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Sponsor/Group:	General Manager Corporate

Revenue and Financing Policy

Purpose and scope

1. This policy outlines the choices we have made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The policy also shows how we have complied with section 101(3) which sets out a number of factors we must consider in making these decisions. A comprehensive analysis of how we have complied with this section of the LGA is included in the Funding Needs Analysis.

2. Deciding the best way to fund our activities is complex. Complying with this legislation takes account of many factors 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. The following guiding principles have been applied when considering our use of funding sources:

<u>Growth</u>

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

<u>Levels of Service</u>

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

<u>Financial Strategy</u>

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

- Affordability of rates will be considered; and
- We will adopt a prudent Financial Strategy which supports its current credit rating.

4. Complying with these principles can be challenging at times. We must use our judgment in assessing many options in the development of budgets or acquisition of assets and the choice of funding sources to enact these.

Policy

Funding sources for operating costs

5. Operating costs are the everyday spending on services we provide. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and overheads.

6. We must consider the funding of each activity individually. 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 are described in the following sections.

User charges

8. User charges are applied to services where it is identified there is a benefit to an individual or group. User charges are a broad group of fees charged directly to an individual or entity and includes:
   - Entry fees
   - Service charges
   - Hire
   - Rent, lease, licences for land and buildings
   - Permits
   - Regulatory charges
   - Fines and penalties
   - Connection fees
   - Disposal fees
   - Deposits
   - Private works
   - Memberships
   - Planning and consent fees
   - Statutory charges
   - Retail sales

9. The price of the service is based on a number of factors, including:
   - The cost of providing the service;
   - The estimate of the users' private benefit from using the service;
   - The impact of cost on encouraging/discouraging behaviours;
   - The impact of cost on demand for the service;
   - Market pricing, including comparability with other councils;
   - The impact of rates subsidies if competing with local businesses;
   - Cost and efficiency of collecting the user charge;
   - The impact of affordability on users;
   - Statutory limits; and
   - Other matters as determined by the Council.

10. Our ability to charge user charges is limited by various 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. We consider it appropriate to incorporate overhead charges when determining the cost of providing a service.

11. Where goods or services are sold commercially, and taking into consideration legislative limitations, our preference is to charge a market price. This includes leases, rents and licences for land and buildings.
12. Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.
13. Revenue from user charges 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 types of income are regular and predictable and therefore can be budgeted for. Some other types 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. We expect to continue to receive substantial subsidies from central government or its agents for road maintenance.

Investment income

16. Our approach to investments is documented in our 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. Generally, we do 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. We maintain a small number of cash-funded reserve funds. Some of these reserve funds may be used to meet operating costs (e.g. cemetery maintenance). Generally, reserve funds are used for the purposes that they were created for.

Borrowing

20. Borrowing is generally undertaken at a whole of Council level subject to constraints on rates increases and debt levels set by the Financial Strategy.
21. We generally plan to fund all cash operating costs from sources other than borrowing. However, in specific circumstances, where we decide it is prudent to do so, we may fund some operating costs from borrowing.

Rates

22. Having appropriately exhausted all other funding sources, we fund all remaining operating expenses from rates. For many activities this is the main funding source.

23. The above matters were considered when determining the funding required from general rates or targeted rates for each activity in the Funding Needs Analysis, as required by section 101(3)(a).

24. We may choose to establish targeted rates to fund operating costs.

25. Further information on rates can be found further on in this policy.

Summary of sources of funding for operating costs by activity

26. We have applied the funding source preferences noted above to each activity in its Funding Needs Analysis. Table 1 shows the degree to which (expressed as a range) each funding source is used to fund operating costs following the s101(3)(a) assessment.

27. This s101(3)(a) assessment may be modified by the s101(3)(b) assessment. The latter assessment requires us to consider the overall impact of any allocation of liability for revenue needs on the community. Our consideration of s101(3)(b) is included later in this policy.

28. The ranges in Table 1 are expressed as a percentage of the revenue required to fund each activity and are indicative only. They may change over time because of changes in expenditure requirements. It is possible that actual funding sources may differ from budgeted funding sources.

