

---

# REVENUE AND FINANCING POLICY

## PURPOSE AND SCOPE

1. This Policy outlines the choices the Council has made to determine the appropriate funding of operating and capital expenditure from the sources<sup>1</sup> of funds listed in the Local Government Act 2002 (LGA). The Policy also shows how the Council has complied with section 101(3)<sup>2</sup>. The comprehensive section 101(3) analysis is separately documented in the Funding Needs Analysis.
2. Determining the appropriate way to fund the Council activities is complex. The process of complying with this legislation that takes account of many matters including, but not limited to:
  - Legal.
  - Social.
  - Competition.
  - Affordability.
  - Impact of change.
  - Efficiency.
  - Equity.
  - Cost.
  - Intergenerational equity.
  - Transparency.
  - Accountability.
  - Business.
  - Strategic Alignment.
  - Benefit.

## PRINCIPLES

3. Council has determined the following guiding principles to be applied when considering the appropriate use of funding sources:

### Growth

- a. Growth cells will be completed to an approved level of service.
- b. Growth will pay for growth.

### Levels of Service

- c. Asset sale proceeds will be used to pay down debt.
- d. Council will fund maintenance and renewals as per approved Asset Management Plans.
- e. Council should explore external funding options for new discretionary projects whenever possible.

### Financial Strategy

- f. The everyday costs of running the city will be met from everyday revenues.
- g. The main source of our everyday revenue will be general rates.
- h. Targeted rates could be used to fund the council portion of new projects where the costs of these activities can be easily identified.
- i. When a private benefit can be identified and it is efficient to collect the revenue user charges will be considered.
- j. Rates certainty will be a key consideration.
- k. Affordability of rates will be considered.

---

<sup>1</sup> The sources of funds are listed in section 103(2).

<sup>2</sup> All legislative references are to the Local Government Act 2002 unless otherwise stated.

- I. Council will adopt a prudent Financial Strategy which supports its current credit rating.
4. Complying with these principles can at times be challenging. The Council must apply judgment in assessing many options to determine appropriateness in its development of budgets or acquisition of assets and the choice of funding sources to implement these.

## POLICY

### Funding sources for operating costs

5. Operating costs are the everyday spending that maintains the services delivered by the Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.
6. The Council must consider the funding of each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges, such as swimming pool admission fees, others with Targeted Rates, such as a Business Improvement District Rate, and others from the General Rate, such as road maintenance.
7. The funding sources for operating costs include:

### User charges

8. User charges are used for services where there is an identifiable benefit to an individual or group. User charges are a broad group of fees charged directly to an individual or entity. It includes:
 

▪ Entry fees.	▪ Regulatory charges.	▪ Memberships.
▪ Service charges.	▪ Fines and penalties.	▪ Planning and consent fees.
▪ Hire.	▪ Connection fees.	▪ Statutory charges.
▪ Rent, lease, licences for land and buildings.	▪ Disposal fees.	▪ Retail sales.
▪ Deposits.	▪ Private works.	
▪ Permits.		
9. The price of the service is based on a number of factors, including:
  - a. The cost of providing the service.
  - b. The estimate of the users' private benefit from using the service.
  - c. The impact of cost to encourage/discourage behaviours.
  - d. The impact of cost on demand for the service.
  - e. Market pricing, including comparability with other councils.
  - f. The impact of rates subsidies if competing with local businesses.
  - g. Cost and efficiency of collection mechanisms.
  - h. The impact of affordability on users.
  - i. Statutory limits.
  - j. Other matters as determined by the Council.
10. The Council's ability to charge User Charges is limited by the powers conferred on it by many statutes and regulations. As a general rule, fees for statutory functions should be set at no more

than the cost of providing the service. In some cases, legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (e.g. Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. The Council considers it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

11. Where goods or services are sold commercially, the Council's preference is to charge a market price, having regard to the powers conferred on it referred to above. This includes leases, rents and licences for land and buildings.
12. Fees and charges may be set by Council at any time and are reviewed by Council annually. A list of current fees and charges is maintained on Council's website.
13. User charges revenue is allocated to the activity which generates the revenue.

