



24 Financial Contributions

24.1 Purpose

- a) Section 108 of the Act empowers a council to impose financial contributions on resource consents, in accordance with the purposes specified in a District Plan.
- b) Financial contributions may be imposed for the purpose of promoting the sustainable management of natural and physical resources.
- c) All provisions under the Act are subject to Part 2 and therefore financial contributions must be for the purpose of:
 - i. Enabling people and communities to provide for their health, safety and economic, social and cultural wellbeing.
 - ii. Sustaining the potential of resources to meet the reasonably foreseeable needs of future generations.
 - iii. Maintaining the life-supporting capacity of air, water, soil and ecosystems.
 - iv. Avoiding, remedying and mitigating adverse effects of activities on the natural and physical environment.
- d) In general terms, financial contributions are required to recoup the proportioned cost of the provision of infrastructure and/or to offset adverse effects of development that cannot be otherwise avoided, remedied or mitigated.
- e) The general circumstances in which financial contributions are required include:
 - i. To address the statutory exemption of the Crown from the provisions of the Local Government Act 2002 by taking financial contributions for subdivision and/or development undertaken by the Crown.
 - ii. To enable the ongoing collection of, and potential review of, existing consent conditions that require a financial contribution.
 - iii. To take financial contributions for reserves, other than esplanade reserves.
 - iv. To offset the adverse effects of subdivision and development on infrastructure not otherwise addressed by Council's Development Contributions Policy under the Local Government Act 2002.

24.2 Objectives and Policies: Financial Contributions

Objective	Policies
<p>24.2.1 Subdivision, use and development contributes equitably towards the costs of avoiding, remedying or mitigating adverse effects of use, subdivision and development.</p>	<p>24.2.1a Financial contributions shall be applied in a fair and equitable manner that:</p> <ul style="list-style-type: none"> i. Is financially transparent. ii. Complements Council’s other financial management policies. iii. Takes into account Council’s maintenance and operational obligations. iv. Takes into account any costs incurred in taking, holding and allocating the financial contribution. <p>24.2.1b Activities shall:</p> <ul style="list-style-type: none"> i. Contribute to the costs of infrastructure to the extent warranted by the effects they generate. ii. Provide for land to be set aside and developed as reserves in conjunction with the subdivision, use and development of land to address the community’s recreational needs where required. iii. Ensure positive effects on the environment are achieved to offset any adverse effects that cannot be otherwise avoided, remedied or mitigated. This may include river and gully restoration, requiring land to be set aside and developed as reserves to provide amenity and protect environmental, historical and cultural values of the area.
<p>Explanation</p>	
<p><i>Financial contributions are a key method for managing the impacts on the environment arising from subdivision, use and development of land. Any financial contributions regime needs to recognise the different demands made on public utility services by different activities and be clear and consistent in its application.</i></p> <p><i>Financial contributions are to be applied in a fair and reasonable manner. A financial contribution cannot be levied if Council has imposed a development contribution under the Local Government Act 2002 in respect of the same development for the same purpose, or the developer will fund or otherwise provide for the same reserve, network infrastructure, or Council has received or will receive funding from another source.</i></p> <p><i>Where a developer wishes to pursue development ahead of Council’s programmes identified in its Long Term Plan or Annual Plan a Development Agreement will need to be entered into with Council to ensure infrastructure is provided in a way which is efficient and sustainable from a city-wide perspective. In such circumstances any financial contributions required may be considered as part of that Development Agreement.</i></p>	

24.3 Rules – General Standards

24.3.1 Purpose of Financial Contribution

- a) Where the Council grants a resource consent for use, subdivision and/or development, the applicant, including network utility operators and/or requiring authorities, may be required, as a condition of consent, to make a financial contribution for the purposes of:
 - i. Providing and/or upgrading public network utility services and transport infrastructure.
 - ii. Providing and/or upgrading public reserves.
 - iii. Securing environmental compensation generating positive effects to offset any adverse effects of the subdivision, use or development that cannot be avoided, remedied or otherwise mitigated.

24.3.2 Nature of Contributions

- a) Financial contributions may, at Council's discretion, take the form of money or land or a combination of money and land.
- b) Financial contributions shall not be imposed on a use, development or subdivision for the same purpose as a development contribution that is required, or has already been paid in relation to that use, development or subdivision.
- c) Where a financial contribution is, or includes the payment of money, the Council may specify any one or more of the following in the conditions of the resource consent.
 - i. The amount to be paid by the consent holder.
 - ii. How the payment is to be made, including whether payment is to be made by instalment and whether bonding or security can be entered into.
 - iii. When the payment is to be made:
 - A. In the case of subdivision, generally before uplifting the section 224 certificate.
 - B. In the case of land use, generally before the consent is given effect.
 - iv. If the amount of the payment is to be adjusted to take account of inflation and if so, how the amount is to be adjusted.
 - v. Whether any penalty is to be imposed for default in payment and if so, the amount of the penalty or formula by which the penalty is to be calculated.
- d) Where a financial contribution is, or includes land, the Council may specify any one or more of the following in the conditions of the resource consent.
 - i. The location and area of the land.
 - ii. The state the land is to be in before vesting in or transferring to the Council.
 - iii. The purpose of the land if it is to be classified under the Reserves Act 1977, or the general purpose of the land.

