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# financial contributions, works, services and other conditions

## FCi Introduction

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**FCi.1** This chapter contains general objectives, policies, methods, and rules relating to financial contributions. These provisions are applicable to the entire Plan. Other chapters contain material relevant to financial contributions in specific circumstances.

**FCi.2** The Resource Management Act 1991 enables the Council to obtain financial contributions to avoid, remedy, mitigate, or offset adverse effects relating to activities. Financial contributions can relate to activities permitted by the rules, or can be a condition of any consent.

**FCi.3** The Act requires the Resource Management Plan to establish the circumstances when a financial contribution may be imposed, the methods that will be used, the purpose of the provisions, and the general purposes for which the financial contribution may be used. A financial contribution may be in the form of money, or land, or a combination of both.

**FCi.4** During the course of preparing the Plan, the definition of 'financial contribution' in the Act was amended to include only money and land. Previously, the term had also included works and services. This chapter now relates to Financial Contributions and also to works, services and other related matters that the Council may impose as conditions on consents.

**FCi.5** In addressing actual and potential adverse effects, the Nelson City Council provisions for financial contributions may comprise:

- a) payment of a standard financial contribution in money for off site adverse effects associated with specified activities.
- b) payment of a variable financial contribution in money, land, or both for additional off site adverse effects associated with some types of activities that cause additional adverse effects.
- c) in some limited circumstances, the exemption as of right, or the reduction at the discretion of the Council, of financial contributions.
- d) in some limited circumstances, the opportunity to pay a financial contribution in money or land, to offset adverse effects on the environment.

**FCi.6** The provisions in the Plan comprise a combination of rules which spread the costs of activities between those directly benefiting from undertaking new activities (particularly subdivision and development) and the wider community. The provisions aim to ensure that a fair proportion of the costs of avoiding, remedying, or mitigating the actual and potential adverse effects on the environment arising from new activities, is charged against the activity. Consequently, the wider community will not have to pay unduly for effects which result in private benefit.

**FCi.7** Developers will be expected to meet the total costs of work and provide land directly related to a new activity. They will also be expected to make a contribution towards upgrading the existing community infrastructure, both to underpin the development and address adverse effects. In some cases this will require provision of new services.

**FCi.8** Because Nelson is an integrated and compact geographic area, contributions will generally not be varied on a geographic basis. However, the provisions of the Plan are such that distinctions can be made, in terms of financial contributions, between a subdivision that is able to connect directly to services and one that is not.

**FCi.9** Financial contributions will generally be obtained in the following circumstances:

- a) on all new subdivisions resulting in the creation of additional allotments; and on the basis of a flat rate for infrastructure and a value-related rate for reserves
- b) on all new developments involving a building consent above \$60,125 value, on the basis of a percentage for infrastructure and reserves
- c) on activities requiring a resource consent, as appropriate in the circumstances in order to address the adverse effects of the activity
- d) on activities requiring specified water and/or trade waste connections, involving water consumption and/or trade waste discharge, at a rate related to the size of the water connection
- e) on activities required by the Plan to have parking spaces on site, but no provided, a financial contribution in money equivalent to the value of the parking spaces

**FCi.10** The amount of the standard financial contribution is based on the concept that new activities should contribute to funding infrastructure, reserves, and community services necessary to avoid, remedy, or mitigate the adverse effects arising from their establishment.

**FCi.11** The Council has developed a ten year strategy to meet the community's anticipated requirements over this period. It is the aim of the Council to ensure that a fair and reasonable share of the additional cost of providing infrastructure, reserve, and community services associated with new activities is obtained through financial contributions. The remainder of the additional cost of upgrading facilities, together with the cost of maintaining facilities required by the District, will be met by the community through the usual funding avenues such as rating.

**FCi.12** The share of financial contributions to be contributed on subdivision and development has been determined in accordance with this strategy as fixed sums to be paid in accordance with the policy and rules in this chapter of the Plan. The amount of the fixed sums initially specified in the Plan will be increased annually, indexed to inflation (see FCi.5(b)).