#### Grants, sponsorship, subsidies and other income

14. Grants, sponsorship and subsidies are used where they are available. Many of these items are regular and predictable and therefore can be budgeted. Some items of other income are unexpected or unpredictable and may not be able to be prudently budgeted (e.g. reparation payments, civil defence and other reimbursements, legal settlements and insurance claims).
15. The Council expects to continue receiving substantial subsidies for road maintenance from government or its agencies.

#### Investment income

16. The Council's investment policy is documented in its Investment and Liability Management Policy. These investments generate income such as dividends, interest, and rents.
17. Income from assets is receipted to the activity that owns the asset.

#### Development contributions, financial contributions, proceeds from the sale of assets and lump sum contributions

18. The Council primarily does not collect revenue from these funding sources to fund operating costs. Development Contributions revenue funds the interest cost on debt for growth related capital projects.

#### Reserve funds

19. The Council maintains a small number of cash-funded reserve funds. Some of these reserve funds are available to meet operating costs (e.g. cemetery maintenance).
20. Generally, these funds are used for the purposes that the reserve was created.

#### Borrowing

21. Borrowing is generally undertaken at a whole of council level subject to the constraints on rates increases and debt levels set by the Financial Strategy.
22. The Council generally plans to fund all cash operating costs from sources other than borrowing but may in specific circumstances, where it determines it is prudent to do so, fund some operating costs from borrowing.

## Rates

23. Having appropriately exhausted all other funding sources, the Council funds its remaining operating expenses from rates. For many activities this is the main funding source.
24. These matters were considered by Council when determining the funding requirements from general rates or targeted rates for each activity in the Funding Needs Analysis, as required by section 101(3)(a).
25. The Council may establish Targeted Rates to fund operating costs.
26. Further information on rates can be found from paragraph 60.

## Summary of sources of funding for operating costs by activity

27. The Council has applied the above preferences for the use of the funding sources to each activity in its Funding Needs Analysis. Table 1 indicates the extent each funding source is used to fund operating costs following the s101(3)(a) assessment.
28. This assessment may be modified by the s101(3)(b) assessment, which requires the Council to consider the overall impact of allocation of liability for revenue needs on the community. The Council consideration of s101(3)(b) is documented in paragraph 59 of this policy.
29. These ranges are expressed as a percentage of the revenue required to fund each activity.
30. Budgets will normally be set within these ranges. These ranges are expressed as a percentage of the cost of the activity and are indicative only. They may change over time because of changes in expenditure rather than changes in revenue. It is also likely that actual funding sources will be different from budgeted funding sources.

