

# Part 6

## Financial contributions

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**This marked up copy of part 6 shows the amendments recommended in response to submissions to part 6 (hearing report no.9)**

**Insertions are shown with underlining and deletions with ~~strikethrough~~**

**Part 6 – Financial contributions**

## 6.1 Introduction

Financial contributions are intended to address the effects of subdivision and development in the islands and are a means of achieving the Plan's objectives. The RMA allows the council to collect financial contributions in certain circumstances. The RMA allows the council to impose a condition requiring a financial contribution on any resource consent for any purpose specified in the Plan.

A financial contribution is defined in the RMA as:

"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 the Maori Land Act 1993 unless that Act provides otherwise; or
- (c) A combination of money and land."

The RMA requires the council to identify in the Plan the purposes for which financial contributions will be imposed. Section 32 of the RMA requires the council to adequately justify all its objectives, policies and rules and to evaluate their efficiency and effectiveness. The RMA also requires that the level of contribution be determined in the manner described in the Plan and requires the council to spend any money received as a financial contribution in reasonable accordance with the purposes for which it was received.

The council will be investigating the feasibility of development contributions for the islands under the Local Government Act 2002. Any development contributions applicable in the islands will not necessarily replace financial contributions and it is expected that some financial contribution provisions will remain in the Plan even after development contributions are in force in the islands. However, the Local Government Act 2002 prevents the council requiring a development contribution to the extent that it has already imposed a financial contribution for the same purpose.

## 6.2 Resource management issues

The significant resource management issues which need to be addressed in the Plan are:

1. How to avoid, remedy or mitigate adverse effects of subdivision and development on the environment of the islands, including open space, infrastructure, community amenities and environment and heritage.
2. How to apportion costs in an equitable and just manner so that the costs of mitigating and remedying adverse effects from subdivision and development are paid by those generating the effects.
3. How to collect and spend financial contributions in a fair, efficient and transparent way.

## 6.3 Objectives and policies

### 6.3.1 Objective

To avoid, remedy or mitigate the adverse effects of subdivision and development on the environment.

#### Policies

1. By identifying the adverse effects which may be addressed by requiring a financial contribution.

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2. By selecting an appropriate mix of financial contributions to adequately address each of these identified effects.
3. By using financial contributions to recover a fair contribution towards the cost of addressing these effects.

### 6.3.2 Objective

To ensure that financial contributions are imposed equitably on subdivision and development in the islands.

#### Policies

1. By using the programmes and cost estimates outlined in the long term council community plan or council asset management plans to estimate the likely future costs of growth.
2. By identifying the extent to which subdivision and development requires the council to incur expenditure not anticipated in the long term council community plan or council asset management plans, to address localised adverse effects.
3. By using financial contributions to recover from new residents and businesses a fair contribution towards the costs of growth generally, and the costs of addressing the localised adverse effects they generate.

### 6.3.3 Objective

To have a transparent system for collecting and spending financial contributions for the benefit of the islands.

#### Policies

1. By applying financial contributions in a just and consistent way to all new subdivision and development which generates effects that need to be avoided, remedied or mitigated.
2. By accounting for all money contributions collected for various purposes, in separate accounts.
3. By spending money contributions in reasonable accordance with the purposes for which they have been collected, as specified this part.
4. By reporting the income and expenditure of financial contribution accounts through the annual plan.

## 6.4 Resource management strategy

### 6.4.1 Purpose of financial contributions

Financial contributions are an integral part of resource management strategy. They assist to avoid, remedy or mitigate the adverse effects of subdivision and development by ensuring that developers pay a fair contribution towards the cost of addressing these effects. Financial contributions can also provide significant public benefit by providing and developing open space, protecting the environment and heritage and providing for infrastructure and community amenities.

Section 108(10)(a) of the RMA requires financial contributions to be imposed in accordance with purposes specified in a plan or proposed plan. Under this part, contributions may be required where necessary to achieve one or more of the following purposes:

1. Creating open spaces (including recreation areas, visual buffers and amenity areas).
2. Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas).

