

15 FINANCIAL CONTRIBUTIONS

15.1 INTRODUCTION

The [Act](#) empowers the [Council](#) to require a financial contribution as a condition of a resource consent for purposes specified in the document. Financial contributions provide the opportunity to avoid, remedy, mitigate or offset any adverse effects relating to activities. A financial contribution may be in the form of money or [land](#) or a combination of them.

15.2 ISSUES

1. The requirement generated by new development to expand or upgrade existing infrastructure and services.
2. The provision of physical resources such as infrastructure needs to be in a fair and equitable manner.

Development can result in a necessity to create or upgrade infrastructure (e.g. [roads](#) and reticulation) and other facilities such as [reserves](#) in order that adverse effects such as inadequate sewerage disposal or access are avoided, remedied or mitigated. Development can also result in the creation of adverse effects such as noise and visual impact. These adverse effects can be overcome by the imposition of a financial contribution from the developer. Any costs therefore associated with avoiding, remedying or mitigating effects should lie with the developer rather than subsidisation by the community. The [Council](#), however, may decide to encourage development in certain areas through the provision, or assistance with costs, of servicing. This can be viewed as a non-regulatory method of controlling development.

15.3 OBJECTIVE

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| <ol style="list-style-type: none">1. To ensure that the costs of adverse effects arising from subdivision and development is included in the cost to the developer in a fair and equitable manner. |
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15.4 POLICIES

1. To ensure that the costs of avoiding, remedying and mitigating or offsetting the adverse effects of any activity on the environment including the provision or upgrading of services and infrastructure, are met by developers.
2. To meet increased demand for services and infrastructure arising from the activity and to avoid, mitigate or remedy any adverse effects from new activities through the utilisation of financial contributions.
3. To consider financial incentives in areas where development is to be encouraged, when considering contribution levels.

15.4.1 EXPLANATION AND REASONS

Some activities generate adverse effects that are required to be avoided, remedied or mitigated or offset.

Any costs associated with development generally should lie with the developer rather than the community.

New development may generate use of existing services and infrastructure provided by Council which requires them to be upgraded or extended. This includes infrastructure such as roading, water supply, stormwater and services such as reserves and community services. Financial contributions from developers will therefore be directed to the provision and expansion of services where this is attributable to the new development, rather than the ratepayers' subsidising development. Major developments can also lead to a strain on social facilities which may require a contribution.

Financial contributions are also utilised to avoid, mitigate or remedy the adverse effects of activities off-site by, for example, requiring fencing or landscaping to screen an unsightly activity.

The Council however recognises that costs of service provision can be onerous on potential developers. While the Council does not seek to direct development there are areas where the Council is more favourable to development such as that which consolidates development, is in proximity to existing services, and there is a reasonable level of existing services. In these areas the Council will consider not charging the full financial contribution.

15.5 IMPLEMENTATION METHODS

1. Implementation of financial contribution as conditions of resource consents.
2. Development of Draft Growth Strategy.
3. Annual Plan process and Special Consultative Procedure.

15.5.1 REASONS

Financial contributions will be imposed through conditions of resource consents. Council is also undertaking an exercise to identify preferred direction and areas of growth for the urban and township areas which will take into account the availability and capacity of existing services. This will enable Council to prioritise spending requirements on services. The Plan sets out the policies that will be used to determine and require the levels of financial contribution payable on subdivision and development. It is proposed to set relevant figures where available through the Annual Plan and Special Consultative Methods under the Local Government Act. This enables the matter to be dealt with through a public process inviting submission, and also reviewed annually to ensure accurate and up to date figures are used, taking into account the many related issues. It also provides interested parties the ability to submit to Council on a regular basis regarding the quantum of such contributions.

15.6 FINANCIAL CONTRIBUTIONS PURPOSES

A financial contribution may be imposed as a condition of resource consent for the following purposes.

1. To avoid, remedy, or mitigate any identified adverse effects on the environment or natural and physical resources.
2. To ensure a positive effect on the environment to offset adverse effects.

In particular these purposes may include:

15.6.1 UPGRADING OF ROADS

Circumstances and Purposes

- To meet the needs of extra traffic likely to be generated by the land use or subdivision, and to provide for the needs of road users where existing roads are of inadequate capacity and or standard, width, formation or construction to cater for the increased usage caused by the land use or subdivision. Upgrading of roads and the forming of newly created separate frontages, kerb and channel, berms, footpaths, crossings and street lighting adjacent to the land use or subdivision may be required.

