

# Understanding the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021

## Supporting information about financial contributions

This is one of a series of information sheets giving an overview of the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (RMA-EHS). This information sheet provides information to territorial authorities on changes introduced by this legislation to financial contributions.

Financial contributions have generally been used to address the direct environmental impacts of a particular development. The Resource Management Act 1991 (RMA) allows regional councils and territorial authorities to require a financial contribution to achieve the sustainable management purpose of the RMA (refer to section 108).

## Changes to financial contributions introduced by the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021

### General changes

The Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 confirmed that regional councils and territorial authorities can make rules about financial contributions for any class of activity other than a prohibited activity (see [section 77E](#) of the RMA). This clarified that a financial contribution may be charged for a permitted activity.

If a regional council or territorial authority wishes to charge a financial contribution, they must have a rule which specifies why, when and how the financial contribution will be charged in their district or regional plans. All requirements in [section 77E\(2\)](#) of the RMA must be met.

The Resource Management (Enabling Housing Supply and Other Matters) Amendment Act does not impact the existing ability for regional councils and territorial authorities to charge financial contributions as a condition of resource consent, so long as it is provided for in their plans.

## **Specified territorial authorities may update their financial contributions rules through the Intensification Planning Instrument**

A specified territorial authority<sup>1</sup> may use the Intensification Planning Instrument to include or update financial contribution provisions in their district plan (see [section 80E](#) of the RMA).

To avoid doubt, if a rule requiring a financial contribution is proposed to be included in a specified territorial authority's district plan using the Intensification Planning Instrument, the rule does not have immediate legal effect under [section 86B](#) at the time the Intensification Planning Instrument is notified. New or amended financial contribution rules will have legal effect once a decision on submissions about the rule is made and publicly notified. This means that any new or amended financial contributions rules will be subject to consultation through the intensification streamlined planning process.

## **Relationship with development contributions**

While development contributions and financial contributions have some similarities, there are also different processes that territorial authorities need to follow for developing and administering financial contributions and development contributions policies.

[Department of Internal Affairs guidance](#) includes more information on development contributions and financial contributions.

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<sup>1</sup> Auckland Council, Hamilton City Council, Waikato District Council, Waipā District Council, Tauranga City Council, Western Bay of Plenty District Council, Wellington City Council, Porirua City Council, Hutt City Council, Upper Hutt City Council, Kāpiti Coast District Council, Christchurch City Council, Selwyn District Council, Waimakariri District Council and Rotorua District Council.

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