3. Giving public access to coastal areas, reserves, bush areas or areas of special character.
4. Providing new or upgrading existing infrastructure such as roads, transportation infrastructure and utilities (including stormwater systems, and shared wastewater systems).
5. Protecting or enhancing amenities, habitats, ecosystems, landscape features and [archaeological](#) heritage or cultural values.
6. Avoiding, remedying or mitigating land use activity or subdivision impacts upon sensitive parts of the natural and physical environment.
7. Providing new or upgrading existing community amenities (such as libraries, community halls, leisure facilities and public toilets).
8. Creating a financial resource to be used for any of the above purposes.

#### **6.4.2 Avoiding, remedying and mitigating adverse effects**

New subdivision and development in the islands will usually have an adverse impact on open space as a result of the introduction of new users. In addition, there is generally also an impact on infrastructure and community amenities, and a need to avoid, remedy or mitigate these effects. In some cases, there may also be a need to avoid, remedy or mitigate adverse effects on environmental and heritage features caused by subdivision and development.

It is becoming increasingly important to ensure that developers and resource users face the true cost of the effects generated by their developments. Unless this is done other sources of funding must be found to address these effects (such as rates). Alternatively the effects will not be addressed, resulting in worse environmental outcomes.

The imposition of financial contributions is therefore seen as a means of remedying and mitigating adverse environmental effects generated by subdivision and development.

#### **6.4.3 Bearing the cost of effects**

Financial contributions require that developers pay some of the cost of avoiding, remedying and mitigating the adverse effects of subdivision and development on the open space, infrastructure, community amenities and environment and heritage.

While benefits accrue to users of both new and existing developments, these provisions do not advocate retrospective charging. Apart from difficulties of such charging, it would not be feasible to ascertain the extent of past contributions made by former developers to the development of public open spaces, infrastructure or community amenities.

Neither does the council believe it appropriate or practical to charge other users who will benefit from new open spaces, infrastructure and community amenities and the protection of environmental and heritage features. Given that a range of users will benefit, it is not reasonable to expect new subdivision and development to pay the full costs of providing open space, infrastructure, community amenities and protection of environmental and heritage features. However, the council will require new subdivision and development to make a reasonable contribution to costs of providing open space, infrastructure, and community amenities and protecting environmental and heritage features in the islands, having regard to the effects generated by that subdivision and development.

#### 6.4.4 Maintaining a transparent process

The RMA requires the council to spend financial contributions in money in reasonable accordance with the purposes for which they were collected. In the case of the islands, financial contributions will be spent in reasonable accordance with the purposes identified in [clause 6.4.1](#). No financial contributions will be used for operational items such as maintenance. The maintenance of open space and infrastructure is paid for by rates. A transparent system for collecting financial contributions and monitoring the expenditure will increase the public's confidence in this mechanism.

### 6.5 Financial contributions for open space

#### 6.5.1 Objective

To provide for the public open space needs of communities in the islands.

##### Policies

1. By requiring all residential, commercial and industrial subdivision and development on the islands to contribute to the islands' public open space either by way of money or land or a combination of both.
2. By using money contributions to purchase and develop new public open space, or add capacity to, or otherwise enhance, existing public open space.
3. By assessing financial contributions on the basis of the likely additional demands for public open space generated by subdivision and development.

#### 6.5.2 Rules - financial contributions for open space

##### 6.5.2.1 Application

Open space financial contributions will apply to the following activities, whether they are described in this Plan as permitted, restricted discretionary, discretionary, or non-complying:

1. Subdivision of land (as defined in the RMA). These will be assessed under [clauses 6.5.2.2](#) and [6.5.2.4](#).
2. The following land use activities:
  - a. Residential development (such as a boarding house or hostel, accommodation for retired, elderly or disabled people, visitor accommodation, tourist complex or multiple dwellings). [Note: a single dwelling on a site is not considered to be a residential development for the purposes of this rule.](#)
  - b. Commercial or industrial development.

