

# Financial Contribution Policy



## 1. Introduction

1.1 Section 106 of the Local Government Act 2002 requires a local authority to adopt a development contributions or financial contributions policy.

1.1 “Financial contributions” has the meaning given to it by Section 109(a) of the Resource Management Act 1991 (RMA), i.e.

*“(a) Money; or*

*(b) Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of the Maori Land Act 1993 unless that Act provides otherwise; or*

*(c) A combination of money and land”.*

1.2 Development contributions may take the same form as above, but they are only available to fund additional infrastructure costs that occur as a direct result of growth. They are a tool to allocate the cost of growth to those who cause the need for the additional infrastructure.

## 2. Development contributions

2.1 The Gore District Council’s policy in relation to development contributions is to not assess development contributions under the Local Government Act 2002 but to take financial contributions, pursuant to Section 109 of the RMA.

## 3. Financial contributions

3.1 The objective of this policy is to require financial contributions, in appropriate circumstances, for the purpose of offsetting adverse effects of subdivision and development.

3.2 Section 9.4 of the Gore District Plan provides that financial contributions may be required as a condition of use or subdivision consent:

a. to connect to, upgrade or install public network utilities inclusive of sewerage, water, stormwater, and lighting systems;

b. to connect to, upgrade or develop roading systems; and

c. to provide, relocate or upgrade public utilities and public roads.

3.3 A financial contribution may be required to offset the adverse effects of large scale commercial or industrial development.

3.4 Financial contributions shall be assessed on a case by case basis of a proportion that is fair and reasonable, taking into account:

- a. the nature and extent of adverse effects being generated;
- b. the extent the design avoids, remedies or mitigates the adverse effects;
- c. private agreements between resource user and affected parties;
- d. the positive effects on the environment;
- e. the adverse effects on public utilities and roading systems;
- f. other funding sources available that reduce the cost of any works to the community, for example, grants or subsidies;
- g. the benefit to the general public from the upgrading or construction of the particular public utility or infrastructure;
- h. any payments or financial contributions previously paid in relation to that property;
- i. the timing in allocating and spending of any financial contribution received; and
- j. in instances where there are adverse effects on public roads:
  - (i) the percentage increase in traffic volumes along the affected portion of the road;
  - (ii) the cost of rectifying any existing deficiencies in the roading network;
  - (iii) the opportunity cost of undertaking works earlier than otherwise anticipated;
- k. any costs incurred in the taking, holding and allocating the financial contribution.

3.5 To provide an esplanade strip of 10 metres in width adjacent to the Mataura River when land is subdivided.

3.6 The regime for the payment of financial contributions shall be determined prior to exercising any land use activity or consent.

#### **4. Implementation of Policy**

4.1 Rules setting out formulae and maximum levels for financial contributions to avoid, remedy or mitigate the adverse effects of activities on the quality of the environment, are contained in Section 9.9 of the Gore District Plan.

#### **5. Policy review**

Due to a recent change in legislation, the Council cannot charge financial contributions under the RMA provisions after May 2022. Before this date, the Council will review this policy and its development contribution policy under the Local Government Act 2002.

This policy was adopted by the Gore District Council at its meeting held on 22 May 2018.