

Notes for track changes. Recommendations made by the Administration Officer's Report are shown in **Blue**. Recommendations made by the Administration Officer's Supplementary Report are shown in **Red**. Words recommended to be added are shown in underline, words recommended to be removed are shown in ~~strike through~~.

Terms defined within the plan glossary are *Italicised* and marked with a ' * ' symbol. Terms defined in the Resource Management Act 1991 are *Italicised* and marked with a ' ^ ' symbol.

18 Financial Contributions

18.1 Scope and Background

Where the Regional Council grants a *resource consent*[^], it may impose a *condition*[^] requiring that a financial contribution be made. The term "financial contribution" is defined in s108(9) of the RMA to mean a contribution of:

- (a) money
- (b) *land*[^], including an *esplanade reserve*[^] or *esplanade strip*[^] (other than in relation to a *subdivision consent*[^]), but excluding Māori land within the meaning of the Māori Land Act 1993 unless that Act provides otherwise, or
- (c) a combination of money and *land*[^].

Under s108⁹(10) of the RMA¹ a *consent authority*[^] must not include a *condition*[^] in a *resource consent*[^] requiring a financial contribution unless:

- (a) the *condition*[^] is imposed in accordance with the purposes specified in the *plan*[^] or *proposed plan*[^] (including the purpose of ensuring positive *effects*[^] on the *environment*[^] to offset any adverse *effect*[^]), and
- (b) the level of contribution is determined in the manner described in the *plan*[^] or *proposed plan*[^].

Prior to this Plan, the Regional Council had provisions in former *regional plans*[^] enabling the imposition of financial contributions on activities in the *coastal marine area*[^] and on activities in the *beds*[^] of *rivers*[^] and *lakes*[^]. At the time of writing this Plan, however, the Regional Council had never imposed a financial contribution on any consent.

To date, financial contributions have largely been used by ~~Territorial~~ A*authorities*[^] as a mechanism for funding the *infrastructure*[^] required as a consequence of *land*[^] development (for example, *roads*[^], drainage, public *water supply*[^] and parking). By contrast, financial contributions have only been used to a very limited extent by *regional councils*[^]. This is not surprising as *regional councils*[^] are usually able to impose other types of consent *conditions*[^] to adequately avoid, remedy or mitigate adverse *effects*[^] of those activities that they control. The need for a separate financial contribution does not usually arise.

The Regional Council envisages making only limited use of financial contributions in the future. The policies that follow provide the Regional Council with the option of imposing financial contributions, should this be appropriate, on some *resource consents*[^]. The policies below satisfy the requirements of the RMA regarding financial contributions, setting out:

¹ Supplementary report – Setting the Scene, Administration, Introduction to Rules, and Financial Contributions

- (a) [situations when financial contributions may be required and](#)² the purposes of [obtaining](#)² financial contributions
- (b) the manner in which the level of contribution will be determined
- (c) *matters*[^] to be considered by the Regional Council when deciding whether to impose a financial contribution, and how to use any financial contributions that are collected.

18.2

Policies

Policy 18-1: [Situations when financial contributions may be required and the purposes of obtaining](#)³ financial contributions

A financial contribution may be imposed as a *condition*[^] of consent for the following types of activities: [and for the following purposes](#):³

- (a) **Infrastructure**[^] – A financial contribution may be imposed as a *condition*[^] of consent for the establishment, *maintenance*^{*}, alteration, upgrading, or expansion of *infrastructure*[^]. The purpose [shall be to offset significant adverse effects[^] on the environment[^] to fund positive effects[^] of an equivalent or similar character, nature and scale as the adverse effects[^]](#). ~~would be to provide consent applicants[^] with the option of providing a financial contribution to offset or compensate for adverse effects in circumstances where this is more cost-effective than directly avoiding, remedying or mitigating adverse effects by way of other consent conditions[^], and where a financial contribution can be used to achieve an equivalent environmental outcome.~~³
- (b) **Aquatic ecosystems and rivers**[^] – A financial contribution may be imposed as a *condition*[^] of consent for any type of activity that has significant adverse *effects*[^] on aquatic ecosystems, fish passage, *river*[^] bank erosion, flow regimes or riparian vegetation, in circumstances where such adverse *effects*[^] will not be adequately avoided, remedied or mitigated. The purpose of the financial contribution [shall would](#)⁴ be to offset the adverse *effects*[^] by providing for the restoration or enhancement of aquatic ecosystems, fish passage, *river*[^] bank stability or riparian vegetation in the general area affected by the activity or, where this is not practical or desirable, in another location.
- (c) **Biodiversity** – A financial contribution may be imposed as a *condition*[^] of consent for any type of activity that has significant adverse *effects*[^] on biodiversity, in circumstances where such adverse *effects*[^] will not be adequately avoided, remedied or mitigated. The purpose of the financial contribution [shall would](#)⁴ be to offset the adverse *effects*[^] by providing for the protection, restoration or enhancement of biodiversity, in a location with similar biodiversity values.
- (d) **Public access to and along the coastal marine area[^], lakes[^] and rivers[^]** – A financial contribution may be imposed as a *condition*[^] of consent for any type of activity that will restrict or prevent [existing legal or lawful](#)¹ public access to or along the *coastal marine area*[^], a *lake*[^] or a *river*[^], except in circumstances where such restrictions are necessary for public safety or are in accordance with the River Works Code of Practice (Horizons Regional Council, 2006). The purpose of the financial contribution [shall would](#)⁴ be to provide for alternative public access in the vicinity of the activity or at another similar location.