Contributions in these cases will be assessed under [clauses 6.5.2.3](#) and [6.5.2.4](#).

Payment of a financial contribution may be required as a condition of resource consent, or alternatively may be specified by a rule in this Plan as payable in respect of permitted activities.

##### 6.5.2.2 Level and form of contribution - subdivision consents

Financial contributions may be taken in the form of money, land or both, but in all cases their total value will not exceed the maximum monetary value specified in this rule.

1. The council may require a payment of money based on 7.5 per cent of the value of each additional site created (other than an access site).

**Methodology**

The assessment of the land value will be based on the market value of the land being developed:

- In its 'developed' state, that is, with the rights and configuration given to the land by consent being considered, and by any previous consents; and
- As assessed not more than 12 months before the contribution is paid; and
- Including GST.

To overcome difficulties in determining which new site or sites are the additional site(s) created, the value of the additional sites will be determined by using the average (mean) value of all sites created by the subdivision (other than an access site).

2. The council may require the provision of land as set out in the table below (which excludes any esplanade reserves or strips required by the RMA and this Plan).

Site size	Land requirement
For each additional site up to 1ha	An area of 5% of the site(s) created or 150m <sup>2</sup> whichever is the greater
For each additional site between 1ha and 20ha	An area of 2.5% of the site(s) created or 500m <sup>2</sup> whichever is the greater
For each additional site greater than 20ha	An area of 2.5% of the site(s) created

**6.5.2.3 Level and form of contribution - land use activities and consents**

Financial contributions may be taken in the form of money, land or both, but in all cases their total value will not exceed the maximum monetary value specified in this rule.

1. Where the value of work exceeds \$100,000, the council may require a payment of money based on 7.5 per cent of the total value of work.

**Methodology**

For the purposes of this Plan, 'value of work' means the value of development or redevelopment (other than subdivision) by:

- Constructing, erecting or altering any one or more buildings or other works for the purpose of providing a boarding house or hostel, accommodation for retired, elderly or disabled people, visitor accommodation, tourist complex, and multiple dwellings; or
- Constructing, erecting or altering any one or more buildings, fixed plant and machinery, or other works intended to be used solely or principally for any non-residential activity listed in the Plan or any combination of these activities.

For the purposes of the above, the construction, erection or alteration of any buildings, fixed plant and machinery, or other works includes:

- The related fencing, drainage, excavation, filling, or reclamation of land, relating to any such construction, erection or alteration; but does not include the construction or alteration of any pipeline or associated pumping works on land that is not otherwise subject to the development.

For the purposes of the above, the construction, erection or alteration of any buildings, fixed plant and machinery, or other works does not include:

- The refurbishment of any existing buildings, fixed plant and machinery, or other works.

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Where it is proposed to construct, erect or alter, one or more buildings, fixed plant and machinery or other works in stages and where the total proposed construction, erection, or alteration would, if carried out other than in stages, constitute a development as defined in the foregoing provisions of this definition, the total construction, erection or alteration constitutes one development for the purposes of this Plan.

Refurbishment means the cosmetic alteration, restoration or redecoration to the interior or exterior of a building or site. This meaning excludes, for example, increases to the gross floor area, and conversion of office premises to retail premises. Refurbishment would include the replacement of lifts or air-conditioning or other machinery.

2. The council may require the provision of land of a value equal to the amount of amount in money the council could require under (1) above.