**FCi.13** The amount of the variable financial contributions is based on the cost of addressing actual and potential adverse effects, and may include cost of avoiding, remedying, or mitigating the effects.

**FCi.14** Provision is made in the Plan for automatic exemptions where specified reticulated services are not provided, and for discretionary reductions on the basis of a range of criteria set out in the Plan (see FCi.5(c)).

**FCi.15** Only in the circumstances where a clear and direct relationship exists between an effect and the payment of a financial contribution to offset the effect, will the Council accept a contribution to offset an adverse effect (see FCi.5(d)).

**FCi.16** Further details of the purposes and basis for financial contributions is set out in a Financial Contribution Guide, which will be provided and updated as appropriate to help people to understand the Financial Contributions provisions. The Guide does not form part of the Plan and is for information purposes only.

## **objective FC1**

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*To ensure that costs of avoiding, remedying, and mitigating actual and potential adverse effects of development are recognised and included in the cost to the developer.*

### Reasons

**FC1.i** The reasons are contained in the introduction above.

### **policy**

#### **FC1.1 responsibility for costs**

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*The costs of and responsibility for avoiding, remedying, and or mitigating direct effects relating to activities will remain entirely with the consent holder (which includes, for a permitted activity, the person to whom a building or other relevant consent is issued).*

### Explanation and Reasons

**FC1.1.i** The direct effects of activities on an adjacent to land where new activities are established are considered to be a cost whether in money or land, or by means of other conditions, only on the person establishing the activity.

### **policy**

#### **FC1.2 Financial contributions in money**

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*A financial contribution in the form of money will be imposed on the creation of new activities, including new allotments and new development, for the purpose of avoiding, remedying, mitigating, or offsetting actual and potential effects of such activities on the environment.*

### Explanation and Reasons

**FC1.2.i** As well as having direct effects on the immediate environment, the establishment of new activities places demands on the existing infrastructure of the city, and results in the need for the expansion or upgrading of the infrastructure. The community infrastructure (including water supply, waste water management, roads, reserves, and community facilities) provides the efficient means of avoiding, remedying, and mitigating some of the adverse effects of activities off site, which otherwise would have to be met on site. The community infrastructure thus allows the efficient and intensive use of the land resource to take place. In the past, most of the off site costs of expansion and upgrading has been borne by the wider community.

**FC1.2.ii** The Council, in accordance with the Resource Management Act, is seeking to ensure that when new activities take place, particularly subdivision and building, a fair and reasonable share of the environmental costs (including the community costs) associated with such activities, is recovered by the community at the time that the activity obtains relevant consents.

**policy**  
**FC1.3 purpose of contributions**

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*Financial contributions in money will be used to meet additional or enhanced needs for services and infrastructure within the District arising from the activity, and to avoid, mitigate or remedy any adverse effects arising from new activities. These services and infrastructure will include roads (including footpaths and cycleways), solid waste management, waste water management, water supply, stormwater management, and the provision and development of reserves and community services.*

**Explanation and Reasons**

**FC1.3i** The community provides and maintains most of the essential infrastructure services which underpin existing and new activities and which avoid, remedy, or mitigate actual and potential adverse effects. Money paid to the Council by means of financial contributions for permitted activities or activities for which consents are obtained, will be applied by the Council to capital works associated with the provision of infrastructure and services or their expansion, and/or enhancement of existing services.

**policy**  
**FC1.4 exemptions and reductions**

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*In certain limited circumstances the Council may exempt an activity from the need to make a financial contribution or may, at its own discretion, accept a reduced financial contribution, when the effect that the financial contribution relates to is not present or is remedied or mitigated in an alternative manner.*

**Explanation and Reasons**

**FC1.4i** There are certain limited circumstances when payment of the full financial contribution would be unjustified. Generally, a financial contribution towards roading and other community wide services will be justified as these address community wide effects. However, where, for example, a rural subdivision takes place without a connection possible to a Council sewerage system or water supply, and alternative on-site measures are provided, then the part of the financial contribution that relates to such services will be deducted from the total fees required, as set out in Table No 1. Situations where reductions may be available are provided in the plan by specifying two categories of activities:

- a) those activities automatically exempt from a financial contribution
- b) those activities where a reduction in a financial contribution is at the discretion of the Council. To obtain a reduction, an application will need to be made, which will be evaluated in terms of the Plan.