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

KEY

Range name	Range	Key
Unlikey	0%	✗
Minimal	0% - 20%	✓
Low	20% - 40%	✓
Moderate	40% - 60%	✓
High	60% - 80%	✓
Most	80% - 100%	✓
All	100%	✓

Activity	User Charges	Gransts, subsidies & other	Investment income	Financial Contributions	Development Contributions	Reserve Funds	Borrowing	General Rates	Targeted Rates
Community Development	✗	✗	✓	✗	✗	✗	✓	✓	✓
Libraries	✓	✓	✗	✗	✗	✗	✓	✓	✓
Theatre	✗	✗	✗	✗	✗	✗	✓	✓	✓
City Planning	✓	✗	✗	✗	✗	✗	✓	✓	✓
Planning Guidance	✓	✗	✗	✗	✗	✗	✓	✓	✓
Building Control	✓	✗	✗	✗	✗	✗	✗	✗	✗
Claudelands	✓	✗	✓	✗	✗	✗	✓	✓	✓
FMG Stadium	✓	✗	✓	✗	✗	✗	✓	✓	✓
Seddon Park	✓	✗	✓	✗	✗	✗	✓	✓	✓
iSite	✓	✗	✗	✗	✗	✗	✓	✓	✓
Tourism and Events Funding	✗	✗	✗	✗	✗	✗	✓	✓	✓
Hamilton Gardens	✓	✗	✗	✗	✗	✗	✓	✓	✓
Waikato Museum	✓	✓	✗	✗	✗	✗	✓	✓	✓
Hamilton Zoo	✓	✓	✓	✗	✗	✗	✓	✓	✓
Animal Education and Control	✓	✗	✗	✗	✗	✗	✓	✓	✓
Environmental Health	✓	✗	✗	✗	✗	✗	✓	✓	✓
Alcohol Licensing	✓	✗	✗	✗	✗	✗	✗	✗	✗
Public Safety	✓	✗	✗	✗	✗	✗	✓	✓	✓
Civil Defence	✗	✗	✗	✗	✗	✗	✓	✓	✓
Governance and Public Affairs	✓	✗	✗	✗	✗	✗	✓	✓	✓
Partnership with Maaori	✗	✗	✗	✗	✗	✗	✓	✓	✓
Community Parks	✗	✗	✓	✗	✗	✗	✓	✓	✓
Natural Areas	✗	✓	✗	✗	✗	✗	✓	✓	✓
Streetscapes	✗	✗	✗	✗	✗	✗	✓	✓	✓
Sports Parks	✓	✗	✓	✗	✗	✗	✓	✓	✓
Cemeteries and Crematorium	✓	✓	✗	✗	✗	✓	✓	✓	✓
Pools	✓	✗	✓	✗	✗	✗	✓	✓	✓
Indoor Recreation	✗	✗	✓	✗	✗	✗	✓	✓	✓
Landfill Site Management	✗	✗	✗	✗	✗	✗	✓	✓	✓
Refuse Collection	✓	✗	✓	✗	✗	✗	✓	✓	✓
Waste Minimisation	✗	✓	✗	✗	✗	✗	✓	✓	✓
Stormwater Network	✓	✗	✗	✗	✗	✗	✓	✓	✓
Transport Network	✓	✓	✓	✗	✗	✓	✓	✓	✓
Parking Management	✓	✗	✗	✗	✗	✗	✓	✓	✓
Wastewater Treatment and Disposal	✓	✗	✗	✗	✗	✗	✓	✓	✓
Wastewater Collection	✓	✗	✗	✗	✗	✗	✓	✓	✓
Water Treatment and Storage	✗	✗	✗	✗	✗	✗	✓	✓	✓
Water Distribution	✓	✗	✗	✗	✗	✗	✓	✓	✓

Funding sources for capital costs

29. Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs are described in the sections that follow.

User charges

30. User charges are not often used 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 for capital costs.

31. We 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

32. We rely on significant subsidies for capital works relating to our transport activity. Grants and subsidies may be available for other activities 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.