### 6.5.2.4 Contributions less than the maximum amount

In assessing whether to impose the maximum financial contribution under [clause 6.5.2.2](#) or [clause 6.5.2.3](#), or less than the maximum, the council will consider:

1. Whether the subdivision or development will be of benefit, either to the physical and/or natural environment or the local and/or wider community, having regard to the extent to which it protects environmental and heritage features as part of the overall development.
2. The extent to which the subdivision or development will generate demand for open space and the need for further land or money or a combination of both as a means of meeting the demand. In considering this, regard will be given to the development patterns and public open space patterns in the vicinity, and to the objectives and policies for the applicable strategic management area, land unit or settlement area.
3. Whether any contribution is necessary having regard to development patterns and land use activities in the area.
4. The extent to which any adverse effects of subdivision or redevelopment have been or will be avoided, remedied or mitigated through mechanisms other than a financial contribution (such as a works and services condition under section 108(2)(c) of the RMA).

### 6.5.2.5 Timing of contributions

1. **Contributions on subdivision consent under [clause 6.5.2.1\(1\)](#)**

Contributions of money imposed on subdivision consent must be paid to the council before the issue of a certificate under section 224(c) of the RMA. Where land forms part or all of a contribution, all necessary legal agreements to ensure implementation of such a contribution must be completed before the issue of a certificate under section 224(c) of the RMA.

2. **Contributions on land use activities and consents under [clause 6.5.2.1\(2\)](#)**

Contributions of money must be must be paid to the council before the issue of the necessary building consents under the Building Act 2004. Where land forms part or all of a contribution, all necessary legal agreements to ensure implementation of such a contribution must be completed before the issue of the necessary building consents under the Building Act 2004.

### 6.5.2.6 Exemptions

The following types of subdivision consents, land use consents and land use activities are exempt from open space financial contributions:

1. Consent to subdivide a development, where an open space financial contribution or a development contribution for open space under the Local Government Act 2002 has already been imposed when granting a land use consent or building consent for that development (provided that the nature of the development has not changed since that time).



2. A land use activity specified in [clause 6.5.2](#) or a land use consent for a development, where an open space financial contribution or a development contribution for open space under the Local Government Act 2002 has already been imposed when granting subdivision consent for that development (provided that the nature of the development has not changed since that time).
3. A subdivision consent to create any site described in [clause 12.9.2](#) - Special purpose sites.
4. Amalgamation of sites: where there has been a voluntary amalgamation of sites by the owner within the previous 10 years, the number of sites so amalgamated will be taken into account when assessing a financial contribution for open space purposes.
5. A subdivision or land use consent required for the provision of network utility services.

### **6.5.2.7 Expenditure of financial contributions**

Financial contributions for open space purposes which have been paid in money will for accounting purposes be considered separate from the council's rates and other revenue. These contributions will be accounted for in terms of the council's responsibilities under the RMA and the Local Government Act 2002. In addition a separate report on the income and expenditure of financial contributions paid in money will be included in the council's annual report.

Money contributions for reserve purposes will be spent both on the purchase of additional land for open space and on the development of existing open space for greater use and enjoyment by communities on the islands. In general, on Waiheke a contribution of land rather than money will be preferred. On other islands, taking of land or money will be determined on a case by case basis. The form of payment of contributions may be subject to negotiation, but final discretion remains with the council.

For commercial reasons the council will not generally specify individual areas of land which it wishes to purchase for additional open space. The council will however consider any opportunity to purchase additional land whenever and wherever these arise.

## **6.6 Financial contributions for infrastructure**

### **6.6.1 Objective**

To ensure that the physical infrastructure of the islands is able to cater for additional demand generated by new residents and businesses.

#### **Policies**

1. By adopting a long term perspective, through the long term council community plan and council asset management plans, to ensure adequate provision of infrastructure for the islands.
2. By providing sufficient resources, through the annual plan, to ensure that the infrastructure demands of new subdivision and development are met in a timely and orderly manner.
3. By requiring new subdivision and development to contribute to the costs of planned increases in the capacity of infrastructure such as roads, transportation infrastructure and utilities (such as stormwater systems, and shared wastewater systems).
4. By assessing financial contributions on the basis of the likely adverse effects on, or additional demand for, infrastructure.
5. By identifying the extent to which new subdivision and development requires the council to incur additional expenditure on infrastructure not anticipated in the long term council community plan and council asset management plans, to address localised adverse effects.

