



Policy on Financial Contributions

The Local Government Act 2002 requires Council to have a policy outlining how it intends to fund additional or new infrastructure which is required by growth.

Financial contributions under the Resource Management Act 1991, mainly consider the marginal impact of developments based primarily on environment effects assessments. Development contributions are Council's primary source of funding growth. However, from time to time financial contributions may be sought instead.

Development contributions under the Local Government Act 2002 consider the wider impacts of multiple developments on the infrastructure of the district (cumulative effect). Development contributions under the Local Government Act 2002 are in addition to, and separate from financial contributions. The development contributions and financial contributions cannot be taken for the same purpose (refer to s.200 of the Local Government Act 2002). Council's policy on development contributions will be included in the Long Term Plan (LTP).

Financial Contributions

The Resource Management Act 1991 was amended in April 2017 requiring the removal of financial contribution within five years by 2022. The budgets in this LTP reflect this. In the next LTP review in 2020/2021 it is intended for the Development Contributions Policy to be reviewed, and activities currently funded by financial contributions to be funded through development contributions.

Council's Policy on Financial Contributions is set out in its District Plan which was prepared under the Resource Management Act 1991.

Summary of Financial Contributions

Chapter 22 of the Plan sets out the financial contribution provisions. Section 22.1.1 states that Council has developed a policy on development and financial contributions in Council's LTP which gives effect to the Local Government Act 2002. Development contributions under the Local Government Act 2002 are in addition to, and separate from financial contributions.

Council considers that financial contributions will generally only be imposed in areas of the district where the Development Contributions Policy does not apply or where the Development Contributions Policy does not address the type of adverse effects generated by the development or activity.

Financial contributions will not be required to mitigate effects of subdivision and development on those arterial and collector roads that are already covered by Council's Development Contributions Policy.

Financial contributions may be required for:

- a) the protection and/or enhancement of significant heritage or natural features
- b) the protection or enhancement of riparian areas
- c) the establishment and/or upgrading the transport network (including roads)
- d) the establishment and/or upgrading of reserves and public open space areas
- e) the installation and/or upgrading of any network utility including sewerage, stormwater disposal and water supply.

District Plan

Plan chapter	Reference	Purpose
22	22.10.2	Significant Heritage or Ecological Features
	22.10.3	Renewable Energy Activities
	22.10.4	Enhancement or Riparian Protection (Land use activities)
	22.10.5	Transport Networks (including roads)
	22.10.6	Reserves
	22.10.7	Network Utilities

In addition to the capital expenditure identified in the Development Contributions Policy, Council expects to incur the following levels of capital expenditure over the ten year period covered by this Long Term Plan:

Activity Group	Total Capital Expenditure (\$000)	Financial Contributions (\$000)	Rates (\$000)	Loans (\$000)
Community Activities	\$7,359	\$5,703	\$1,506	\$150

(The above amounts are shown at 2018/2019 price levels.)

Included within the Community Activities Group is \$5.626 million forecast to be received for reserve contributions. These contributions are budgeted to be spent on reserve development and occasional acquisitions