33. Grants, subsidies and other income are used wherever they are available.

Development contributions

34. We collect Development Contributions (DCs) to fund capital costs necessary to service growth, in accordance with our Development Contributions Policy (DC Policy).

35. DCs are 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 in the period for which DCs may be collected.

36. Most contributions receipted are used to repay development contributions debt and interest on that debt. A portion may pay for capital expenditure in the year it is receipted, depending on projects.

37. It is important to note that, in addition to the requirements of sections 103 and 101(3), the DC Policy describes funding matters in more detail as required by section 106(2)(c).

Financial contributions

38. We collect 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 District Plan. We receive most contributions as revenue by the vesting of assets although some may be paid directly to us.

Proceeds from the sale of assets

39. From time to time assets are disposed of. Usually these are low value items and the revenue is received by the activity that owns the assets.

40. We hold some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt, unless otherwise resolved by us. Restricted revenues would 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

41. We maintain some reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for accessing the reserve.

Borrowing

42. We must borrow to fund our asset programme. The amount of borrowing available is restricted by the Financial Strategy debt limits.

43. Borrowed funds, both the principal and interest components, are generally repaid by future rates.
44. Borrowing spreads the cost of the project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefit of long-lived assets contribute to their costs.
45. We have budgeted to borrow from the Housing Infrastructure Fund (HIF) in this 10-Year Plan to fund some capital expenditure on growth related infrastructure. This loan is treated the same as other borrowing except that it is interest free.

Lump sum contributions

46. When undertaking a major project, we have the option to seek lump sum contributions to the capital cost of the project from those who are identified in the projects “capital project funding plan”. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed ratepayers may 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.

47. At the time of reviewing this policy, we do not plan to seek lump sum contributions.

Rates

48. Rates are mostly used to fund everyday expenses including depreciation and interest costs related to borrowing.

49. Each year, we calculate our operating cash surplus which determines the amount of rates funding available to fund capital projects or debt repayment. The greatest portion of this rates funding is allocated to pay for depreciation (which is a non-cash operating cost). These funds are used to fund capital replacement and/or renewal projects.

50. A portion of rates funds the capital (principal) repayments of debt.

51. We may establish targeted rates to fund specific capital projects. Targeted rates are more likely to be considered where a benefit can be linked to an identifiable individual or group, either arising from the use of the asset or as a consequence of a decision. 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

52. As described in the Financial Strategy, we have a challenge to manage growth, affordable rates increases and debt. To achieve the appropriate balance between these variables we have taken the following approach:

    a. We set 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 the rate income 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 DC 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 specific activities and is available to fund any capital costs; and
    g. We then set the limit on debt, which determines the maximum debt funding available for capital costs.

53. This process results in the following funding sources being available to fund capital costs:

    - Cash from general rates, for use on all activities;
    - Cash from targeted rates, for example for use on Hamilton Gardens' development;
    - Cash from development and financial contributions, for growth projects and related interest costs;
    - Cash from grants and subsidies, targeted to capital projects; and
    - Cash from borrowing.

54. We use the following guidelines when considering the funding of capital projects:
    - All projects are first funded from grants, subsidy or other income, which are budgeted as operating revenues;
    - Growth related projects for network infrastructure to meet increased demand are funded from DCs, as allowed for under the DC Policy;
    - Reserve funds for other purposes are considered. We have a small number of cash funded reserves available for capital costs projects;
    - Targeted rating options may be considered; and
    - Projects that have exhausted previous funding sources are funded from general rates and/or debt.

55. A single project may have a mix of each of the above funding options.

56. Whenever we resolve to fund a separate project, we will consider the sources of funds above, the Revenue and Financing Policy and section 101(3) of the LGA to determine an appropriate funding policy for that project. Generally, we will resolve the funding in setting the budget for the project at the time it is proposed in an Annual Plan or 10-Year Plan.