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6. By requiring new subdivision and development to contribute to the costs of providing unplanned infrastructure required to address localised adverse effects.

### 6.6.2 Rules - financial contributions for infrastructure

#### 6.6.2.1 Application

Infrastructure financial contributions will apply to the following activities, whether they are described in this Plan as permitted, restricted discretionary, discretionary, or non-complying:

1. Subdivision of land (as defined in the RMA).
2. Land use activities.

Payment of a financial contribution may be required as a condition of resource consent, or alternatively may be specified by a rule in this Plan as payable in respect of permitted activities.

#### 6.6.2.2 Level and form of contribution

##### 1. Planned infrastructure projects

Where a subdivision or development involves the uptake of capacity provided by one or more infrastructure projects identified in the long term council community plan or a council asset management plan, an infrastructure financial contribution may be required. The maximum financial contribution payable will be determined by reference to the share of that capacity that the subdivision or development will take up.

The council may require an infrastructure financial contribution under this rule to be made in the form of money or land. If land is required its value will not exceed the amount of a money contribution that could be required under this rule.

##### 2. Unplanned infrastructure projects

Where a subdivision or development generates adverse effects requiring the council to incur expenditure on one or more local infrastructure projects not identified in the long term council community plan or a council asset management plan, an additional infrastructure financial contribution may be required. The maximum level of this contribution will be determined by reference to the extent to which the subdivision or development (relative to other subdivision or development) creates the need to undertake the expenditure, but in no case will exceed 90 per cent of the cost of the local infrastructure project.

The council may require an infrastructure financial contribution under this rule to be made in the form of money or land (or a combination of both). If land is required its value will not exceed 90 per cent of the cost of the local infrastructure project(s).

In assessing whether to impose the maximum financial contributions under this rule or less than the maximum, the council will consider:

- a. Whether a contribution is necessary having regard to development patterns and land use activities in the area;
- b. The extent to which the subdivision or development will generate demand or adverse effects on infrastructure and the need for money to mitigate those effects; and
- c. The extent to which any adverse effects of subdivision or development have been or will be avoided, remedied or mitigated through mechanisms other than a financial contribution (such as a works and services condition under section 108(2)(c) of the RMA).

#### 6.6.2.3 Timing of contributions

1. Contributions on subdivision consent under [clause 6.6.2.1\(1\)](#)

Contributions of money imposed on subdivision consent must be paid to the council before the issue of a certificate under section 224(c) of the RMA. Where land forms part or all of a contribution, all necessary legal agreements to ensure implementation of such a contribution must be completed before the issue of a certificate under section 224(c) of the RMA.

2. **Contributions on land use activities and consents under [clause 6.6.2.1\(2\)](#)**

Contributions of money must be must be paid to the council before the issue of the necessary building consents under the Building Act 2004. Where land forms part or all of a contribution, all necessary legal agreements to ensure implementation of such a contribution must be completed before the issue of the necessary building consents under the Building Act 2004.

#### 6.6.2.4 Exemptions

The following types of subdivision consents, land use consents and land use activities are exempt from infrastructure financial contributions (but in the case of paragraphs (1) and (2), only to the extent specified):

