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## REVENUE AND FINANCING POLICY

### Policy Objectives and scope

1. This policy outlines the choices Council has made to determine the appropriate funding of operating expenditure and capital expenditure from the sources<sup>1</sup> of funds listed in the Local Government Act 2002 (LGA). The policy also shows how 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 Council activities is complex. It is a process 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
3. This policy explains how Council plans to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

### Principles of policy

4. Council has determined the following basic principles to guide the appropriate use of funding sources.
  - User charges are preferred when a private benefit can be identified and it is efficient to collect the revenue.
  - Subsidies, grants and other income options are fully explored prior to rates being used.
  - Each generation of ratepayers should pay for the services they receive and borrowing can assist to achieve this outcome.
  - Capital costs to replace assets that reach the end of their projected economic life is firstly funded from rates.
  - Capital costs to upgrade or build new assets is funded firstly from sources other than rates (e.g. subsidies, grants, fundraising, financial contributions) and then borrowing.
  - Growth related capital costs are funded by development contributions.
  - Rates systems should be simple and easily understood.

<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.

- Rates are a tax and are not a charge for the use of a service.
  - If no other funding source can be used it is then appropriate to fund the remaining revenue requirement for operating expenditure from rates.
5. 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 guidelines

### Operating Cost Funding Sources

6. Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.
7. 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 water rate, and others from the general rate, such as road maintenance.
8. The funding sources for operating costs include:

#### 9. User charges

10. User charges are used for services where there is a benefit to an individual or group. Users charges is a broad group of revenue 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, licenses for land and buildings. | ▪ Disposal fees.       | ▪ Retail sales.              |
| ▪ Deposits.                                     |                        |                              |
| ▪ Private works.                                |                        |                              |
| ▪ Permits                                       |                        |                              |
11. 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 to encourage/discourage 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 collection mechanisms.
  - The impact of affordability on users.
  - Statutory limits.
  - Other matters as determined by Council.
12. Council's ability to charge user charges is limited by the powers conferred to 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) Council may set fees at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

13. Where Council is charging for the sale of goods or services not required by statute, Council's preference is to charge a market price, having regard to the powers conferred by section 12. This includes leases, rents and licenses for land and buildings.
14. Fees and charges may be set by Council at any time and are reviewed by Council annually. A list of regular fees and charges is maintained on Council's website.
15. User charges revenue is allocated to the activity which generates the revenue.

**16. Grants, sponsorship, subsidies and other income**

17. 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 payouts)
18. Council expects to continue receiving substantial subsidies for road maintenance from government or its agencies. While this is recorded as operating income a large portion is for capital costs.

**19. Investment income**

20. Council's investment policy is documented in its Liability Management and Investment Policy. These investments generate income such as dividends, interest, and rents.
21. Each source of income is receipted to the activity that owns the asset.

**22. Development contributions, financial contributions, proceeds from the sale of assets and lump sum contributions**

23. Council does not collect revenue from these funding sources to fund operating costs.

**24. Reserve funds**

25. 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).
26. Council generally uses these funds for the purposes that the reserve was created.

**27. Borrowing**

28. Council borrowing is generally undertaken at a whole of Council level subject to the constraints on rates increases, debt levels set by the financial strategy. Council also plans to balance the books.
29. Council generally plans to fund all cash operating costs from non-borrowing sources but may in specific circumstances, where it determines it is prudent to do so, fund some operating costs from borrowing.

**30. Rates**

31. Having been prudent and appropriately exhausting all other funding sources, Council funds its remaining operating expenses from rates. For many activities this is the main funding source.
32. Council will set a capital value general rate and only a few targeted rates.
33. These matters were taken into account by Council when determining the funding requirements of each activity in the Funding Needs Analysis, as required by section 101(3)(a).
34. Council may establish targeted rates to fund operating costs.

35. Further information on rates can be found from paragraph 75.

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

37. Council has applied the above preferences for the use of the funding sources to each activity in its Funding Needs Analysis. Table 1 describes the extent each funding source is used to fund operating costs following the s101(3)(a) assessment. Council has modified this assessment with its s101(3)(b) assessment as described from paragraph 84. This includes the creation of the transitional rate, which is a targeted rate designed to address the impact of the change from land value to capital value for the general rate.

38. These ranges are expressed as a percentage of the cost of the activity. A key to interpret the graphics follows the table.