Overall funding consideration

57. We are required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. This section allows that as a final measure, we may modify the overall mix of funding that would otherwise apply after the s101(3)(a) analysis.
58. The following adjustments have been made:
    a. We have altered the allocation of the rates liability between sectors of the rating base by using differentials on the general rate. The allocations in this 10-Year Plan are linked to those in place through the transition from land to capital value adjusted for growth within sectors.
    b. The Financial Strategy has the guiding financial principle that growth will pay for growth. Growth drives both operating and capital costs. We will use all available funding sources to ensure that those who benefit from or create growth contribute an appropriate share towards the costs of providing infrastructure to meet the demands of that growth. This includes financial contributions, development contributions, user charges and general and targeted rates.
    c. We consider the benefits of services associated with the development of land that 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. We may waive or discount fees and charges where it is considered appropriate to do so. Some matters we may consider in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.
    e. We may remit rates where it considered appropriate to do so and as allowed for 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. We may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.
    g. We may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 in the DC Policy.

Rates

59. Our final consideration of funding by rates comes:
    a. After considering how 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; and/or
    c. After being adjusted for the overall funding considerations.

60. 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 with regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

General rates

61. 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 (SUIP) of all rating units.

62. 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:

- Community Development
- Libraries
- Theatre
- City Planning
- Planning Guidance
- Building Control
- Claudelands
- FMG Stadium Waikato
- Seddon Park
- I-SITE
- Tourism and Events Funding
- Hamilton Gardens
- Waikato Museum
- Hamilton Zoo
- Animal Education and Control
- Environmental Health
- Alcohol Licensing
- Public Safety
- Civil Defence
- Governance and Public Affairs
- Partnership with Maaori
- Community Parks
- Natural Areas
- Streetscapes
- Sports Parks
- Cemeteries and Crematorium
- Pools
- Indoor Recreation
- Landfill Site Management
- Refuse Collection
- Waste Minimisation
- Stormwater Network
- Transport Network
- Parking Management
- Wastewater Treatment and Disposal
- Wastewater Collection
- Water Treatment and Storage
- Water Distribution

63. We have chosen to differentiate the general rate into four differential rating categories based on the use and location of rating units. The categories are:
    - Residential;
    - Commercial;
    - BID Commercial; and
    - Other.

64. The full definition of these categories is contained within the Funding Impact Statement.
65. The general rate differential factors will be calculated as shown in the Funding Impact Statement

66. In setting the differential categories, and the differential factors, we considered the requirements of the LGA and a number of other considerations, including:
    - The activities funded by the general rate and the s101(3) considerations for the activities;
    - The impact of any change, or rate of change to the differential;

- The views of those impacted by the differentials;
- Other reasonable options, and the advantages and disadvantages of those options; and
- The overall impact of the differential on ratepayers.

67. In 2018, we removed the “rural” rating category and created a new “other” rating category. We decided that in a high forecast growth environment it is no longer appropriate to rate properties for their rural use, recognising that all land in the city was zoned for future city and that there is no land zoned exclusively for rural uses. We are making a large annual investment in planning for land in the “other” category to become developable in the future city.
68. We identified that rates growth was being 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.
69. The UAGC was implemented in 2018. We determine the amount of the UAGC based on our assessment of the overall impact of rates. Other changes proposed in 2018 meant that higher value properties were paying higher rates than comparable properties in other places and lower value properties were paying lower rates when compared with others. The value of the UAGC was determined with regard to this. There is no direct allocation of any activity nor is there a calculation methodology for determining the UAGC amount.

Targeted rates

70. The following targeted rates indicate our intentions. We finalise our targeted rating when adopting the Funding Impact Statement in the 10-Year Plan or Annual Plan.

Transitional rate

71. In 2014 we decided to move from a land value based general rate to a capital value based general rate. At the time, having considered the overall impact of the change on ratepayers, it was decided that the impact of the change should be transitioned over ten years. We now face new challenges that were not foreseen four years ago. As a result, we have decided that the transition needs to be quicker to maximise the benefit we receive from our highest ever forecast sustained growth. We have decided resolved therefore to transition over six years instead of the original ten.

72. We will continue to set a transitional rate that is similar in effect to the prior land value general rate. The aggregate of the amounts raised by general rates and the land value transitional rate will equal the amount we would otherwise have raised from general rates if the transition were not occurring.