1. Consent to subdivide a development, where a financial contribution for planned infrastructure projects under [clause 6.6.2.2\(1\)](#) or a development contribution for 'network infrastructure' as defined in the Local Government Act 2002 has already been imposed when granting a land use consent or building consent for that development (provided that the nature of the development has not changed since that time). The consent will be exempt from a financial contribution for planned infrastructure projects, but not a financial contribution for unplanned infrastructure projects.
2. A land use activity specified in [clause 6.6.2](#) or a land use consent for a development, where a financial contribution for planned infrastructure projects under [clause 6.6.2.2\(1\)](#) or a development contribution for 'network infrastructure' as defined in the Local Government Act 2002, has already been imposed when granting subdivision consent for that development (provided that the nature of the development has not changed since that time). The consent will be exempt from a financial contribution for planned infrastructure projects, but not a financial contribution for unplanned infrastructure projects.
3. A subdivision consent to create any site described in [clause 12.9.2](#) - Special purpose sites.
4. Amalgamation of sites. Where there has been a voluntary amalgamation of sites by the owner within the previous 10 years, the number of sites so amalgamated will be taken into account when assessing a financial contribution for infrastructure purposes.
5. A subdivision or land use consent required for the provision of network utility services.

#### 6.6.2.5 Expenditure of financial contributions

Financial contributions for infrastructure purposes which have been paid in money will for accounting purposes be considered separate from the council's rates and other revenue. These contributions will be accounted for in terms of the council's responsibilities under the RMA and the Local Government Act 2002.

Money or land contributions required under [clause 6.6.2.2](#) will be applied to the particular local infrastructure project or projects required to address the adverse effects of the subdivision or development.

## 6.7 Financial contributions for community amenities

### 6.7.1 Objective

To ensure that community amenities on the islands are able to cater for additional demand generated by new residents and businesses.

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### Policies

1. By adopting a long term perspective, through the long term council community plan and council asset management plans, to ensure adequate provision of community amenities for the islands
2. By providing sufficient resources, through the annual plan, to ensure that the community amenities demand of new subdivision and development are met in a timely and orderly manner.
3. By requiring new subdivision and development to contribute to the costs of planned increases in the capacity of community amenities.
4. By assessing financial contributions on the basis of the likely adverse effects on, or additional demand for, community amenities.

## 6.7.2 Rules - financial contributions for community amenities

### 6.7.2.1 Application

Community amenities financial contributions will apply to the following activities, whether they are described in this Plan as permitted, restricted discretionary, discretionary, or non-complying:

1. Subdivision of land (as defined in the RMA).
2. Land use activities.

Payment of a financial contribution may be required as a condition of resource consent, or alternatively may be specified by a rule in this Plan to be payable in respect of permitted activities.

### 6.7.2.2 Level and form of contribution

Where a subdivision or development involves the uptake of capacity provided by one or more community amenity projects identified in the long term council community plan or a council asset management plan, a community amenities financial contribution may be required. The maximum financial contribution payable will be determined by reference to the share of that capacity that the subdivision or development will take up.

The council may require a financial contribution for community amenities under this rule to be made in the form of money or land. If land is required its value will not exceed the amount of a money contribution that could be required under this rule.

In assessing whether to impose the maximum financial contribution under this rule or less than the maximum, the council will consider:

1. Whether a contribution is necessary having regard to development patterns and land use activities in the area.
2. The extent to which the subdivision or development will generate demand or adverse effects on community amenities and the need for money to mitigate those effects.
3. The extent to which any adverse effects of subdivision or development have been or will be avoided, remedied or mitigated through mechanisms other than a financial contribution (such as a works and services condition under section 108(2)(c) of the RMA).

### 6.7.2.3 Timing of contributions

1. **Contributions on subdivision consent under [clause 6.7.2.1\(1\)](#)**

Contributions of money imposed on subdivision consent must be paid to the council before the issue of a certificate under section 224(c) of the RMA. Where land forms part or all of a contribution, all necessary legal agreements to ensure implementation of such a contribution must be completed before the issue of a certificate under section 224(c) of the RMA.

## 2. Contributions on land use activities and consents under [clause 6.7.2.1\(2\)](#)

Contributions of money must be paid to the council before the issue of the necessary building consents under the Building Act 2004. Where land forms part or all of a contribution, all necessary legal agreements to ensure implementation of such a contribution must be completed before the issue of the necessary building consents under the Building Act 2004.