**policy**  
**FC1.5 offsets**

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*The Council may accept or require a financial contribution in the form of money to offset actual or potential adverse effects of an activity, when the effects cannot be addressed in terms of any of the other financial contributions policies.*

**Explanation and Reasons**

**FC1.5i** In general, the Council will take money only in terms of Policies FC1.1 to FC1.3. However, in particular circumstances, it may be appropriate to accept or require a financial contribution in order to offset an adverse effect. Such circumstances may arise where effects cannot be directly addressed on site (for example, where a development has an adverse effect on a habitat, but the effect can be offset by creation of a replacement habitat). Appropriate circumstances for such offsets may be suggested by an applicant for consents, or by the community. For such contributions to be acceptable, a clear relationship will need to be demonstrated between the effect for which the contribution is being made, and the remedy or offsetting benefit which can be achieved. Expenditure of money from such financial contributions by the Council shall

not be limited to the provision of community services or infrastructure. The money may be expended for any purpose where a direct relationship can be demonstrated between the effect which the contribution is intended to offset and the outcome arising from the expenditure.

(Note: Objective FC1 and the associated policies do not limit the Council's ability to impose a condition on any consent to address any on or off site adverse effect not directly covered by the above.)

#### Method

FC1.5.ii Rules requiring financial contributions for policies FC1.1 to FC1.5

#### **policy**

#### **FC1.6 financial contributions in land**

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*A financial contribution in the form of land may be required in areas of new subdivision, or major redevelopment, to provide for access and infrastructure in accordance with other policies and for some types of open space and reserves.*

#### Explanation and Reasons

FC1.6.i Complementary to the other policies, at the time of subdivision, land for roads and other infrastructure is vested in the Council.

FC1.6.ii Where land is not required to be vested, an easement may be used to ensure long-term availability of land for infrastructure. Other mechanisms such as covenants and consent notices may be used in some circumstance to ensure control over land to address effects of subdivision and development.

FC1.6.iii A financial contribution in money for reserves is incorporated in the provision of this Chapter. In some situations land in the development may be required for reserves and walkways, at the Council's sole discretion. In such cases the reserve is to be shown in the subdivision plan as land to vest, and the Council will pay the developer the value of this land.

FC1.6.iv Requirements for esplanade reserves under the Resource Management Act are additional and outside these financial contributions provisions.

(Note: Objective FC1 and the associated policies do not limit the Council's ability to impose a condition on any consent to address any on or off site adverse effect not directly covered by the above.)

#### Method

FC1.4.ii Rules requiring financial contributions for policies FC1.1 to FC1.6.

## FC2 Rules – general requirements

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### F2.1 Interpretation

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In this Chapter, the following apply:

- a) **Allotment, Financial Contribution and Subdivision** have the meanings assigned by the Resource Management Act.
- b) **Building** has the same meaning as in the Building Act 1991.
- c) **Building Work** means work for or in connection with the construction, alteration or demolition of a building, and includes site work.
- d) **Estimated value** or any building work means estimated aggregate of the values, determined in accordance with section 10 of the Goods and Services Tax Act 1985, (as amended in 1993), of all goods and services to be supplied for that building work (cf Building Act, section 23A).
- e) **Site work** means work on a building site, including earthworks, preparatory to or associated with the construction, alteration, demolition or removal of a building.
- f) **Network Utility Structure** means a physical construction designed to serve the supply and distribution purpose of a network utility only, and no other ancillary purpose such as offices, dwellings and/or maintenance or supply depots.
- g) **Residential Rebuilding** means the replacement of an existing residential structure that has been completely or substantially demolished or removed.
- h) **Heritage Building Maintenance** includes all those additional works necessary to ensure the continued conservation of the building while maintaining the architectural quality and character of the building.