Table 1: Summary of funding sources by activity s.101(3)(a) only

KEY			User Charges	Grants, subsidies & other	Investment income	Financial Contributions	Development Contributions	Reserve Funds	Borrowing	General Rates	Targeted Rates
Range name	Range	Key									
Unlikely	0%	x									
Minimal	0% - 20%	✓									
Low	20% - 40%	✓									
Moderate	40% - 60%	✓									
High	60% - 80%	✓									
Most	80% - 100%	✓									
All	100%	✓									
Activity											
Community Development	✓	✓	✓	x	x	x	x	x	✓	x	
Libraries	✓	✓	x	x	x	x	x	✓	x		
Theatre	x	x	x	x	x	x	x	✓	x		
City Planning	✓	x	x	x	x	x	x	✓	x		
Planning Guidance	✓	x	x	x	x	x	x	✓	x		
Building Control	✓	x	x	x	x	x	x	✓	x		
Claudlands	✓	x	✓	x	x	x	x	✓	x		
FMG Stadium	✓	x	✓	x	x	x	x	✓	x		
Seddon Park	✓	x	✓	x	x	x	x	✓	x		
iSite	✓	x	x	x	x	x	x	✓	x		
Tourism and Events Funding	✓	x	x	x	x	x	x	✓	x		
Hamilton Gardens	✓	x	x	x	x	x	x	✓	✓		
Waikato Museum	✓	✓	x	x	x	x	x	✓	x		
Hamilton Zoo	✓	✓	✓	x	x	x	x	✓	x		
Animal Education and Control	✓	x	x	x	x	x	x	✓	x		
Environmental Health	✓	x	x	x	x	x	x	✓	x		
Alcohol Licensing	✓	x	x	x	x	x	x	✓	x		
Public Safety	✓	x	x	x	x	x	x	✓	x		
Civil Defence	x	x	x	x	x	x	x	✓	x		
Governance and Public Affairs	✓	x	x	x	x	x	x	✓	x		
Partnership with Maaori	x	x	x	x	x	x	x	✓	x		
Community Parks	x	x	✓	x	x	x	x	✓	x		
Natural Areas	x	✓	x	x	x	x	x	✓	x		
Streetscapes	x	x	x	x	x	x	x	✓	x		
Sports Parks	✓	x	✓	x	x	x	x	✓	x		
Cemeteries and Crematorium	✓	✓	x	x	x	✓	x	✓	x		
Pools	✓	✓	✓	x	x	x	x	✓	x		
Indoor Recreation	x	x	✓	x	x	x	x	✓	x		
Landfill Site Management	x	x	x	x	x	x	x	✓	x		
Refuse Collection	✓	x	✓	x	x	x	x	✓	x		
Waste Minimisation	x	✓	x	x	x	x	x	x	x		
Stormwater Network	✓	x	x	x	x	x	x	✓	x		
Transport Network	✓	✓	✓	x	x	✓	x	✓	✓		
Parking Management	✓	x	x	x	x	x	x	✓	x		
Wastewater Treatment and Disposal	✓	x	x	x	x	x	x	✓	x		
Wastewater Collection	✓	x	x	x	x	x	x	✓	x		
Water Treatment and Storage	x	x	x	x	x	x	x	✓	x		
Water Distribution	✓	x	x	x	x	x	x	✓	✓		

### Funding sources for capital costs

31. Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt.
32. The funding sources for capital costs include:

### User charges

33. User charges are generally not available for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions to capital costs.
34. The Council does charge for capital works that are solely for private benefit (e.g. a network extension to a single dwelling) or where capital works are undertaken outside of asset management plans at the request of individuals (e.g. a rural seal extension for dust suppression).

### Grants, subsidies, and other income

35. The Council relies on significant subsidies for capital works in its roads and bridges activity. Other activities are able to access grants and subsidies from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims, and legal settlements.
36. Grants, subsidies and other income are used wherever they are available.

### Development contributions

37. The Council collects development contributions to fund capital costs necessary to service growth.
38. The Council has a Development and Financial Contributions Policy (DC Policy). Most contributions received are repay debt<sup>3</sup>. Development contribution funds received will be applied on an activity and catchment basis as identified by the DC Policy. Projects identified in the DC Policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned to be undertaken.
39. Note that, in addition to the requirements of sections 101(3) and 103 the Development and Financial Contributions Policy additionally describes funding matters further as stipulated by section 106(2)(c).

### Financial contributions

40. The Council collects financial contributions under the Resource Management Act 1991 to avoid, remedy or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the Operative and Proposed Hamilton

---

<sup>3</sup> Many growth developments are undertaken in anticipation of growth. The growth portion of the project is funded from borrowing. When this occurs the development contribution receipts are then used to repay the debt and interest on that debt.

District Plans. Most contributions are received as revenue by the vesting of assets in the Council; some contributions may be paid to the Council.

### Proceeds from the sale of assets

41. From time to time assets are disposed of. Many of these are low value items and the revenue is received by the activity that owns the assets.
42. The Council holds some higher value assets for investment purposes which although not budgeted for could be sold. Unrestricted proceeds from the sale of these assets will be used to repay debt, unless resolved otherwise by Council<sup>4</sup>. Restricted revenues will be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction (e.g. Municipal Endowments reserve).

### Reserve funds

43. The Council maintains some reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for the reserve.

### Borrowing

44. The Council must borrow to fund its asset programme. The amount of borrowing available is restricted by Council's financial strategy debt limits.
45. Borrowing, both the capital (principal) and interest components, is generally repaid by future rates.
46. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and ensuring that ratepayers who enjoy the benefit of long-lived assets contribute to their costs.
47. The Council has budgeted to borrow from the Housing Infrastructure Fund (HIF) in the 2018-28 10-Year Plan to fund some capital expenditure on Growth. This loan is treated the same as other borrowing except that it is interest free.