### 6.7.2.4 Exemptions

The following types of subdivision consents, land use consents and land use activities are exempt from community amenities financial contributions (but in the case of paragraphs (1) and (2), only to the extent specified):

1. Consent to subdivide a development, where a community amenities financial contribution under [clause 6.7.2](#) or a development contribution for community amenities under the Local Government Act 2002 has already been imposed when granting a land use consent or building consent for that development (provided that the nature of the development has not changed since that time).
2. A land use activity specified in [clause 6.7.2](#) or a land use consent for a development, where a community amenities financial contribution under [clause 6.7.2.2](#) or a development contribution for community amenities under the Local Government Act 2002 has already been imposed when granting subdivision consent for that development (provided that the nature of the development has not changed since that time).
3. A subdivision consent to create any site described in [clause 12.9.2](#) - Special purpose sites.
4. Amalgamation of sites. Where there has been a voluntary amalgamation of sites by the owner within the previous 10 years, the number of sites so amalgamated will be taken into account when assessing a financial contribution for open space purposes.
5. A subdivision or land use consent required for the provision of network utility services.

### 6.7.2.5 Expenditure of financial contributions

Financial contributions for community amenities purposes which have been paid in money will for accounting purposes be considered separate from the council's rates and other revenue. These contributions will be accounted for in terms of the council's responsibilities under the RMA and the Local Government Act.

## 6.8 Financial contributions for environment or heritage

### 6.8.1 Objective (environment)

To provide opportunities to safeguard and protect important natural habitats and other environmental qualities and values through the use of financial contributions.

#### Policies

1. By accurately identifying, on a project by project basis, important habitats and other natural features which may be threatened or compromised by a subdivision, ~~or development~~ ~~or inappropriate activity~~.
2. By providing policy mechanisms, ~~such as environmental compensation,~~ which allow developers and subdividers to remedy or mitigate any adverse effects from their proposals through ~~the use of~~ financial contributions.
3. By identifying and coordinating environmental protection and enhancement projects which have a reasonably direct relationship with these identified adverse environmental effects.

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4. By using financial contributions collected against identified environmental effects to fund or contribute towards these related environmental projects.

### 6.8.2 Objective (heritage)

To provide opportunities to safeguard and protect important heritage qualities and values through the use of financial contributions.

#### Policies

1. By accurately identifying, on a project by project basis, important heritage features which may be threatened or compromised by a subdivision, or development ~~or inappropriate activity~~.
2. By providing an opportunity, through the use of financial contributions, for developers and subdividers to protect important heritage features which may be under some threat from their proposals.
3. By using financial contributions collected for heritage reasons for the protection of the heritage features.

### 6.8.3 Rules - financial contributions for environment or heritage

#### 6.8.3.1 Application

Environmental or heritage financial contributions will apply to the following activities, whether they are described in this Plan as permitted, restricted discretionary, discretionary, or non-complying:

1. Subdivision of land (as defined in the RMA).
2. Land use activities.

Payment of a financial contribution may be required as a condition of resource consent, or alternatively may be specified by a rule in this Plan to be payable in respect of permitted activities.

The use of financial contributions as a means of avoiding, remedying or mitigating damage to important natural or heritage features or qualities will be considered on a project by project basis.

It is intended that financial contributions for these purposes may be used as a way of allowing a development or subdivision to proceed while at the same time safeguarding the natural and heritage values of the islands. As a result of this opportunity, it is envisaged that both developers and the council may see the value in such contributions and that developers may offer financial contributions to protect important natural and heritage features as part of their development or subdivision proposal.

Because these policies will be applied on a case by case basis, it becomes difficult to identify, with any precision, where and when financial contributions for environmental and heritage purposes will actually be required. **Part 7 - Heritage** however does identify those aspects of the islands' natural environment and heritage which the council believes requires protection or at least careful management. Part 7 should be referred to in order to gain a good appreciation of the circumstances where these policies may apply.