73. The transitional rate is a land value rate, differentiated by seven differential rating categories (Residential, Commercial, BID Commercial, Multi Unit Residential, Rural Residential, Rural Small and Rural Large).

74. The full definition of these differential categories is contained within each years Funding Impact Statement. How the allocations to these categories are calculated is documented below under “Transition from land value to capital value general rates”.

75. The transitional rate arises as a result of our s.101(3)(b) consideration of the overall impact in the allocation of liability for revenue. This rate mitigates the impact of the change from land value to capital value for the general rate. We have determined in the Funding Needs Analysis that all or part of the following activities should be funded from the targeted rates (note these are the same activities as funded by the general rate):

- Community Development
- Libraries
- Theatre
- City Planning
- Planning Guidance
- Building Control
- Claudelands
- FMG Stadium
- Seddon Park
- i-Site
- Tourism and Events Funding
- Hamilton Gardens
- Waikato Museum
- Hamilton Zoo
- Animal Education and Control
- Environmental Health
- Alcohol Licensing
- Public Safety
- Civil Defence
- Governance and Public Affairs
- Partnership with Maaori
- Community Parks
- Natural Areas
- Streetscapes
- Sports Parks
- Cemeteries and Crematorium
- Pools
- Indoor Recreation
- Landfill Site Management
- Refuse Collection
- Waste Minimisation
- Stormwater Network
- Transport Network
- Parking Management
- Wastewater Treatment and Disposal
- Wastewater Collection
- Water Treatment and Storage
- Water Distribution

76. The transitional rate differential factors will be calculated as shown in our Rating Policy.

Transition from land value to capital value general rates

77. For the remaining three years of the six year transition to a capital value rating system, the ratio of land value to capital value that will be used to set the amount to be funded between the land value transitional rate and general rates is as shown below in Table 3.

Table 3: Transition process

Year	Land Value Transition Rate	Capital Value General Rate
2018/19	47%	53%
2019/20	23%	77%
2020/21	0%	100%

78. The total rates requirement for the activities listed will be split between each rate according to these ratios each year. This allows for adjustments in budgets over time.

Other Targeted Rates

79. We collect other targeted rates either to fund activities as identified in the Funding Needs Analysis or because of our overall funding considerations.

Table 4: Other Targeted rate types

Name	Activities funded	Basis for rate
Central City	Access Hamilton Strategy projects and finance costs.	Fixed amount per SUIP.
Business Improvement District (BID)	BID projects.	Fixed amount per SUIP and a rate per dollar of capital value for all properties in the BID area.
Hamilton Gardens	Gardens development projects in the Visitor Attractions activity.	Fixed amount per SUIP across the whole city.
Metered water supply	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.
Commercial and Other Category Non-metered Water Supply	Water Distribution and Water Treatment and Storage activities.	Fixed amount per rating unit with water supplied or available.
Service Use water	Water Distribution and Water Treatment and Storage activities.	Fixed amount per SUIP for connected land used for certain purposes as defined in the Funding Impact Statement.
Service Use refuse	Refuse Collection Activity.	Fixed amount per SUIP for connected land used for certain purposes as defined in the Funding Impact Statement.

Service Use wastewater	Wastewater Collection and Wastewater Treatment and Disposal activity.	A rate per dollar of land value and a rate per dollar of capital value for connected land used for certain purposes as defined in the Funding Impact Statement.

80. We may introduce new targeted rates when setting rates in any year as documented in the repetitive years funding impact statement and rates resolution.

References

- Funding Needs Analysis, section 101(3), provides the background and analysis to explain the funding decisions we have made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
- Our DC Policy provides further analysis, as required by section 106(2)(c). This explains why we have chosen to use development contributions to fund the capital costs needed to meet increased demand for infrastructure.
- The Investment and Liability Management Policy places restrictions on the use of the proceeds from asset sales.
- The Rating Policy further clarifies funding requirements by documenting matters not included in the Funding Impact Statement, rates resolutions or this Revenue and Financing 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 this 10-Year Plan.
- Together the above documents form the necessary components to lawfully charge under the LGA for our revenue requirements. We must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.