



TITLE: INDIRECT DEVELOPER CONTRIBUTIONS: – FUNDS MANAGEMENT POLICY

1. PURPOSE

It is the policy of the Mount Barker District Council that as part of a development of specific new sub divisions within the District that the Council shall seek from the developer(s) the application and payment of an indirect infrastructure contribution towards the development of associated facilities or infrastructure required by the cumulative impact of growth.

2. SCOPE

This Policy is to assist Council in the allocation, management and reporting of Indirect Developer Contributions received.

3. POLICY PRINCIPLES – OUR COMMITMENT

The Indirect Developer Contributions from Developers fund key Council endorsed priorities.

4. DEFINITIONS

Indirect Infrastructure Contribution: is the amount that is payable on a per Residential Allotment (or equivalent e.g. a retirement village) basis in respect of each Residential Allotment created by the development implemented on land subject to agreement with the Council which creates obligations to provide payment of Indirect Developer Contribution.

Developer: a developer who has entered into an Agreement with the Council which creates obligations to provide payment of Indirect Developer Contribution.

5. ROLES & RESPONSIBILITIES

Council Members:

Adopt the annual budget including proposed reserve transfers in accordance with Section 123 of the Local Government Act 1999 and Section 7 of the Local Government (Financial Management) Regulations 2011.

Adopt the Audited Financial Statements including reserve transfers recorded in the Balance Sheet for the preceding financial year as per Section 127 of the Local Government Act 1999 and Section 7 of the Local Government (Financial Management) Regulations 2011.

Chief Executive Officer:

The Chief Executive Officer is responsible to Council for managing the funds of Council to ensure that the objectives of Council are achieved in an effective and efficient manner.

General Manager Corporate Services:

General Manager Corporate Services is responsible for promoting a best practice approach in support of effective financial management practices and properly functioning controls.

Manager Financial Services:

Manage the reconciliation and transfer of funds to and from the Indirect Developer Contribution Reserve.

Employees:

Perform reconciliations and transfer of equity account balances as directed.

6. POLICY STATEMENT

6.1 Indirect Developer Contribution Obligations

Council endorsed in September 2006 that the indirect infrastructure funds received from developers as part of their obligations under the legal agreement would be utilised to fund infrastructure projects in accordance with Council's strategic management plans and subsequently in the terms of agreement with developers. Council endorsed that the funds are initially intended to be allocated to the:

- 6.1.1** Requirements associated with Council's obligations in relation to an additional freeway interchange inclusive of the need to acquire land and upgrade the associated local road network;
- 6.1.2** Development of recreational facilities at Anembo Park in accordance with the endorsed master plan and other recreational facilities that will be required following community consultation and decision making on regional recreation needs arising from the Regional Recreation Precinct Study;
- 6.1.3** Construction of a major new carpark to service the Mount Barker Township central business area; and
- 6.1.4** Construction of extensions to the linear trail network including land acquisition as required.
- 6.1.5** Any other matters considered by Council to have been brought about by development.

6.2 Collection of Indirect Developer Contribution

The Council and the Developer may agree for the Developer to procure, at the Developer's cost, all or portion of the works comprising an identified Indirect Infrastructure Works project. In such circumstances, the agreed value of such works will be credited against the Developer's liability to pay the Indirect Infrastructure Contribution upon the completion of such works to the reasonable satisfaction of the Council.

Upon payment of monies payable, Council must on the application of the Developer reduce the value of the security held by Council to an amount equal to the sum of the Council's reasonable estimate of the Developer's remaining liability.

The Council will invest and/or apply such monies to the Council's procurement costs associated with any Indirect Infrastructure Works.

6.3 Indirect Developer Contribution Projects

Disbursement of Indirect Developer Contribution funds should meet the following criteria;

- 6.3.1** projects funded must address needs arising from the cumulative impact of new residential development;
- 6.3.2** projects must be in accordance with Council's strategic and long term financial plans, and

6.3.3 funds may not be used for operating or capital maintenance.

6.4 Allocation of Indirect Developer Contribution Funds

6.4.1 Decisions on allocation of funds will be made as part of the Annual Business Planning process

6.4.2 As part of consultation on the Draft Annual Business Plan, Council will consult on the proposed use of Indirect Developer Contributions.

6.5 Reporting

6.5.1 Income and expenditure of Indirect Developer Contributions will be separately reported to Council.

6.5.2 Council will have available copies of financial statements for all developers who have contributed funds.

7. TRAINING / EDUCATION

Training is provided to CGG and Council Members when communicating the details of the Long Term Financial Plan and annual budget.

8. REVIEW

This Policy will be reviewed:

- every three years; or
- the frequency dictated in legislation; or
- earlier in the event of changes to legislation or related Policies and Procedures; or
- if deemed necessary by the Manager Financial Services.

9. ACCESS TO THE POLICY

The Policy is available for public inspection at the Customer Service Centre, at the Local Government Centre, 6 Dutton Road, Mount Barker, South Australia and on the Council's website www.mountbarker.sa.gov.au

10. FURTHER INFORMATION

For further information on this Policy, please contact:

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Author	Steven Ireland	Manager Financial Services	23 November 2023
Responsible General Manager:	Alex Oulianoff	General Manager Corporate Services	23 November 2023
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REVIEWED BY CGG			
APPROVED BY (DOCUMENT OWNER):	Council		
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APPLICABLE LEGISLATION AND RELATED DOCUMENTS:	Local Government Act 1999 Related documents Separate Rate – Developer Contributions – Payment, Rebate Postponement Policy		
COMMUNITY PLAN 2020-2035 REFERENCE:	List applicable IP Strategy 3.2 Partner with developers to contribute financially to providing community infrastructure.		
REVIEW CYCLE	<p>This Policy will be reviewed:</p> <ul style="list-style-type: none">- every three years; or- the frequency dictated in legislation, or- earlier in the event of changes to legislation or related Policies and Procedures or ;- if deemed necessary by the Manager Financial Services. <p>It is recognised that from time to time circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. Examples include a change to the name of a Council department, a change to the name or a State or Federal Department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council (if statutory) or the Chief Executive Officer (if administrative).</p>		
NEXT REVIEW DATE	December 2026		
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		TO BE RECOMMENDED)	
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	This Policy is available for inspection, during business hours at: Mount Barker District Council, Level 1, 6 Dutton Road, Mount Barker		