



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**

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

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.			
3.	OCM 306/19/12/2023	Reviewed with no changes.			