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

Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. Cont.	Dev. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
Parking Management	✓	x	x	x	x	x	x	x	x
Housing	✓	x	x	x	x	x	x	x	x
Building Control	✓	x	x	x	x	x	x	x	x
Cemeteries & Crematorium	✓	x	x	x	x	✓	x	x	x
Strategic Property Investment	x	✓	✓	x	x	x	x	x	x
Planning Guidance & Compliance	✓	x	x	x	x	x	x	✓	x
Animal Education and Control	✓	x	x	x	x	x	x	✓	x
Waste Minimisation	x	x	x	x	x	x	x	✓	x
Landfill Site Management	x	x	x	x	x	x	x	✓	x
Arts Promotion	x	x	x	x	x	x	x	✓	x
Partnership with Maaori	x	x	x	x	x	x	x	✓	x
City Planning	x	x	x	x	x	x	x	✓	x
Emergency Management	x	x	x	x	x	x	x	✓	x
Stormwater Network	x	✓	x	x	x	x	x	✓	x
Refuse Collection	x	✓	x	x	x	x	x	✓	✓
Sewage Treatment and Disposal	✓	x	x	x	x	x	x	✓	✓
Hamilton Gardens	✓	x	x	x	x	x	x	✓	x
Economic Initiatives	x	x	x	x	x	x	x	✓	✓
Libraries	✓	✓	x	x	x	x	x	✓	x
Museum	✓	✓	x	x	x	x	x	✓	x
Community Development	✓	✓	x	x	x	x	x	✓	x
Community Parks	✓	x	x	x	x	x	x	✓	x
Gullies and native plantings	x	✓	x	x	x	x	x	✓	x
Streetscapes	x	✓	x	x	x	x	x	✓	x
Sports Parks	✓	x	x	x	x	x	x	✓	x
Governance & Civic Affairs	✓	x	x	x	x	x	x	✓	x
Theatres	✓	✓	x	x	x	x	x	✓	x
Sewage Collection	✓	x	x	x	x	x	x	✓	✓

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Indoor Recreation	✓	✓	x	x	x	x	x	✓	x
Environmental Health and Public Safety	✓	✓	x	x	x	x	x	✓	x
Water Treatment and Storage	x	x	x	x	x	x	x	✓	✓
Water Distribution	✓	x	x	x	x	x	x	✓	✓
Transport Network	✓	✓	x	x	x	x	x	✓	✓
Zoo	✓	✓	x	x	x	x	x	✓	x
Stadiums	✓	x	x	x	x	x	x	✓	x
Claudlands	✓	✓	x	x	x	x	x	✓	x
Pools	✓	✓	x	x	x	x	x	✓	x

**Table 2: Summary of funding sources by activity**

Key

Range Name	Range	Key
Unlikely	0	x
Minimal	0% -20%	✓
Low	20% -40%	✓
Moderate	40% - 60%	✓
High	60% - 80%	✓
Most	80% - 100%	✓
All	100%	✓

39. Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally outside these ranges, it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change the Revenue and Financing Policy. It is also likely that actual funding sources will be different from budgeted funding sources.

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## Funding Sources for Capital Costs

40. 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 include:

### **41. User charges**

42. 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 charging users contributions.

43. 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).

### **44. Grants, subsidies, and other income**

45. 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 payouts, and legal settlements.

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

### **47. Development contributions**

48. Council collects development contributions to fund capital costs necessary to service growth over the long-term.

49. Council has a Development and Financial Contributions Policy. Most contributions received are transferred to loan accounts<sup>3</sup>. Development contribution funds received will be applied to the projects as identified by the policy. Projects identified in the policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned to be undertaken.

50. 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).

### **51. Financial contributions**

52. Council collects financial contributions under the Resource Management Act 2001 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 Plans. Most contributions are received as revenue by the vesting of assets in Council; some contributions may be paid to Council.

### **53. Proceeds from the sale of assets**

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<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.

54. From time to time Council disposes of assets. Many of these are low value items and the revenue is received by the activity that owns the assets.
55. Council's Strategic Property activity holds some higher value assets that are intended for sale. 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).

#### **56. Reserve funds**

57. 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.

#### **58. Borrowing**

59. Council must borrow to fund its asset programme. The amount of borrowing available is restricted by Council's financial strategy debt limits.
60. Borrowing, both the capital (principal) and interest components, is generally repaid by future rates.
61. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and contributing to intergenerational equity.

#### **62. Lump sum contributions**

63. 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 stringent requirements placed on how they are used. Where a lump sum payment option is proposed ratepayers choose to participate or not. Council has previously used these provisions and may do so in the future.
64. Council does not plan to seek lump sum contributions.