### Lump sum contributions

48. The Council has the option when undertaking a major project to seek lump sum contributions to the capital cost of the project from those who are identified in the projects "capital project funding plan"<sup>5</sup>. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have requirements placed on how they are used. Where a lump sum payment option is proposed ratepayers choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs.
49. Council does not presently plan to seek lump sum contributions.

### Rates

50. Rates are primarily used to fund everyday expenses including depreciation and borrowing interest costs. Each year, the Council calculates its operating cash surplus which determines the amount of rate funding available to fund capital projects or debt repayment.

---

<sup>4</sup> As required by the Investment and Liability Management Policy.

<sup>5</sup> Local Government (Rating) Act 2002 - s.117A

51. The greatest portion of this funding is rates assessed to pay for depreciation (which is a non-cash operating cost). These funds are used to fund capital replacement / renewal projects.
52. A portion of rates funds the capital (principal) repayments of debt.
53. The Council may establish targeted rates to fund capital projects. Targeted rates options are more likely to be considered where a benefit to an identifiable individual or group is identified, either arising from the use of the asset or as a consequence of a decision of the Council. For clarity, this may include the growth portion of any project or groups of projects that are unable to be funded from a DC Policy.

#### Summary of sources of funding for capital costs by activity

54. As described in the Financial Strategy, the Council has a challenge to manage growth, affordable rate increases and debt. To achieve the appropriate balance between these variables the Council takes the following approach:
  - a. The Council sets the annual rate increase.
  - b. The existing rating base plus an estimate for growth determines the rates income.
  - c. Activity operating revenue and expenditure budgets are determined, within this constraint.
  - d. An amount is budgeted for development contributions payments, which is set aside to fund growth projects or growth debt and interest, as determined by the Development Contributions Policy.
  - e. The net cash operating costs is determined (net of cash revenue budgets).
  - f. This leaves the funded portion of operating costs. A small amount may be held in a cash funded reserve; otherwise the funds are available for capital costs. This amount largely represents rate funded depreciation but may include operating surpluses from some activities and accounting provisions not held in reserve funds. This funding is not held by activity and is available to fund any capital costs.
  - g. The Council sets the limit on debt, which determines the maximum debt funding available for capital costs.
55. This process results in the following funding sources being available to fund capital costs:
  - a. Cash from General Rates, for use on all activities.
  - b. Cash from Targeted Rates, for use on Hamilton Gardens' development (Activity: Hamilton Gardens) and Business Improvement District (BID) improvements (Activity: Tourism and Events Funding).
  - c. Cash from development and financial contributions, for growth projects and related interest costs.
  - d. Cash from grants and subsidies, targeted to capital projects.
  - e. Cash from borrowing.
56. The Council uses the following guidelines when considering the funding of capital projects:
  - a. All projects are first funded from grants, subsidy or other income, which are budgeted as operating revenues.
  - b. Growth projects for network infrastructure to meet increased demand are funded from development contributions, to the extent provided for in the Financial and Development Contributions Policy.



- c. Reserve funds for other purposes are considered. The Council has a small number of cash funded reserves available for capital costs projects.
  - d. Targeted rating options may be considered
  - e. Projects that have exhausted previous funding sources are funded from General Rates and/or debt.
57. A single project may have a mix of each of these funding options.
58. Whenever the Council resolves to consider funding a separate project, they will consider the sources of funds above, the Revenue and Financing Policy and section 101(3) to determine an appropriate funding policy for the project. Generally, the Council will resolve the funding in setting the budget for the project at the time the project is proposed in an Annual Plan or Long-term Plan.