Maximum Amount

- Fifty percent of the cost of the upgrading works (valued at established market rate) necessary to meet the required standard to make roading suitable for increased traffic including, where appropriate, the cost of forming the road and acquiring and vesting any land as road for widening purposes.
- The full cost of the work required for newly created separate frontages, kerb and channel, berms, footpaths, crossings and street lighting.

15.6.2 ACCESS AND NEW ROADS

Circumstances and Purposes

- To provide suitable formed access to the site from a formed road or proposed formed road. Where access cannot be achieved from existing formed roads, new roads may be required.

Maximum Amount

- The full cost of providing suitable formed access to the site. Access to the roads is to be formed in accordance with Appendix 5 Schedule 1- Code of Practice for Subdivision Where one or more new roads are required, the full actual cost of constructing the new road, including the cost of the vesting in the Council of the necessary land for the road. Reciprocal rights of way in residential environmental areas are to be sealed.

15.6.3 SEWERAGE

Circumstances and Purposes

- To maintain the health and public safety and amenity of inhabitants or occupants and to protect the natural environment from indiscriminate and harmful disposal of sewage where new allotments, sites and buildings are intended for human habitation or occupation.

Maximum Amount

- Where a sewerage system is available and has adequate capacity for meeting the proposed additional sewage, the full actual cost of connecting the allotments or buildings to that sewerage system. When the design capacity of the system is likely to need to be upgraded as a result of the subdivision a contribution towards the upgrading of the system shall be required.
- Where a sewerage system is not available, the full actual cost of disposal, including design and investigation, acquiring sufficient land for on-site disposal and treatment of effluent likely from activities on the site, and the cost of increasing the capacity if necessary, together with the full actual cost of providing sewerage within the subdivision or buildings.

15.6.4 STORMWATER

Circumstances and Purposes

- To prevent damage and loss of property and amenity from the indiscriminate and uncontrolled run-off of stormwater where new **allotments**, **roads** and/or other impervious surfaces are created by subdivision or land use and create a need for extra stormwater disposal.

Maximum Amount

- Where a piped outfall is available, the full actual cost of reticulation control structures within the subdivision or land use. Where a piped outfall is not available or the capacity of an existing system is inadequate, the full actual cost of providing for the disposal of stormwater and increasing the capacity if necessary, together with the full actual cost of reticulation and control structures within the subdivision or **building**.

15.6.5 SUPPLY OF WATER

Circumstances and Purposes

- To provide a supply of potable drinking water for human consumption, (complying with the NZ Standard for Drinking Water) for industrial and commercial activities, or for fire fighting and irrigation where proposed **allotments**, **sites** or **buildings** are intended for human habitation or occupation.

Maximum Amount

- Where a water supply is available and sufficient to meet the needs of the proposed activity, the full actual costs of providing all the necessary reticulation to serve the proposed **allotments**, **sites** and **buildings**.
- Where no supply is available, or the capacity of the supply is inadequate, the full cost of providing a supply and increasing the capacity, if necessary, together with the cost of reticulation within the subdivision or land use.

15.6.6 EARTHWORKS

Circumstances and Purposes

- To provide safe and adequate **building** areas and **road access** sewerage disposal and treatment stormwater control, **land** stability; to enable better utilisation of **land**, where the subdivision or land use involves re-contouring **land** to create roading services, **site** design and **building** areas; and to ensure that **earthworks** do not adversely affect significant natural habitats, indigenous vegetation ecosystems, landscapes and natural features.

Maximum Amount

- The full actual cost of carrying out the **earthworks** to the appropriate standard, retaining significant areas where required. The full actual cost of clearing, cleaning, filling or compacting **land** in order to mitigate the effects of former activities and make the **site** suitable for its proposed activity.

15.6.7 RESERVE CONTRIBUTIONS

Circumstances and Purposes

- A cash contribution for the provision of **land** for open space in the locality and for recreational facilities and maintenance of recreational facilities and open space. **Utilities**

will only be required to make a contribution in those circumstances when the purpose of the [utility](#), being the purpose for which it was originally built, creates a demand for, or maintenance of, recreational facilities and open space.