### FC2.2 Payment

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**FC2.2.i** A condition in respect of a financial contribution in money shall be paid as required by a condition on a resource consent, or a rule, or if there is not specific requirement as to timing of the payment it shall be paid:

- a) prior to a certificate being given pursuant to section 224(c) of the Act, in the case of a subdivision
- b) prior to commencement of building work, in the case of a building activity
- c) prior to a water supply connection or trade waste connection being made to Council services, in the case of a contribution for water connection or trade waste
- d) prior to the commencement of the activity in the case of a contribution for parking
- e) at any other time specified by a condition on a consent

**FC2.2.ii** A condition in respect of a financial contribution in land, or a condition (other than as a financial contribution) requiring works, shall be completed as required by a condition on a resource consent, or a rule, or if there is no specific requirement as to timing:

- a) if the contribution is the vesting of land or provision of an easement, this shall be shown on a plan of subdivision
- b) if the condition is the completion of works, these shall be done prior to a certificate being given pursuant to section 224(c) of the Act, in the case of a subdivision; or occupation of a building in the case of a building activity; or connection in the case of a water supply or trade waste connection

**FC2.3****Subdivision consent**

FC2.3.i Except as provided in FC2.3.ii to iv, and FC2.8 the Council shall impose on every subdivision consent a condition that a financial contribution in money shall be paid to the Council for the purposes and of the amounts set out in Table No FC2.3.1:

**Table FC2.3.1 - financial contributions - subdivision**

Purpose	Contribution per allotment
Roads	25.2% of specified total
Solid Waste	0.8% of specified total
Sewerage	24% of specified total
Water Supply	27% of specified total
Stormwater and flood protection	23% of specified total
Reserves and Community Services	5.5% of allotment value (see clause FC2.3.iv)

**Note:** Financial contributions calculated under this Table exclude goods and services tax, which will be payable in addition.

The specified total referred to under Items 1 to 5 in Table FC2.3.1 is \$6,012.52. This figure is based on the estimated cost of providing additional facilities to cater for growth. (Refer to the Ten Year Financial Plan and the Guide to Financial Contributions.) The specified total is index linked to account for inflation and the required calculation is set out in FC2.9.

**FC2.3.ii** The financial contributions in Table FC2.3.1 shall be paid in respect of each allotment created by the subdivision, except no financial contribution shall be payable in respect of:

- a) the existing number of allotments comprising the land being subdivided.
- b) any allotment to be vested in the Council or the Crown.
- c) any allotment to be used exclusively as an access lot.
- d) any allotment to be used exclusively for the provision of a network utility structure as defined in FC2.1.
- e) any allotment to be used exclusively for open space purposes which is secured by way of legal instrument.

**FC2.3.iii** Reduced Services: The total financial contributions set out in Table FC2.3.1 shall be automatically reduced, for any allotment, where any of the items listed under items 3 to 5 are unavailable and alternative provision has to be made as part of the subdivision consent. The amount of reduction shall be equivalent to the value of each item, as set out in Table FC2.3.1, which has to be provided.

**FC2.3.iv** In making the assessment for Item 6 in Table FC2.3.1 the following shall apply:

- a) Each allotment shall be valued at its market value at the time of subdivision consent.
- b) The financial contribution shall be determined as a percentage of the total value of all of the allotments for which financial contributions are payable under FC2.3.i and FC2.3.ii.
- c) If payment is not made within two years of the consent a revised valuation shall be made. The cost of any valuation shall be paid by the subdivider.

Provided that

In assessing the value of any allotment, the valuation shall be based on the area of an allotment, or a notional building site on the allotment, of 2500m<sup>2</sup> in area, whichever is the lesser.