#### **65. Rates**

66. Rates are primarily used to fund the day to day expenses including depreciation and borrowing interest costs. In each year Council calculates the cash surplus from operating revenue less operating costs to determine the amount of rates funding available to fund capital projects.
67. The greatest portion of this funding is cash generated from depreciation (a non-cash operating cost). These funds are used to fund renewal projects.
68. A portion of rates funds the capital (principal) repayments of debt.
69. Council may establish targeted rates to fund capital projects.

#### **70. Summary of sources of funding for capital costs by activity**

71. Council uses 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.

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

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

- Growth projects for network infrastructure that are required to meet increased demand are funded from development contributions, to the extent the Financial and Development Contributions Policy provides.
  - Reserve funds for other purposes are considered. Council has a small number of cash funded reserves available for capital costs projects.
  - Targeted rating options may be considered.
  - Projects that have exhausted previous funding sources are funded from the surplus cash available from general rates and/or debt.
72. A single project may have a mix of each of these funding options.
73. Whenever Council resolves to consider a separate funding policy Council will consider the sources of funds above, the Revenue and Financing Policy and complete a section 101(3) assessment to determine an appropriate funding policy for the project. Generally Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long-term Plan.

### Overall funding consideration

74. 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 Council, as a final measure, to modify the overall mix of funding in response to these considerations.
- i. Council will modify the change from the land value general rate of 2014/15 to a capital value general, by transitioning the change over 10 years. This is achieved by using the transitional targeted rate. Council is making this modification to mitigate the impact of the change on ratepayers by spreading that impact over 10 years.
  - ii. Council will modify the allocation of the rates liability between sectors of the rating base by the use of differentials on the general and transitional rates.
  - iii. Council will modify the choice of general rate funding to a mix of targeted and general rate funding in order to achieve an appropriate transition from the land value general rate in 2014/15 to a capital value general from 2015/16.
  - iv. As water, sewerage and refuse collection is part of the general rate, it is appropriate to create targeted rates for non-rateable properties for this services which are rateable.
  - v. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters 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.
  - vi. Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions 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).
  - vii. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
  - viii. 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

75. Council's final consideration of revenue and financing policy for rates comes:



- After consideration of how the funding source will be used to fund operating and capital costs, and
  - After that has been applied to activities in the Funding Needs Analysis, and
  - After being adjusted for the overall funding considerations
76. 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.

### **77. General rates**

78. The general rate is allocated to properties based on the capital value of the property. Council does not have a uniform annual general charge.

79. Council has chosen to differentiate the general rate into four differential rating categories (residential, commercial, CBD commercial and rural). The full definition of these categories is contained within the Rating Policy.

80. Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate:

- |                                  |                                 |  |
|----------------------------------|---------------------------------|--|
| ▪ Planning Guidance & Compliance | ▪ Sewage Treatment and Disposal | ▪ Governance & Civic Affairs             |
| ▪ Animal Education and Control   | ▪ Hamilton Gardens              | ▪ Environmental Health and Public Safety |
| ▪ Stormwater Network             | ▪ Economic Initiatives          | ▪ Water Treatment and Storage            |
| ▪ Catchment Management           | ▪ Libraries                     | ▪ Water Distribution                     |
| ▪ Refuse Collection              | ▪ Museum                        | ▪ Transport Network                      |
| ▪ Waste Minimisation             | ▪ Community Development         | ▪ Zoo                                    |
| ▪ Landfill Site Management       | ▪ Community Parks               | ▪ Stadiums                               |
| ▪ Arts Promotion                 | ▪ Gullies and native plantings  | ▪ Claudelands                            |
| ▪ City Planning                  | ▪ Streetscapes                  | ▪ Leisure Facilities                     |
| ▪ Theatres                       | ▪ Sports Parks                  | ▪ Emergency Management                   |
| ▪ Sewage Collection              |                                 |  |

81. The general rate differential factors for 2015/16 will be calculated as shown in the Rating Policy.

82. In setting the differential sectors, and the differential factors, Council considered the requirements of the Local Government Act and a number of other considerations, including:

- The activities funded by the general rate and the s101(3) considerations for the activities.
- The historic relationship between the differential sectors and the existing level of the differential under the land value general rate.
- 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.
- The overall impact of the differential on ratepayers.