Maximum Amount

- Two percent of the value of each additional [allotment](#) in a subdivision or, in the case of a subdivision in the Rural or Rural Residential Environmental Area, 2% of the value of each additional [allotment](#) or the value of 4000 square metres of each additional [allotment](#) in a subdivision, whichever is the lesser. [Allotments](#) has the meaning in **Section 218** of the [Act](#) and includes those created by cross lease.

15.6.8 ESPLANADE RESERVES AND ESPLANADE STRIPS

Circumstances and Purposes

TABLE 15.1

<p>1. Esplanade reserves and strips may be set aside if:</p> <ul style="list-style-type: none">a) Ecological or natural values would be protected or enhanced.b) Public access would be enhanced having regard to the existing level of access available.c) Recreational use would be protected or enhanced.d) Water quality or aquatic habitat value would be protected or enhanced.e) The land is within a natural hazard area or where there is an identified risk from one or more natural hazards (such as coastal erosion).f) The creation of an esplanade reserve would complete or promote the marginal protection of a river, lake or coastline. <p>2. The width of an esplanade reserve and strip may be varied from 20 metres or waived if:</p> <ul style="list-style-type: none">a) The natural values warrant a wider or narrower esplanade strip or esplanade reserve; orb) Topography, or the siting of any building or other feature, renders the 20-metre width inadequate or excessive; orc) The protection of waahi tapu, mahinga kai and other taonga requires an esplanade reserve or esplanade strip of greater or lesser width than 20 metres; ord) The protection or enhancement of water quality requires an esplanade reserve or esplanade strip of greater or lesser than 20 metres; ore) The land is within a natural hazard area of where there is an identified risk from one or more natural hazards (such as coastal erosion); orf) The costs of the provision and maintenance of a 20 metre wide esplanade reserve or esplanade strip are more than the potential public benefits of the purposes of esplanade reserves or strips; org) Where the creation of a 20 metre wide esplanade reserve or esplanade strip would create result in risks to public safety or the security of property; orh) There is adequate alternative public access; ori) There is adequate means of protecting water quality and conservation values; orj) There is adequate provision for public recreational use of the area of coast, river or lake in question.
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Maximum Amount

- The full actual costs of vesting or contributing a [reserve](#) or strip of not greater than 20 metre width (width to be determined in accordance with the esplanade [reserve](#) provisions in the section relating to subdivision) including the value of the [land](#) or interest in [land](#) and the costs of survey and conveyancing.

15.6.9 PROTECTION OF HERITAGE ITEMS

Circumstances and Purposes

- To enable protection of heritage items or Waahi tapu where subdivision and/or [land](#) use consent is sought.

Maximum Amount

- The full actual costs of carrying out the protection works.

15.6.10 OFF-STREET PARKING

Circumstances and Purposes

- To provide for [parking spaces](#) on-site, or in the near vicinity of the [site](#) where off-street parking requirements of the Plan cannot be met.

Maximum Amount

- The actual cost of providing 25m² for a carpark calculated at the current market value of the [land](#) subject to development. and construction costs required by NZS 4404: 1981. This amount being to a maximum of \$1,500.00 plus GST per carpark.

15.6.11 DEVELOPMENT CONTRIBUTIONS

Circumstances and Purposes

- While major commercial and industrial activities have the potential to greatly benefit the District, they can also lead to a strain on recreational and social resources. Where a development occurs, an additional contribution over and above that provided for any of the purposes in 15.6.1 - 15.6.11 above may be required where there is a demonstrated need created by the development for recreational and community facilities. The financial contribution upgrading shall only be spent by [Council](#) on the provision and development of [Council's reserves](#), recreational facilities and community facilities in an area of locality affected by any such development.

Maximum Amount

- Developments of a value of over \$500,000 shall be subject to a financial contribution of up to 0.5% of the value of the [building](#) work. The value of other financial contributions conditional on the development will be considered with regard to the amount of development contribution required. The financial contribution shall be paid at the time of the issue of the building consent.

15.7 ENVIRONMENTAL RESULTS ANTICIPATED AND MONITORING

Anticipated Environmental Results	Monitoring and Review Data
<ul style="list-style-type: none">• Adverse effects are avoided, remedied, mitigated and offset by the payment of development contributions.	<ul style="list-style-type: none">• Conditions of resource consents.• Survey of standard of servicing.