² Officer's report – Setting the Scene, Administration, Introduction to Rules and Financial Contributions - Recommendation FC 2

³ Officer's report – Setting the Scene, Administration, Introduction to Rules and Financial Contributions - Recommendation FC3

⁴ Officer's report – Setting the Scene, Administration, Introduction to Rules and Financial Contributions - Recommendation ADM 1

- (e) ~~General environmental compensation~~—A financial contribution may be imposed as a condition of consent for any type of activity that will have adverse effects that will not be adequately avoided, remedied or mitigated, and where those effects can be offset or compensated for by positive effects elsewhere. The purpose of the financial contribution would be to fund the works required to offset or compensate for the adverse effects.³

~~This Policy relates to Objective 11A-1~~³

Policy 18-2: Amount of contribution

The amount of contribution ~~shall will~~⁴ be an amount determined by the Regional Council to be fair, ~~proportional~~⁵ and reasonable, ~~subject to~~⁵ ~~the amount shall~~⁴ not exceeding⁵ the reasonable ~~cost of funding positive environmental effects~~[^] ~~expenditure~~⁵ required to offset the net adverse ~~effects~~[^] caused directly by the activity. For the purposes of this policy, the “net adverse ~~effects~~[^]” shall be a reasonable assessment of the level of adverse ~~effects~~[^] after taking into account:

- (a) the extent to which significant adverse ~~effects~~[^] will be avoided, remedied or mitigated by other consent ~~conditions~~[^]
- (b) ~~the extent to which there will be positive effects~~[^] ~~of the activity which may offset any or all adverse effects~~[^] ~~and~~¹
- (c) the extent to which ~~there other environmental compensation is offered as part of the activity to~~¹ ~~will be positive effects of the activity which~~⁵ ~~which may~~¹ offset ~~any or all~~¹ adverse ~~effects~~[^].

~~This Policy relates to Objective 11A-1~~⁵

Policy 18-3: ~~Matters~~[^] to be considered for financial contributions

The Regional Council ~~shall will~~⁴ take into account the following ~~matters~~[^] when making decisions about the imposition and use of financial contributions.

- (a) For most consent applications the Regional Council ~~shall will~~⁴ place primary emphasis on requiring the adverse ~~effects~~[^] of an activity to be adequately avoided, remedied or mitigated by way of other types of consent ~~conditions~~[^]. Financial contributions, designed to offset or compensate for adverse ~~effects~~[^], ~~shall will~~⁴ ~~for most applications~~¹ only be considered as a secondary measure.
- (b) Financial contributions ~~shall will~~⁴ not be used where the ~~effects~~[^] of activities are generally consistent with the purpose of the RMA and the resource management objectives and policies in this Plan.
- (c) Financial contributions ~~shall will~~⁴ be used where granting a consent subject to a financial contribution would be more effective in achieving the purpose of the RMA (including recognition of the social, economic and cultural benefits of the activity) and the resource management objectives and policies of this Plan, as opposed to declining consent or granting a consent without requiring a financial contribution.
- (d) Financial contributions ~~shall will~~⁴ not be used where a more suitable revenue collection power is available to the Regional Council.
- (e) The Regional Council ~~shall will~~⁴ take into account cumulative ~~effects~~[^] in the financial contribution assessments under Policies 18-1 and 18-2.
- (f) The Regional Council ~~shall will~~⁴ generally ensure that a financial contribution is used to fund measures as close as possible to the ~~site~~

⁵ Officer's report – Setting the Scene, Administration, Introduction to Rules and Financial Contributions - Recommendation FC 4

where the adverse *effects*[^] occur, or at one or more sites similar to that where the adverse *effects*[^] occur, having regard to the location of any affected community.

- (g) The Regional Council does not intend that **all**¹ net adverse *effects*[^] **as defined in Policy 18-2 above**¹ must be fully offset in every case by way of a financial contribution.

[This Policy relates to Objective 11A-1](#)⁶

⁶ Officer's report – Setting the Scene, Administration, Introduction to Rules and Financial Contributions - Recommendation FC 5