Policy on Financial Contributions

We are required, pursuant to Sections 104 and 106 of the Local Government Act 2002, to have a policy in relation to the purposes for which development contributions or financial contributions may be required.

Regional councils have no power under the Local Government Act 2002 to require development contributions, therefore this policy specifically refers only to financial contributions.

Where we grant resource consent under the rules in our regional plans, we may impose a condition requiring that a financial contribution be made for the purposes specified in the plan.

The term 'financial contribution' is defined in Section 108(9) of the Resource Management Act 1991, to mean:

A contribution of:

- Money; or
- 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
- A combination of money and land.

Further matters relating to financial contributions are contained in Section 108(10) of the Act. Under this section of the Act, a consent authority must not include a condition in a resource consent requiring a financial contribution unless:

- The condition is imposed in accordance with the purpose specified in the Plan (including the purpose of ensuring positive effects on the environment to offset any adverse effect); and
- The level of contribution is determined in the manner described in the Plan.

Financial contributions may be required for various purposes, including for the purposes of ensuring positive effects on the environment, to offset any adverse effects, and to mitigate adverse effects on the environment of use and development (environmental compensation). Financial contributions will be taken only where other mechanisms will not adequately address community concerns, or where circumstances of an individual case point clearly to a financial contribution as being the most appropriate option. The requirement for, and amount of, a financial contribution is determined during pre-hearing consultation on an application for a resource consent. A process that involves Horizons, the applicant, and any submitters to the application, determines the use and appropriateness of financial contributions in any given circumstances.

All monies collected under the financial contributions regime of the plan are collected by Horizons for use in such a manner as we deem fit in order to avoid, remedy, mitigate or offset the adverse effects on the environment of the activity that the financial contribution is levied on. When deciding how those contributions should be levied or allocated, consideration will be given to matters contained in public submissions on a resource consent application.

The Resource Management Act 1991 requires us to specify in each regional plan:

- The circumstances when such contributions may be imposed;
- The purposes for which such contributions may be required and used; and
- The manner in which the level of the contribution will be determined.

The policies in Chapter 19 of the One Plan also set out the matters that we will have particular regard to when deciding whether to impose a financial contribution and the form that contribution takes.

One Plan Policy 19-1 provides for financial contributions where the activity for which consent is granted will cause or contribute to adverse effects on river bank erosion, flow regimes or riparian vegetation. The purpose of the financial contribution is to mitigate or offset the adverse effects of the activity by protecting, restoring or enhancing the river bed, bank and/or flood protection or erosion control works, including (without limitation) maintenance and planting of vegetation, sediment replenishment, and including a contribution to such measures elsewhere in the general locality. This has been applied specifically to gravel extraction on the Rangitīkei River. A financial contribution (as at 30 June 2017 this is $2, excluding GST, per cubic metre of gravel extracted) is set to avoid, remedy or mitigate the adverse effects of gravel extraction on river bank erosion, flow regimes or riparian vegetation in the Rangitīkei River and its tributaries. This financial contribution is applicable to land use consents for gravel extraction in the

Rangitīkei River and its tributaries where there is a consent condition requiring a financial contribution to be made for this purpose. The amount payable is set each year in the Long-term Plan or Annual Plan.

Our Regional Coastal Plan (Section 31.3) provides for financial contributions in a wide range of circumstances and these are applied on a consent-by-consent basis.

Review of policy

In accordance with the Local Government Act 2002, this policy is reviewed and open for public comment via the special consultative procedure, on no less than a three-yearly basis. It will also be reviewed and consulted on at any other time within a three-year period when amendment to the policy may be required.