

# FINANCIAL CONTRIBUTIONS POLICY

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## 1. Introduction

This Policy has been prepared within the wider context of Council's financial management policies and is consistent with the provisions of Council's Revenue and Financing Policy, providing for financial contributions to be used as part of Council's overall approach to funding capital expenditure.

Section 102(4) of the Local Government Act 2002 (LGA) requires Council to adopt a policy on Development or Financial Contributions.

Under the Resource Management Act 1991 (RMA) Council may require Financial Contributions as a condition of a resource consent.

## 2. Purpose

To determine the purpose for which Financial Contributions may be required.

To provide predictability and certainty about the sources and levels of funding to meet increased demand for infrastructure and reserves resulting from growth. This policy, in conjunction with the Waimate District Plan, enables Council to recover contributions from those persons undertaking development as a condition of a resource consent or permitted activity, or where that development or activity may have an adverse effect on the natural or physical environment.

## 3. Definitions

For the purposes of this policy, and in accordance with the RMA section 108(9) **Financial Contributions** means a contribution of —

- 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 Te Ture Whenua Maori Act 1993 unless the Act provides otherwise; or
- c A combination of money and land.

For the purposes of this policy – and in accordance with the LGA section 197(1) **development** means —

- a Any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b Does not include the pipes or lines of a network utility operator.

## 4. Financial Contributions

The objective of this Policy is to require Financial Contributions, in appropriate circumstances, for the purposes of meeting the costs of increased demand for reserves and infrastructure resulting from growth.

Council may require that a financial contribution be made to Council as a condition of a resource consent or permitted activity where that activity or development requires additional capacity from any of the following:

- Public open space and recreation facilities of the District; and
- Water, sewerage, stormwater and roading networks.

In accordance with the RMA section 111, where Council receives a cash contribution under section 108(2)(a), Council shall deal with that money in reasonable accordance with the purposes for which the money was received.

#### **4.1 Capital Expenditure**

The LGA section 106(2)(a) requires that Council's Financial Contributions Policy summarise and explain the total cost of capital expenditure identified in the Long Term Plan (LTP) that Council expects to incur to meet the increased demand for community facilities resulting from growth.

The growth assumption for the Waimate District for the Long Term Plan 2018-28 period is sufficiently low and not in excess of capacity within the existing facilities and services for which financial contributions are sought. Consequently, Council does not require any financial contributions for capital expenditure in regard to growth.

### **5. Financial Contribution Provisions**

Financial Contributions can only be required in accordance with the purposes specified in the Waimate District Plan (including the purpose of ensuring positive effects on the environment to offset any adverse effect). The level of contribution must be determined in the manner described in the District Plan. See [Section 10 of the Waimate District Plan](#).

A summary of the existing Financial Contributions provisions under the Waimate District Plan is included below. The full provisions can be found in the District Plan which is available from Council or on the Council website – [www.waimatedc.govt.nz](http://www.waimatedc.govt.nz)

#### **5.1 Open Space and Recreation Contributions**

Financial Contributions may be collected for the provision and maintenance of open space and recreational facilities to meet the diverse needs of residents and visitors to the District.

Financial Contributions may be required as a condition of an activity, whether or not it requires a resource consent, including any subdivision or development for residential, commercial or industrial purposes, including utilities (excluding network utilities).

#### **5.2 Stormwater Disposal**

Financial Contributions may be collected to meet the costs of upgrading stormwater services which are attributable to the impacts of subdivision or development.

Financial Contributions may be required where an activity, whether or not it requires resource consent, will discharge stormwater to a Council reticulated stormwater system.

#### **5.3 Water Supply**

Financial Contributions may be collected to meet the costs of upgrading water supply services which are attributable to the impacts of subdivision or development.

Financial Contributions may be required where an activity, whether or not it requires a resource consent, is to be connected to a Council reticulated water supply system.

#### **5.4 Sewage Disposal**

Financial Contributions may be collected to meet the costs of upgrading sewage disposal services which are attributable to the impacts of subdivision or development.

Financial Contributions may be required where an activity, whether or not it requires a resource consent, is to be connected to a Council reticulated sewage disposal system.

#### **5.5 Road and Property Access**

Financial Contributions may be collected to meet the costs of upgrading roading and property access which are attributable to the impacts of subdivision or development.

Financial Contributions may be required where an activity, whether or not it requires a resource consent, has access to a road which is not formed to the standards specified in Rule 9.2 in the Waimate District Plan Section 10, towards road widening, construction and/or formation including footpaths.

### **6. Policy on Development Contributions**

Waimate District Council's policy in relation to Development Contributions is to not levy contributions under section 106 of the LGA, but to collect Financial Contributions pursuant to section 108 of the RMA.

### **7. Review of Policy**

This Policy is to be reviewed every three years, in line with Council's Long Term Plan funding review process. The policy may be amended at any time prior, by resolution of Council, if required.

Council is aware that, as a result of the Resource Legislation Amendment Act 2017, the ability to levy Financial Contributions will be removed from the RMA effective 18 April 2022. Council's next review of this policy will reflect this change.

## 8. Publication Details

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