### **83. Targeted rates**

### **84. Transitional Rate**

85. Council has decided to move to a capital value general rate from a land value general rate. Having considered the overall impact of the change on ratepayers, Council determined that the impact of the change should be transitioned over 10 years. For transparency, Council has chosen to achieve the transition by setting a transitional rate that is similar in effect to the prior land value general rate. The aggregate of the amounts raised by the capital value general rate and the land value transitional rate will equal the amount Council would otherwise have raised from the general rate if the transition were not occurring.
86. The transitional rate is a land value rate, differentiated by 7 differential rating categories (Residential, Commercial/Industrial, CBD Commercial/Ind, Multi Unit Residential, Rural Residential, Rural Small and Rural Large).
87. The full definition of these differential categories is contained within the Rating Policy. How the allocations to these categories are calculated is documented below under “Transition from land value to capital value general rates”.
88. The transitional rate arises as a result of Council’s 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 for general rate. Council has determined in its 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):
- |                                  |                                 |  |
|----------------------------------|---------------------------------|--|
| ▪ Planning Guidance & Compliance | ▪ Sewage Treatment and Disposal | ▪ Governance & Civic Affairs             |
| ▪ Animal Education and Control   | ▪ Hamilton Gardens              | ▪ Environmental Health and Public Safety |
| ▪ Stormwater Network             | ▪ Economic Initiatives          | ▪ Water Treatment and Storage            |
| ▪ Catchment Management           | ▪ Libraries                     | ▪ Water Distribution                     |
| ▪ Refuse Collection              | ▪ Museum                        | ▪ Transport Network                      |
| ▪ Waste Minimisation             | ▪ Community Development         | ▪ Zoo                                    |
| ▪ Landfill Site Management       | ▪ Community Parks               | ▪ Stadiums                               |
| ▪ Arts Promotion                 | ▪ Gullies and native plantings  | ▪ Claudelands                            |
| ▪ City Planning                  | ▪ Streetscapes                  | ▪ Leisure Facilities                     |
| ▪ Theatres                       | ▪ Sports Parks                  | ▪ Emergency Management                   |
| ▪ Sewage Collection              |                                 |  |
89. The transitional rate differential factors for 2015/16 will be calculated as shown in the Rating Policy. These differentiations are based on the 2014/15 cost allocation and are designed, as listed under the overall considerations, to assist in minimising the impacts of the change from land value to capital value by ensuring the sectors (residential, commercial and rural) continue to pay the same share of the rates as they did prior to the change to a capital value general rate.
- 90. Transition from land value to capital value general rates**
91. In 2014 Council decided to change from the land value general rate to a capital value general rate. In order to minimise the effect of the change on individual ratepayers Council decided to transition the change over 10 years.
92. This is implemented by changing the general rate to capital value from 1 July 2105 and at the same time introducing a targeted rate based on land value and differentiated similarly to the

land value general rate of 2014/15. Each year 10% of the total cost of the activities funded by the general and transitional rate will be transferred as shown on the table 3.

**Table 3: Transition Process**

Year	Land Value Transition Rate	Capital Value General Rate
2015/16	90%	10%
2016/17	80%	20%
2017/18	70%	30%
2018/19	60%	40%
2019/20	50%	50%
2020/21	40%	60%
2021/22	30%	70%
2022/23	20%	80%
2023/24	10%	90%
2024/25	0%	100%

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

**94. Other Targeted Rates**

95. Council collects a few targeted rates either to fund activities as identified in the Funding Needs Analysis or as a result of Council’s overall funding considerations.

**Table 4: Targeted rate types**

Name	Activities funded	Basis for Rate
<b>Access Hamilton</b>	Access Hamilton projects and finance costs in the Transportation Activity.	Capital value across whole city.
<b>Business Improvement District</b>	BID projects as part of the Economic Initiatives 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> .
<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 SUIP supplied with water and a charge per unit of water consumed or supplied to non-residential properties.

<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.

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

<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>Non-rateable water</b>	Sewage Distribution and Sewage Treatment and Storage activities	Fixed amount per property and a rate per dollar of land value for connected land used for services as defined in the rating policy.
<b>Non-rateable refuse</b>	Refuse Collection activity	Fixed amount per property and a rate per dollar of land value for connected land used for services as defined in the rating policy.
<b>Non-rateable sewerage</b>	Sewage Collection and Sewage Treatment and Disposal activity	Fixed amount per property and a rate per dollar of land value for connected land used for services as defined in the rating policy.
<b>Horsham Downs Hall</b>	Council invoices and collects the following rate on behalf of Waikato District Council.	Fixed amount to properties within the Hall district.

## References

96. 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.
97. 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.
98. The Liability Management and Investment Policy places restrictions on the use of the proceeds from asset sales.
99. The Rating Policy further clarifies the funding requirements of Council by documenting matters not included in the Funding Impact Statement, rates resolution or this policy. It includes the allocation of activity rates requirements to different differential categories, detailed definitions and maps for rating areas.
100. The Funding Impact Statement is included in each Long-term 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.
101. Together the above documents form the necessary components to lawfully charge under the Local Government Act for the revenue requirements of Council. 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.

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