### **Overall funding consideration**

59. The Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows the Council, as a final measure, to modify the overall mix of funding that would otherwise apply after the s 101(3)(a) analysis.
60. The following adjustments have been made:
- a. The Council will modify the allocation of the rates liability between sectors of the rating base by the use of differentials on the General rate. The allocation proposed in 2018 is linked to the allocations in place through the transition from land value to capital adjusted for growth within sectors.
  - b. The Council's has the guiding financial principle - that growth will pay for growth. Growth drives operating and capital costs. To ensure that all opportunities to have those who benefit from or create growth contribute an appropriate share of those costs the Council will seek to use all funding sources available to it. This includes financial contributions, development contributions, user charges and general and targeted rates.
  - c. The Council considers the benefits of services associated with the development of land are realised from the time the development is started. Rate categories will be changed from the start of the next rating year to reflect these benefits.
  - d. The Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters the Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons, due to poor service or to minimise risk.
  - e. The Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions and Postponements Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).
  - f. The Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for smoothing the cost to users and ratepayers.
  - g. The Council may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 in the Financial and Development Contributions Policy.

## Rates

61. The Council's final consideration of funding by rates comes:
  - a. After considering how the other funding sources will be used to fund operating and capital costs.
  - b. After that has been applied to activities in the Funding Needs Analysis.
  - c. After being adjusted for the overall funding considerations.
  
62. The following section outlines the Revenue and Financing Policy requirements that are used to set rates. To have a full understanding of rates they should be read having regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

## General Rates

63. The General Rate is allocated to all rateable properties based on the capital value of the property. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part of all rating units.
64. The Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the General Rate and the UAGC:

<ul style="list-style-type: none"><li>▪ Planning Guidance.</li><li>▪ Animal Education and Control.</li><li>▪ Stormwater Network.</li><li>▪ Refuse Collection.</li><li>▪ Landfill Site Management.</li><li>▪ Arts Promotion.</li><li>▪ Cemeteries and Crematorium.</li><li>▪ City Planning.</li><li>▪ Theatre.</li><li>▪ Wastewater Collection</li><li>▪ Wastewater Treatment and Disposal.</li></ul>	<ul style="list-style-type: none"><li>▪ Hamilton Gardens.</li><li>▪ Libraries.</li><li>▪ Waikato Museum.</li><li>▪ Community Development.</li><li>▪ Community Parks.</li><li>▪ Natural Areas.</li><li>▪ Streetscapes.</li><li>▪ Sports Parks.</li><li>▪ Governance and Public Affairs.</li><li>▪ Partnership with Maaori.</li><li>▪ Environmental Health.</li><li>▪ Public Safety.</li><li>▪ Alcohol Licensing</li></ul>	<ul style="list-style-type: none"><li>▪ Water Treatment and Storage.</li><li>▪ Water Distribution.</li><li>▪ Transport Network.</li><li>▪ Parking Management.</li><li>▪ Hamilton Zoo.</li><li>▪ FMG Stadium.</li><li>▪ Seddon Park</li><li>▪ I-site</li><li>▪ Tourism and Events Funding</li><li>▪ Claudelands.</li><li>▪ Pools.</li><li>▪ Indoor Recreation.</li><li>▪ Civil Defence.</li><li>▪ Building Control</li></ul>
--	--	---
65. Council has chosen to differentiate the general rate into four differential rating categories based on the use and location of rating units. The categories are:
  - a. Residential,
  - b. Commercial,
  - c. Commercial Business District (CBD) Commercial
  - d. and Other.
  
66. The full definition of these categories is contained within the Rating Policy.
67. The General Rate differential factors will be calculated as shown in the Rating Policy with the result contained within each years Funding Impact Statement.
  
68. In setting the differential categories, and the differential factors, the Council considered the requirements of the Local Government Act and a number of other considerations, including:

