

# Statement of Proposal on the Draft Financial Contributions Policy

## Purpose

The purpose of this document is to inform the public and seek comments on council's draft Financial Contributions Policy.

## Background

Council proposes to adopt a Financial Contributions Policy which will meet the legislative requirements of sections 102 and 106 of the Local Government Act 2002 (LGA).

Regional councils can charge a financial contribution<sup>1</sup> as a condition of a resource consent under section 108 of the Resource Management Act 1991 (RMA) if this is provided for in the relevant regional plan.

Until recently, council's regional plans provided for financial contributions that could be applied under specific circumstances. These were set out in the:

- Regional Air Quality Plan
- Regional Coastal Plan
- Regional Water and Soil Plan

These three plans will soon be superseded by the new Regional Plan for Northland. The new Regional Plan for Northland does not provide for financial contributions and therefore the regional council will not be able to impose financial contributions. However, there is a possibility the regional council may in the future decide to change the new Regional Plan for Northland to include the ability to impose financial contributions.

## Proposal

Council proposes to adopt a Financial Contributions Policy, for inclusion in its 2021-2031 Long Term Plan, which is substantially shorter than the current Financial Contributions Policy (as included in the Long Term Plan 2018-2028).

As a result of council decisions on the Regional Plan for Northland, and the removal of provisions pertaining to financial contributions, it is proposed that the financial contributions policy now comprise a short statement of council's position on financial contributions. This will make it clear that:

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<sup>1</sup> The term 'financial contribution' is defined in section 108(9) of the RMA to mean: '... 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 Māori land within the meaning of the Māori Land Act 1993 unless that Act provides otherwise; or
- (c) A combination of money and land.'

- development contributions will not be sought as they are the domain of territorial authorities;
- no financial contributions will be levied unless provisions are included in a regional plan in the future.

## Assessment of options

The reasonably practicable options are:

- Remove the previous policy wording around charging financial contributions, and retain the policy with a short statement.
- Retain the previous policy wording around charging financial contributions.
- Remove the policy altogether.

Given that there are currently no provisions for financial contributions included in council's regional plan under the RMA, it is considered that removing the previous policy wording is appropriate, as this is now inaccurate.

Given that the policy is required under the LGA, the most prudent approach is to retain a policy that briefly sets out council's position on financial contributions and retains the right to set them in the future.

## Submission process

Full copies of the draft Financial Contributions Policy and how to make a submission is available from the council website at [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

The draft Financial Contributions Policy also forms part of the supporting information to the council consultation on the Long Term Plan 2021-2031. Information on the Long Term Plan consultation and submission process can also be found on the NRC website and will be undertaken concurrently with consultation on this policy.

# Financial contributions policy

This policy describes Northland regional Councils approach to development and financial contributions.

## *Development contributions*

Northland Regional Council will not be seeking any development contributions as provided for under the Local Government Act 2002. The power to levy such contributions is restricted to territorial authorities.

## *Financial contributions*

Northland Regional Council does not have any provisions in its regional plans prepared under the Resource Management Act 1991 to levy financial contributions. The inclusion of such contributions may be reconsidered as part of any review of the regional plans. No financial contributions can be levied by Northland Regional Council unless they are included within a regional plan.