- iv. When and how the land is to be vested in, or transferred to the Council or other infrastructure provider. In the case of subdivision consent the land shall be vested on the deposit of the survey plan under section 224 of the Act, or transferred as soon as legal certificate of title is available.
- e) Where any land is to be vested in Council or other infrastructure provider as part of a financial contribution a registered valuer shall determine its market value at the date on which the resource consent (imposing the financial contribution condition) commenced under section 116 of the Resource Management Act 1991.

For the purposes of this rule, 'market value' has the same meaning as defined in the International Valuation Standard, as adopted by Australian Property Institute 2008 and Property Institute of New Zealand 2009, which is as follows:

'Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.'

This rule does not apply to land that is to be vested in Council as a financial contribution in circumstances where the value of the land does not need to be determined.

24.3.3 Level of Contribution

- a) The level of contribution shall be up to 100% of the actual or estimated costs, or land necessary to provide for the "Reasons for Financial Contribution" specified in the table below.
- b) Actual or estimated costs may include:
 - i. All reasonable costs incurred in providing the public utility service, transport infrastructure or reserve.
 - ii. Any reasonable costs in avoiding, remedying or mitigating any effects on the environment of providing or upgrading the public utility service, transport infrastructure or reserve.
- c) The level of financial contribution shall include any associated costs including but not limited to:
 - i. The reimbursement of legal costs incurred by Council in providing easements, encumbrances, covenants and the like.
 - ii. The reimbursement of fees charged to Council by Government departments, local authorities and the suppliers of public utilities and infrastructure.
 - iii. Survey work.
 - iv. Any fees incurred by an adjoining local authority or network operator in processing the application.
 - v. Goods and Services Tax (GST).
- d) The estimated or actual cost of financial contributions, whether provided or constructed by the Council or otherwise shall be calculated in accordance with, the following matters for consideration:

Basis of Contribution	Reasons for Financial Contribution	Matters for Consideration in Determining Level and/or Nature of Financial Contribution
Water Supply Systems	<ul style="list-style-type: none"> • Where an existing supply is available, the cost of connection with the existing system • Where an existing supply is available, but the capacity of the system is inadequate to meet the additional generated demand, the cost of connection and capacity upgrading of the existing system • Where an existing supply is not available, the cost of providing for the supply of water 	<ul style="list-style-type: none"> • Whether the new infrastructure/upgrade/extension is already identified as a growth-related project • Whether other funding sources, including development contributions, apply • The quality and quantity of the supply • The effect any additional connections may have on the existing system, its users and/or on the quality and quantity of the supply • The age and value of the existing infrastructure • The proximity and directness of the effect
Stormwater Disposal Services	<ul style="list-style-type: none"> • Where an existing outfall is available, the cost of connection with the existing stormwater system • Where an existing outfall is available, but the capacity of the system is inadequate to meet the additional generated demand, the cost of connecting and capacity upgrading of the stormwater system • Where an existing outfall is not available, the cost of providing a stormwater system 	<ul style="list-style-type: none"> • Whether the new infrastructure/upgrade/extension is already identified as a growth-related project • Whether other funding sources, including development contributions, apply • The quality and quantity of the supply • The effect any additional connections may have on the existing system, its users and/or on the quality and quantity of the supply • The age and value of the existing infrastructure • The proximity and directness of the effect
Wastewater Disposal Services	<ul style="list-style-type: none"> • Where an existing wastewater network and treatment plant are available, the cost of connection to them • Where an existing wastewater network and treatment plant are available, but their capacity is inadequate to meet the additional generated demand, the cost of connection and capacity 	<ul style="list-style-type: none"> • Whether the new infrastructure/upgrade/extension is already identified as a growth-related project • Whether other funding sources, including development contributions, apply • The quality and quantity of the supply • The effect any additional connections may have on the existing system, its users and/or on

Basis of Contribution	Reasons for Financial Contribution	Matters for Consideration in Determining Level and/or Nature of Financial Contribution
	upgrading <ul style="list-style-type: none"> • Where an existing wastewater network and treatment plant are not available, the cost of providing them 	the quality and quantity of the supply <ul style="list-style-type: none"> • The age and value of the existing infrastructure • The proximity and directness of the effect
Transport infrastructure and Access	<ul style="list-style-type: none"> • The costs of specific works needed to service the use, subdivision or development and/or mitigate their effects 	<ul style="list-style-type: none"> • Whether the new infrastructure/ upgrade/extension is already identified as a growth-related project • Whether other funding sources, including development contributions, apply • The current standard and estimated carrying capacity of the transport network the subdivision, development or land use will connect to • The current number of users of the transport network and the estimated increase in number of users as a result of the subdivision, development or land use • The sensitivity and location of activities adjoining the transport corridor and adjacent to the subject site • Sight distances and the presence of blind spots along adjacent transport corridors and the standard and adequacy of intersections • The need to improve the transport network to accommodate additional traffic generated (taking into account both type and numbers of traffic generated) by the subdivision, development and/or land use • The benefit to the subdivision or land use arising from the improvement to the transport network relative to the benefit to existing users and other members of the public • The estimated number of future users of the transport network, assuming degrees of development and growth anticipated by the standards in the District Plan