- a. The activities funded by the General Rate and the s101(3) considerations for the activities.
  - b. The impact of any change, or rate of change to the differential.
  - c. The views of those impacted by the differentials.
  - d. Other reasonable options, and the advantages and disadvantages of those options.
  - e. The overall impact of the differential on ratepayers.
69. In 2018, the Council removed the “rural” rating category and created a new “other” rating category. The Council considered that in a high forecast growth environment it is no longer appropriate to rate properties for their rural use. The Council recognised that all land in the City was zoned for future city and that there is no land zoned for exclusively for rural uses. Council also considered it was making a large annual investment in planning for land in the “other” category to become developable into the future city.
70. The Council also identified that rates growth was lost by strict adherence to the historic relationship between differential groups. From 2018 rates collected from each differential category will be increased in accordance with the growth in that rating category. This means the portion of total rates paid by a category will change depending on where growth occurs.
71. The UAGC was implemented in 2018. The amount of the UAGC is determined by the Council based on the overall impact of rates. Other changes proposed in 2018 meant that higher value properties were paying higher rates than comparable properties in other comparable places and lower value properties were paying lower rates when compared with others. The value of the UAGC was determined by the Council having regard to this. There is no direct allocation of any activity nor is there a calculation methodology for determining the UAGC amount.

### Targeted Rates

72. The following targeted rates are indicative of the Council’s intentions. The Council will finalise its targeted rating when adopting the Funding Impact Statement in a 10-year or annual plan.

### Transitional Rate

73. The Council collected a transitional rate from 2015/16 to 2017/18. The Council decided in 2018 this approach did not align with the guiding principle of “growth paying for growth”. Activities funded from the Transitional Rate are now collected from the General Rate and UAGC.
74. The Council collects some Targeted Rates either to fund activities as identified in the Funding Needs Analysis or because of the Council’s overall funding considerations.

**Table 4: Targeted rate types**

Name	Activities funded	Basis for rate
<b>Central City</b>	Access Hamilton Strategy projects and finance costs in the Transport Activity.	Fixed amount per SUIP <sup>6</sup> .
<b>Business Improvement District (BID)</b>	BID projects as part of the Tourism and Events Funding Activity.	Fixed amount per SUIP <sup>6</sup> and a rate per dollar of capital value for all properties in the BID area <sup>7</sup> .

<sup>6</sup> SUIP or Separately used or inhabited part of a rating unit is as required, defined each year in the Funding Impact Statement.

<b>Hamilton Gardens</b>	Gardens development projects in the Hamilton Gardens activity.	Fixed amount per SUIP across the whole city.
<b>Metered water supply</b>	Water Distribution and Water Treatment and Storage activities.	Fixed amount per water connection supplied with water and a charge per unit of water consumed or supplied to non-residential properties.
<b>Commercial Non-metered Water Supply</b>	Water Distribution and Water Treatment and Storage activities.	Fixed amount per SUIP with water supplied or available.
<b>Services water</b>	Water Distribution and Water Treatment and Storage activities.	Fixed amount per property and a rate per dollar of Land Value for connected land used for certain purposes as defined in the Rating Policy.
<b>Services refuse</b>	Refuse Collection Activity.	Fixed amount per property and a rate per dollar of land value for connected land used for certain purposes as defined in the Rating Policy.
<b>Services sewerage</b>	Wastewater Collection and Wastewater Treatment and Disposal activity.	Fixed amount per property and a rate per dollar of Land Value for connected land used for certain purposes as defined in the Rating Policy.

75. The Council may introduce new targeted rates when setting rates in any funding impact statement and rates resolution.

<sup>7</sup> The BID area map is in the Rating Policy.

## REFERENCES

- Funding Needs Analysis, section 101(3), provides the background and analysis to explain the funding decisions made by Council. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
- The Development and Financial Contributions Policy provides further analysis, as required by section 106(2)(c). This explains why Council has chosen to use development and financial contributions to fund the capital costs needed to meet increased demand for community infrastructure.
- The Investment and Liability Management Policy places restrictions on the use of the proceeds from asset sales.
- The Rating Policy further clarifies the funding requirements of the Council by documenting matters not included in the Funding Impact Statement, rates resolution or this Policy. It includes, detailed definitions and maps for rating areas.
- The Funding Impact Statement is included in each 10-year Plan and Annual Plan as required by clauses 15 or 20 of schedule 10. This statement shows the results of the detailed rates calculation for the first year of the Plan.
- Together the above documents form the necessary components to lawfully charge under the Local Government Act 2002 for the revenue requirements of the Council. The Council must also comply with other legislation in regard to the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.