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## Appendix 2 – Financial Contributions

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The contents of this appendix were previously included in previous versions of the regional plan as Chapter 10.

Where the Regional Council grants a resource consent under the rules in this regional plan, it may impose a condition requiring that a financial contribution be made for the purposes specified in the regional plan. City or district councils may also impose financial contributions on activities under the provisions of district plans. The Regional Council does not require financial contributions as 'development impact fees' as is the case with city and district councils. Financial contributions will not automatically be applied to any activity where a resource consent is required. Financial contributions are available to remedy or mitigate the adverse effects on natural and physical resources that can not otherwise be avoided, remedied or mitigated. If adverse effects can be avoided, remedied or mitigated, including off-site mitigation, and this is identified in a resource consent application, then financial contributions will not be required. However, the Regional Council may require financial contributions or a contractual agreement if mitigation is dependant on a third party. Financial contributions are not used for environmental enhancement, unless it is more efficient to enhance the values of another site rather than avoid, remedy or mitigate adverse effects at the activity site.

The term 'financial contribution' is defined in section 108(9) of the Act.

The Act requires the Regional Council to specify in the regional plan the circumstances when a financial contribution may be imposed, the manner in which the level of contribution that may be imposed will be determined, and the general purposes for which the contribution may be used.

The following provisions in the sections below, Matters to be Considered and General Provisions reflect the requirements of the Act and set out:

- 1 The circumstances when financial contributions may be imposed.
- 2 The purposes for which financial contributions may be required and used.
- 3 The manner in which the amount of the contribution will be determined.
- 4 Matters that the Regional Council will have regard to when deciding whether to:
  - (a) Impose a financial contribution,
  - (b) The type of contribution, and
  - (c) The amount of any contribution, and the general provisions that would apply.

## Circumstances, Purpose and Amount

Table A2 1 Circumstances and Purposes of Financial Contributions

	Circumstance	Purpose	Determination of Amount	Regional Rules Where Financial Contributions May be Applicable
1	<b>Protecting Aquatic Habitats of Indigenous Species and Trout</b> Where the activity for which a resource consent is granted is likely to cause or contribute to adverse effects on any ecosystem values (aquatic habitats of indigenous fish species or trout, spawning areas, or migratory pathways), particularly in watercourses with Aquatic Ecosystem water quality class, and those identified in Schedule 1 of this regional plan.	To restore or enhance aquatic habitats at the site, or to provide environmental compensation by restoring or enhancing aquatic habitat characteristics at another suitable location where avoiding, remedying or mitigating adverse effects at the site is not practicable or effective.	The amount of contribution will be determined by reference to the matters set out in the General Provisions section (below), and will be an amount that is sufficient to restore or enhance aquatic habitats.	LM R4, LM R10, LM R14, LM R16, BW R40, DW R8, Rule 43, WQ R21, WQ R22, BW R36, WL R9
2	<b>Protection of Riparian Vegetation</b> Where the activity for which a resource consent is granted is likely to result in destruction or damage to riparian vegetation or habitats, particularly in areas of Natural State and Aquatic Ecosystem water quality class, urban areas, in actively eroding areas, or in the catchments of lakes, harbours and estuaries.	To offset the loss of vegetation by planting, transplanting or maintaining, new or existing vegetation, either at, or adjacent to, the site concerned, or elsewhere in the same general locality.	The amount of contribution will be determined by reference to the matters set out in the General Provisions section (below), and will be an amount that will be sufficient to offset the loss of riparian vegetation.	LM R4, LM R10, LM R14, LM R16, LM R18, WQ R21, WQ R22, BW R36, WL R9
3	<b>Protection of Wetlands</b> Where the activity for which a resource consent is granted is likely to cause or contribute to adverse effects on any ecosystem, water quality, water quantity, soil conservation or flood mitigation values of a wetland.	To: (a) Enhance another suitable wetland of similar habitat where such a wetland is available, (b) Create a new wetland at an appropriate site, or (c) Enhance another part of the wetland that is adversely affected, including if appropriate, cost associated with maintaining the original size of the wetland.	The amount of contribution will be determined by reference to the matters set out in the General Provisions section (below), but will be an amount that is sufficient to enhance a significant wetland, enhance part of a wetland, or create a new wetland.	LM R4, LM R10, LM R14, LM R16, DW R8, Rule 43, WQ R21, WQ R22, BW R36, WL R9