Basis of Contribution	Reasons for Financial Contribution	Matters for Consideration in Determining Level and/or Nature of Financial Contribution
		<ul style="list-style-type: none"> The likely route from the site to key locations in the City
Reserves	<ul style="list-style-type: none"> The amount of money and/or land needed to ensure Council meets its agreed level of service for reserves as per Rule 24.4.1 	<ul style="list-style-type: none"> Whether the need for reserves has been identified in a relevant Structure Plan Whether other funding sources, including Development Contributions, apply Whether neighbourhood reserve capacity exists within 500m of the proposed activity Whether there is a need to provide public access to the reserve The need to protect significant natural features, biodiversity, sites of cultural, heritage or archaeological value The need for reserves to ensure appropriate amenity values The effects of the development or subdivision on the capacity of reserves that serve a city-wide or greater function Whether shared use is available with stormwater disposal systems Existing open space resources within close proximity Existing open space resources that provide opportunity for unrestricted shared use
Offset Effects	<ul style="list-style-type: none"> The amount of money and/or land needed to offset any adverse environmental effects including river and gully restoration that cannot otherwise be avoided, remedied or mitigated. 	

Note

- For any allotment that has been created to accommodate a network utility service any financial contribution will be based on the service that the network utility uses.

24.3.4 Credits

- Credits shall be entitled where:
 - A resource consent which includes a condition requiring a financial contribution lapses or is cancelled or surrendered without having been given effect in whole or in part, in accordance with the provisions of the Act.

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- ii. The activity in respect of which the resource consent was granted does not proceed.
 - b) Council shall, on notice, pay or return to the person entitled the financial contribution less a value equivalent to the costs incurred by Council in relation to the activity and its discontinuance, provided that Council shall not pay for, or credit the value of, any work or services undertaken before the resource consent lapsing/being cancelled/surrendered or otherwise not proceeding.
 - c) Where a financial contribution is made and Council subsequently resolves not to proceed with that work or to provide that service, the financial contribution shall be refunded to the person entitled, provided that in the case of a financial contribution of money no interest shall be paid.
 - d) The amount of any previous payment shall be deducted from the level of the financial contribution payable in respect of any subdivision or land use consent in the following circumstances.
 - i. Where a previous financial contribution payment was made to provide an increase in capacity in a service, utility or facility necessitated by the proposal.
 - ii. If a financial contribution has previously been paid in respect of a land use consent for land now subject to an application for subdivision consent, where both the previous and proposed contributions relate to the same development and same purpose.
 - iii. If a financial contribution has previously been paid in respect of a subdivision consent for land now subject to an application for a land use consent, where both the previous and proposed contributions relate to the same development and same purpose.

Note

1. Council shall keep a register of all financial contributions which shall contain the following information.
 - i. The amount of the financial contribution.
 - ii. The name of the person making the contribution and the date on which it was made.
 - iii. The purpose for which the financial contribution was made.
 - iv. The name of the consent-holder entitled to any refund or credit.

24.3.5 Bonds

- a) Security for compliance of resource consent conditions imposing financial contributions shall be in accordance with sections 108, 108A, 109 and 222 of the Act, further secured by deposits of money with the Council or bank guarantee. Where appropriate, securities shall be registered against the relevant titles.

24.4 Rules – Specific Standards

- a) The following rules, in addition to the above are relevant where financial contributions are required.

24.4.1 Reserves Level of Service

- a) Where a structure plan is in place for an identified area, reserves shall be acquired in accordance with the provisions of the relevant Structure Plan.

- b) For areas outside a specified structure plan area, a contribution of 0.5ha for neighbourhood reserves is required, which shall provide all dwellings with access to a neighbourhood reserve within 500m walking distance.

24.5 Other Resource Consent Information

Refer to Chapter 1: Plan Overview for guidance on the following.

- How to Use this District Plan
- Explanation of Activity Status
- Activity Status Defaults
- Notification / Non-notification Rules
- Rules Having Early or Delayed Effect

Refer to Volume 2, Appendix 1: District Plan Administration for the following.

- Definitions and Terms Used in the District Plan
- Information Requirements
- Controlled Activities – Matters of Control
- Restricted Discretionary, Discretionary and Non-Complying Activities Assessment Criteria
- Design Guides
- Other Methods of Implementation