**F2.3.v** An additional contribution on Items 1 to 5 in Table FC2.3.1 shall be imposed in accordance with Rule FC2.9

**FC2.4.i** This section applies where an activity involves building work that requires a building consent under the Building Act 2004, if either the activity is a permitted activity or requires a resource consent.

**FC2.4.ii** Where this section applies, a financial contribution in money shall be paid to the Council, for the purposes and of the amounts set out in Table FC2.4.1:

**Table FC2.4.1 - financial contribution - building**

Item	Purpose	Contribution per allotment
1	Roads	25.2% of specified total
2	Solid Waste	0.8% of specified total
3	Sewerage	24% of specified total
4	Water Supply	27% of specified total
5	Stormwater and flood protection	23% of specified total
6	Reserves and Community Services	0.5% on the estimated value of building work, less allowance under para FC2.4.iii

*Note: Financial contributions calculated under this Table exclude goods and services tax, which will be payable in addition.*

The specified total referred to in Table FC2.4.1 above is 2% on the estimated value of the building work, as assessed under the provisions of FC2.4.iii and FC2.4.iv.

**FC2.4.iii** In making the assessment in Table FC2.4.2 the following shall apply:

- a) The first \$60,125 of the estimated value of the building work (subjects to adjustment under FC2.9) is exempt from the assessment.
- b) The applicant shall provide to Council, values of all goods and services to be supplied for the building work. The Council may request the applicant to provide additional information to confirm the accuracy of an estimate of value, including evidence of tender prices, quotations, quantity surveyors costings, reports from a qualified or registered public valuer, or other appropriate information.
- c) The estimated value of the building work will be assessed on the information provided and any other relevant evidence available to the Council.
- d) Where building work is, or is proposed to be, completed in stages, then the financial contribution payable in respect of the building work will be assessed by the following steps (these steps include the allowance under (a) above.)

**Step 1** Add the estimated value of the latest stage to the estimated value of the preceding stages over the previous five years

If this total is \$60,125 or less, then no financial contribution is payable on this stage.

**Step 2** If the total from Step 1 is more than \$60,125 then deduct \$60,125 from the total

**Step 3** Multiply the difference from Step 2 by the percentages given in Table FC2.4.2 to find the gross financial contributions payable on all stages to date, for each of the purposes stated in Table FC2.4.2.

**Step 4** From the gross financial contributions found at Step 3, deduct any financial contributions already paid in respect of preceding stages, to find the financial contributions payable on this stage.

**FC2.4.iv** The following exemptions shall apply:

- a) Residential rebuilding works, as defined in this section, shall be exempt from a building financial contribution on a straight replacement basis, calculated on the basis of gross floor area, and comparing previous to replacement. Where the replacement gross floor area exceeds the previous gross floor area, then a financial contribution will be payable, based on the additional floor area which

- b) shall be treated in exactly the same way as a new building, and subject to the provisions set out in FC2.4.ii and iii.
- c) Works required to maintain a Heritage Building, as defined in the Plan, shall be exempt from a financial contribution under Item 6 in Table FC2.4.1.
- d) Where building consent is required following a subdivision consent, and where the financial contribution required under Table 1 has either been reduced or was exempt, the same reductions and exemptions that applied at subdivision stage shall apply equally at building consent stage, providing the position with regard to the supply of services to the site has remained the same.
- e) Network utility structures (as defined in FC2.1) shall be exempt.

**FC2.5 Trade wastes and water supply**

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FC2.5.i A financial contribution in money shall be paid to the Council of the amounts set out in Table FC2.5.1 (and adjusted in terms of FC2.9) for every industrial or commercial activity that requires a new or increased capacity for connection to the Council’s reticulated water supply system. This financial contribution is a condition on any permitted activity and on any resource consent.

FC2.5.ii The purposes of the financial contribution shall be for the Council’s reticulated water supply and sewerage systems and shall be levied according to the diameter of the water connection serving the activity.

