other interest bearing accounts with the objective of increasing the value of those funds.
3. Interest earned on funds held in Developer Contribution Arrangement reserves will be retained within the relevant reserve.
4. The City's Developer Contribution Arrangement reserves will be independently audited on an annual basis with the results of those audits published on the City's website.
5. Interest earned on funds held in Developer Contribution Arrangement reserves may be applied within the relevant developer contribution area based upon the following priorities:
 - (a) To fund any shortfall in the arrangement.
 - (b) Rectify infrastructure provided through an arrangement that has failed or not been delivered to the required standard.
 - (c) Enhance public open space to a standard consistent with community expectations.
 - (d) Returned to those who contributed to the arrangement in proportions matching their contributions. In the event that it is not reasonably practical to identify those who have contributed to an arrangement and/or the value of interest to which they may be entitled, interest may be applied to the provision of additional facilities or improvements in the developer contribution area.

**GOVERNANCE REFERENCES**

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| Statutory Compliance | Clause 6.10.19 of State Planning Policy 3.6 – Infrastructure Contributors. Section 6.11 of the Local Government Act 1995. |
| Industry Compliance | Nil |
| Organisational Compliance | Nil |
| Process Links | Nil |

POLICY ADMINISTRATION

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|--------------------|---------------------------|---|--------|------------------|------|
| Directorate | | Officer Title | | Contact: | |
| Business Services | | Chief Financial Officer | | 9397 3000 | |
| Risk Rating | High | Review Cycle | Annual | Next Due: | 2023 |
| Version | Decision Reference | Synopsis | | | |
| 1. | OCM 56/13/04/2021 | New policy to establish Councils position on the treatment of interest earned on funds collected through Developer Contribution Arrangements. | | | |
| 2. | OCM 281/08/11/2022 | Amendments required to ensure it aligns with the State Planning Policy 3.6 – Infrastructure contributions. | | | |