	Circumstance	Purpose	Determination of Amount	Regional Rules Where Financial Contributions May be Applicable
4	<b>Protection of the Environment from Stormwater Discharges</b> Where a resource consent is granted for an existing stormwater discharge that does not meet environmental standards in this regional plan, where it is not cost-effective or practicable to upgrade existing stormwater system, and the discharge is likely to cause or contribute to adverse effects on any ecosystem, or water quality of the receiving environment.	To provide on-site or off-site mitigation measures, remediation works in other areas, or other appropriate works, including but not limited to riparian planting, to mitigate the effects of the stormwater discharge.	The amount of contribution will be determined by reference to the matters set out in the General Provisions section (below), and will be an amount that is sufficient to provide mitigation measures and remediation works.	DW R8
5	<b>Protection, Restoration or Enhancement of River and Lake Beds</b> Where the activity for which a resource consent is granted is likely to cause or contribute to adverse effects on the bed or margins of a lake or river.	To mitigate or offset the adverse effects of the activity by protecting, restoring or enhancing river and lake beds, including, but not limited to, maintenance and planting of vegetation, sediment replenishment, erosion protection works, fencing, and including contribution to such measures elsewhere in the same general locality.	The amount of contribution will be determined by reference to the matters set out in the General Provisions section (below), and will be an amount that is sufficient to provide mitigation measures and remediation works in the bed of a river or lake.	LM R4, LM R10, LM 14, LM R16, BW R40, DW R8, Rule 43, WQ R21, WQ R22, BW R36, WL R9
6	<b>Protection of Water Quality from land Use and Discharges of Contaminants to Land</b> Where a point source discharge of contaminants to land, or land use activity is likely to cause or contribute to adverse effects on the surface water quality of the surrounding environment.	To provide the retirement and vegetation of riparian areas, or other suitable measures, that will mitigate the effects of the activity on water quality.	The amount of contribution will be determined by reference to the matters set out in the General Provisions section (below), and will be an amount that is sufficient to mitigate or remedy effects on water quality.	DW R8
7	<b>Protection of Lake Water Quality</b> Where a land use change within the catchment of a lake that is below its TLI (as set in RL O1) results in a net increase in the export of nitrogen or phosphorus from the property, and on-site mitigation can not otherwise be achieved.	To mitigate or offset the increased export of nitrogen or phosphorus from the property by acquiring and retiring production land within the same lake catchment as the property, or other nutrient management measures within the catchment.	The amount of contribution will be determined by reference to the matters set out in the General Provisions section (below), and the amount will be determined by the costs to purchase sufficient developed land to offset the increased nitrogen or phosphorus export from the property, or the cost of other nutrient management measures.	RL R5, RL R6 and RL R7

	Circumstance	Purpose	Determination of Amount	Regional Rules Where Financial Contributions May be Applicable
8	<b>General Mitigation Works</b> Where the activity for which a resource consent is granted will cause or contribute to adverse effects on the environment which will not be adequately mitigated by any of the types of contribution described elsewhere in this section.	To provide works on or adjacent to the site for the purpose of offsetting the adverse effects of the activity, including protecting, restoring or enhancing natural and physical resources elsewhere in the same general locality.	The amount of contribution will be determined by reference to the matters set out in the General Provisions section (below), and will be sufficient to provide for positive effects reasonably equivalent to the resource which will be lost, compromised or adversely affected.	LM R4, LM R10, LM 14, LM R16, BW R40, LM R18, DW R8, Rule 40, Rule 43, WQ R21, WQ R22, BW R36, GR R2, GR R4, GR R7, GR R8, GR R10, WL R9

## Matters to be considered

In deciding whether or not to impose financial contributions, the types of contribution and their value, the Regional Council will have particular regard to the following matters:

- (a) Financial contributions shall be for the purpose of avoiding, remedying or mitigating adverse effects on natural and physical resources.
- (b) Financial contributions must be used to avoid, remedy or mitigate adverse effects of the same type as those caused or potentially caused by the activity for which consent is sought.
- (c) Preference shall be given to the use of financial contributions at, or close to, the site of the activity for which consent is sought. This shall not prevent the use of financial contributions at other locations when appropriate or agreed between parties to the application.
- (d) Financial contributions will only be required when:
  - (i) The avoidance, remedy or mitigation of adverse effects could not be practically achieved by another condition of consent, or
  - (ii) A financial contribution would be more efficient than another condition of consent in achieving the avoidance, remedy or mitigation of adverse effects, or
  - (iii) A financial contribution is agreed by parties to the application to be the best outcome to avoid, remedy, or mitigate adverse effects on the environment.
  - (iv) The financial contribution is for the purpose of mitigating adverse effects on natural and physical resources.
- (e) An assessment as to whether a financial contribution is appropriate to the activity will be made on a case by case basis.
- (f) Preference will generally be for a financial contribution of money, except where land may be more appropriate.
- (g) Except in relation to (h), the value of the contribution will be the actual and reasonable costs of measures required to offset the residual adverse effects that are unable to be avoided, remedied, or mitigated.
- (h) Where financial contribution is required in relation to the Rotorua Lakes of this regional plan, the value of the contribution will be the actual and reasonable costs of measures required to offset the increased discharge of nitrogen or phosphorus within the lake catchment that is otherwise unable to fully offset the activity.

## General Provisions

In imposing a financial contribution, the following general provisions will apply:

- 1 All financial contributions shall be GST inclusive.
- 2 Where the financial contribution is, or includes, a payment of money, the Regional Council may specify in the condition:
  - (a) The amount to be paid by the consent holder or the methods by which the amount of the payment shall be determined;
  - (b) How payment is to be made, including whether payment is to be made by instalments;
  - (c) When payment shall be made;
  - (d) Whether the amount of the payment is to bear interest and, if so, the rate of interest;
  - (e) If the amount of the payment is to be adjusted to take account of inflation and, if so, how the amount is to be adjusted;
  - (f) Whether any penalty is to be imposed for default in payment and, if so, the amount of the penalty or formula by which the penalty is to be calculated.
- 3 Where the financial contribution is, or includes, land, the value of the land shall be determined by a Registered Valuer mutually agreed upon by the Regional Council and the resource consent applicant. In granting a consent, the Regional Council shall give reasons in its decision for its assessment of the value of the land.
- 4 Where the financial contribution is, or includes, land, the Regional Council may specify:
  - (a) The location and the area of the land;
  - (b) When and how the land is to be transferred to, or vested in, the Regional Council.