Table FC2.5.1 - financial contribution - trade waste and water connection

Item	Diameter of water connection	Contribution for trade waste	Contribution for water supply
1	30 mm	\$18,038	\$18,038
2	40 mm	\$24,050	\$24,050
3	50 mm	\$36,075	\$36,075
4	100 mm and greater	\$150,520	\$150,520

*Note: Financial contributions calculated under this Table exclude goods and services tax, which will be payable in addition.*

FC2.5.iii No contribution under Table FC2.5.1 is required for a water connection required solely for a fire fighting system.

**FC2.6 Parking spaces**

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FC2.6.i A financial contribution in money may be required by the Council whenever the full number of on site parking spaces, required for an activity in terms of the zone rules and Appendix 10 are not provided. Any such financial contributions may only be imposed as a condition of consent.

FC2.6.ii The purpose of the financial contribution will be for the provision by the Council of public car parking in the general vicinity of the activity that would serve the site of the activity.

FC2.6.iii If required, the amount of the financial contribution will be calculated by reference to the following:

- a) the area of land required under the zone rules and Appendix 10 to be allocated for parking spaces; and
- b) the need for additional parking spaces to be provided in the vicinity at the time the consent is granted.

**FC2.7.i** A financial contribution may be required as a condition on a resource consent to provide money, land or a combination of both; and a condition may be imposed to undertake works (other than as a financial contribution), for one or more of the following purposes:

- a) to avoid, remedy, or mitigate an adverse effect of the activity on the environment
- b) to ensure a positive effect on the environment to offset any adverse effect
- c) to implement the objectives and policies of the Plan
- d) to extend, widen or upgrade roads, (including intersections, footpaths, berms, and kerb and channel) on land or roads in the vicinity
- e) to extend or upgrade the stormwater, water supply, and sewer systems and any other necessary services to the boundary of each allotment of any land being subdivided
- f) to provide on site parking, access, loading and manoeuvring areas
- g) to create esplanade reserves or esplanade strips, other than on subdivision
- h) to provide for erosion and sediment control
- i) to plant trees, shrubs and ground cover and provide landscaping, to revegetate land that has been cleared, or to enhance amenity values
- j) to recover costs associated with additional works paid for under FC2.7.vi

**FC2.7.ii** Any financial contribution will be the full amount required to achieve the purpose of the financial contribution.

**FC2.7.iii** Any financial contribution or condition, under FC2.7.i (d) in the case of roads will be one or more of the following:

- a) the necessary land and works to construct, widen or upgrade any new or existing road, where:
  - i. roads are not available, or
  - ii. existing roads are of inadequate width or construction to cater for increase usage caused by the subdivision or development, or
  - iii. alterations or works to existing roads are required for traffic safety or efficiency as a consequence of the subdivision or development.
- b) the necessary land and works to access any other land in the vicinity of the land being subdivided or developed, or adjacent to the road being constructed, widened or upgraded, to provide for the effective future development of the other land. (Additional land or works beyond that required as a direct consequence of the subdivision or development may be required under this paragraph. See FC2.7.vi.
- c) payment by the consent holder to the Council of the full cost of (a) or (b) or both, where the Council will do some or all of the work or provide land.

**FC2.7.iv** The requirement under FC2.7.i (e) in the case of stormwater, water supply, and sewer reticulation shall be one or more of the following:

- a) the works and land to install all necessary reticulation within the subdivision or development for each lot, or building; and of connections from lots or buildings to the existing Council services.
- b) the works to make any upgrades or modifications to the existing Council services that are required to provide for the expected effects of the subdivision or development on those services.
- c) the land or works necessary to make services available to any other land in the vicinity of the land being subdivided or developed, or adjacent to the services being upgraded or modified, to provide for the effective future development of the other land. (Additional works beyond that required as a direct consequence of the subdivision or development may be required under this paragraph. See FC2.7.vi.
- d) payment by the consent holder to the Council of the full cost of (a), (b), (c) or all, where the Council will do some or all of the work to provide land.

FC2.7.v All work shall be completed to a standard that satisfies the requirements of this Plan or a relevant resource consent.