Financial contributions for environmental or heritage purposes may be specified by a rule in this Plan to be a condition of permitted activity status, or required as a condition of consent on any land use and subdivision consent. Such contributions may be required in money or land or a combination of these. The council may also impose on a consent a condition requiring that services or works be provided.

#### 6.8.3.2 Level and form of contribution

The council may require a fair and reasonable contribution for environmental or heritage purposes based on the amount of land, the cost of work, necessary to avoid, remedy or mitigate the adverse effects generated by the subdivision or development. Such contributions will be assessed on a case by case, project by project basis.

In assessing the level of contribution required to address the identified adverse effects, a number of factors will be taken into account. These include:

1. The importance of the environmental or heritage feature in question and in particular its uniqueness to the local area and islands more generally.
2. The contribution the particular feature makes to an identified set of environmental or heritage values. For example whether the feature is an important part of a local habitat in the case of environmental values, or important to local heritage character in the case of heritage values.
3. The existing condition of the feature in question and whether or not the protection of the feature will enhance its condition.
4. [The extent to which any adverse effects of the subdivision or development on the environmental or heritage feature in question have been or will be avoided, remedied, or mitigated through mechanisms other than a financial contribution.](#)
45. Such other factors may be relevant in the particular circumstances of the case.

#### **Contributions in land**

Where a financial contribution for environmental or heritage purposes is to be in the form of land, the vesting of this land in the council will be a condition of any land use or subdivision consent. Land may also be in the form of a covenant created in favour of the council as a condition of land use consent.

In the case of land use consents, transfer of the subject land must be made before any activity or development commences.

Where the transfer of land is a condition of a subdivision consent, this land must be shown on the survey plan as 'special purpose reserve' and vested accordingly in the council.

#### **Contributions in money**

Where a financial contribution for environmental or heritage purposes is to be paid in money, the payment of this contribution will be a condition of any land use or subdivision consent.

In the case of land use consents, payment must be made before any activity or development commences.

### **6.8.3.3 Timing of contributions**

#### **1. Contributions on subdivision consent under [clause 6.8.3.1\(1\)](#)**

Contributions of money imposed on subdivision consent must be paid to the council before the issue of a certificate under section 224(c) of the RMA. Where land forms part or all of a contribution, all necessary legal agreements to ensure implementation of such a contribution must be completed before the issue of a certificate under section 224(c) of the RMA.

#### **2. Contributions on land use activities and consents under [clause 6.8.3.1\(2\)](#)**

Contributions of money must be must be paid to the council before the issue of the necessary building consents under the Building Act 2004. Where land forms part or all of a contribution, all necessary legal agreements to ensure implementation of such a contribution must be completed before the issue of the necessary building consents under the Building Act 2004.

### **6.8.3.4 Expenditure of financial contributions**

Financial contributions for environmental or heritage purposes which have been paid in money will for accounting purposes be considered separate from the council's rates and other revenue. These contributions will be accounted for in terms of the council's responsibilities under the RMA and the Local Government Act. In addition a separate report on the income and expenditure of financial contributions paid in money will be included in the council's annual report.

## **6.9 Application to reduce or waive financial contributions payable on permitted activities**

Where payment of a financial contribution is required in respect of any activity having permitted activity status under this Plan, waiver or reduction of the maximum financial contribution payable under the rules in this part will be treated as a restricted discretionary activity. The council restricts its discretion to the matters specified in [clauses 6.5.2.4, 6.6.2.2, 6.7.2.2, and 6.8.3.2](#).

The treatment of a waiver or reduction of a financial contribution in these circumstances as a restricted discretionary activity is for the benefit of the applicant, as it provides the council with the opportunity to impose a lesser contribution than the maxima specified in [clauses 6.5.2.2, 6.5.2.3, 6.6.2.2, 6.7.2.2, and 6.8.3.2](#), as the case may be.