FC2.7.vi Where a subdivision or development of land involves land or works under FC2.7.iii (b) or FC2.7.iv (c), or where the provisions of S283 Local Government Act 1974 applied at the time of the original work, which will also provide for the effective future development of other land in the vicinity, the following will apply:

- a) Costs will be apportioned on a "fair and reasonable basis", and the applicant will pay the appropriate share of costs relating to the applicant's subdivision or development.
- b) If the necessary works are included within the Council's ten year strategy (see FC1.11), the applicant will pay the additional cost to the Council incurred for the period until the works are programmed. These costs will include full costs of any loan raised by the Council to undertake the works ahead of time, including interest for the number of years between actual and programmed construction dates, and other loan costs.
- c) If the necessary works are not included within the Council's ten year strategy, the applicant may propose alternative methods to address additional costs. These methods will be evaluated by the Council having regard to:
  - i. Effectiveness and practicability.
  - ii. The reasonableness of any necessary long-term community commitment to the infrastructure.
  - iii. If a Council commitment is anticipated, the implications in terms of the Council's financial responsibility in terms of the Local Government Act and any other relevant legislation.
- d) When the other land which has received the benefit of the additional works is subdivided or developed, a financial contribution that reflects the additional benefits that the additional works have conferred on that land shall be paid to the Council. The benefit that the additional works have conferred on that land will be assessed by reference to the costs and benefits of the additional works to all parties and land owners at the time the work was done.

(Note: see Guide for further explanation of this provision.)

FC2.7.vi The contributions under section FC2.7 are site related, and are in addition to the 'infrastructure' related contributions under FC2.3 to FC2.5.

## FC2.8

### Applications to waive or reduce a financial contribution

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FC2.8.i A resource consent application may be made to reduce or waive any requirement for a fixed financial contribution in respect of any activity. Applications shall be considered as a restricted discretionary activity, shall be non-notified, and the written approval of any other person shall not be required. The matter that the Council has restricted its discretion to is the amount of financial contribution payable on the activity. In making a decision on an application, the Council will have regard to the following assessment criteria:

- a) the significance of any adverse effect, and the extent to which the activity causes the effect.
- b) the extent to which the activity will benefit from district-wide community services in the long term
- c) what is a fair and reasonable contribution
- d) whether any land offered in lieu of payment for a Reserves financial contribution is appropriately located and suitable for its intended purpose
- e) the extent to which the activity is a special circumstance where the proposed facility will provide a particular benefit to the social and cultural well-being of the community

*(Note: Some exemptions are automatic and a consent application is not needed - See FC2.3.11 and FC2.4.iv.)*

FC2.8.ii Where section 357 objection procedures are used to seek a reduction to the financial contribution payable, the Council will have regard to the assessment criteria in FC2.8.i.

**FC2.9.i** Where this section applies, the figures shall be adjusted to reflect annual inflation.

**FC2.9.ii** After 31 December 2001 an allowance shall be made for annual inflation to:

- a) the specified total in Table FC2.3.1
- b) the first \$60,125 exemption set out in FC2.4.iii relating to Table FC2.4.1
- c) the figures in Table FC2.5.1

The required adjustment to the financial contributions or exemption shall be calculated in accordance with the following formula:

$$\text{AFC} = \text{FC} \times (\text{I}/\text{J})$$

Where:

AFC is the additional financial contribution or exemption;

FC is the base financial contribution or exemption under a), b) and/or c) above.

I is the Statistics New Zealand Capital Goods Price Index, Series Reference S2CB, or its replacement index for the December quarter of the year preceding the year in which the calculation is made.

J is the Statistics New Zealand Capital Goods Price Index, Series Reference S2CB, or its replacement index for the December quarter 2001

**FC2.9.iii** In the event that at any time the Statistics New Zealand Capital Goods Price Index, Series Reference S2CB, is discontinued, an equivalent index may be substituted by resolution of the Council for the purposes of this rule.

**Note:** Since the Plan has been notified adjustment has been made in accordance with FC2.9.iii to 31 December 2003.