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Funding Needs Analysis Policy

Purpose and scope

1. The Funding Needs Analysis (FNA) provides the background and analysis to explain the funding decisions made by the Council.
2. To comply with section 101(3) the Council must determine the appropriate sources of funding for each activity. In determining this, they must take into consideration the matters listed in s101(3)(a):
 - a. The community outcomes to which the activity primarily contributes.
 - b. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
 - c. The period in or over which those benefits are expected to occur.
 - d. The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
 - e. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
3. Having completed the above analysis Council must then consider, under section 101(3)(b): “The overall impact of any allocation of liability for revenue needs on the community.”
4. The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a).
5. The following sections document the matters and approaches Council has taken to determine the funding needs of an activity and how that translates into Council’s decision on the appropriate funding sources to be used.

Previous reviews

6. The Council last reviewed the FNA in 2015, prior to the consultation on the Revenue and Financing Policy. The FNA had a minor amendment in 2017.
7. The review in 2018 is based on the 2015 policy (as amended in 2017). Changes have been made reflecting the considerations of the Council as they considered the funding of activities in developing the 2018-28 10-Year Plan.

Funding sources for operating costs

8. 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.
9. The Council must consider the funding for each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges such as swimming pool entry

fees, others with Targeted Rates such as the Hamilton Gardens Rate and others from a General Rate such as road maintenance. Distinct funding enables ratepayers or payers of user charges to assess more readily whether the cost of the service provided to them either directly or indirectly represents good value. They can also more easily determine how much money is being raised for the service and spent on the service, which promotes transparency and accountability.

10. The funding sources for operating costs include:
 - a. User charges.
 - b. Grants, sponsorship, subsidies and other income.
 - c. Investment income.
 - d. Development Contributions.
 - e. Reserve funds.
 - f. Rates:
 - General Rate
 - Targeted Rates

11. Each funding source and how the Council prefers to use that funding source for operating expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

Table 1: Consideration of legal requirements for operating expenses

Headings-s.101(a) reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	The Council determines which of its community outcomes an activity contributes to. Council has not established a strong link between community outcomes and funding requirements for an activity.
Distribution of benefits - s.101(3)(a)(ii)	The distribution of benefits is given consideration by the Council having regard to the small geographic area of the City and the Council's preference for a simple rating system. The Council has considered how the benefit of activity applies to households, businesses and the community as a whole.
Period of benefit- s.101(3)(a)(iii)	For most operational expenses, the benefit is received in the year the expense is incurred. For most activities, the Council cash funds depreciation (a non-cash operating expense) from revenue sources and this, along with other surplus cash flow will be used to fund capital costs for either asset renewal or debt repayments. Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period.
Who creates the need- s.101(3)(a)(iv)	Some activities the Council must do because the actions or inactions of individuals or groups create the need to undertake the activity. Council may choose to target these people or organisations through, charges or rates.
Separate funding- s.101(3)(a)(v)	Council must consider the practicalities of separate funding

along with transparency and accountability.

In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.

With regard to the rates contribution, the Council is of the view that separate rating mechanisms for separate activities is not feasible, and would in any event make a complex rating system which is expensive to maintain and becomes confusing to interpret. In the Council's opinion, this does not contribute to improved transparency and accountability.

Analysis for operating costs by activity

12. Schedule 1 analyses each activity against the requirements of section 101(3)(a).

Funding sources for capital costs

13. 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:
 - a. User charges.
 - b. Grants, sponsorship, subsidies and other income.
 - c. Investment income.
 - d. Financial contributions.
 - e. Development contributions.
 - f. Proceeds from the sale of assets ¹.
 - g. Reserve funds.
 - h. Borrowing.
 - i. Rates
 - General Rate
 - Targeted Rates
14. Each funding source and how the Council prefers to use that funding source for capital expenditure is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

Analysis for capital costs by activity

15. The Council does not fund its capital costs on an activity-by-activity basis.
16. 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.

¹ The Investment and Liability Management Policy states: “

Proceeds from the sale of assets or investments will in the first instance be used to repay outstanding borrowings unless otherwise specifically authorised by Council. The exception to this is in relation to the sale of endowment properties where any surplus cash is held in the Municipal Endowment Fund to be used to reinvest on behalf of the fund. If assets are subject to legislative restrictions, the proceeds are used in accordance with the provisions of the appropriate legislation.”

17. Consequently, despite the potential availability of the funding sources in paragraph 13, this process results in the following funding available for 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.
18. The following guidelines are used 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. A small number of cash funded reserves are available for capital costs projects.
 - d. Targeted rate options may be considered.
 - e. Projects that have exhausted previous funding sources are funded from the surplus cash available from general rates and debt.
19. A single project may have a mix of each of these funding options.
20. Whenever the Council resolves to consider a separate funding policy, it will consider the sources of funds above, the Revenue and Financing Policy and section 101(3) to determine the appropriate funding sources 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. In making its decision it shall have regard to the matters in Table 2.

Table 2: Consideration of legal requirements for capital expenses

Headings-s.101(a) reference	Matters Council might consider
Community outcomes s.101(3)(a)(i)	- A capital project is expected to contribute to the community outcomes in the same way as the activity from which its consequential operating costs are funded, unless the Council resolves otherwise.
Distribution of benefits s.101(3)(a)(ii)	- The distribution of benefits is expected to be the same as that for the operating costs of the activity from which it is funded, unless the Council resolves otherwise. The Council may target those people or organisations who primarily benefit through financial and development contributions, lump sum options or Targeted Rates.
Period of benefit- s.101(3)(a)(iii)	For most capital projects, the benefit is received over the life or the capacity life of the asset. The Council will have regard to the equitable distribution of costs to each generation for the building and renewal of the asset.
Who creates the need- s.101(3)(a)(iv)	Some capital costs the Council spends because of the actions or inactions of individuals or groups create the need to undertake the activity. The Council may choose to target these people or organisations through financial and development contributions or Targeted Rates.
Separate funding- s.101(3)(a)(v)	The Council must consider the practicalities of separate funding along with transparency and accountability. In some cases, while it may be desirable to charge individuals, there may be no practical way of doing so.

- Note that for growth-related network infrastructure a separate s.101(3) analysis is required in the Financial and Development Contributions Policy, as required by s106.

Funding bands

- After considering the section 101(3)(a) components, the Council considers to what extent each of the funding sources is able to fund each activity. This policy is intended to be in place for the next three years before it is reviewed and because things change over time, it is not possible to precisely determine the percentage allocated. For this reason, the Council has decided to band the percentages into the categories listed in Table 3.
- The assessment in Schedule 1 identifies the most likely sources of funding an activity is budgeted to receive. In all cases, rates fund the balance of the activity after all other sources have been maximised. It is likely that from time to time the Council will be able to secure additional funding that may be become available.
- 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 3: Funding bands

Name	Percentage range
None	0%
Minimal	0% - 20%
Low	20% - 40%
Moderate	40% - 60%
High	60% - 80%
Most	80%-100%
All	100%

Funding sources and rationale

25. This column of Schedule 1 identifies which of the funding sources the Council plans to use in budgeting to fund the operating costs of each activity. It is determined by Council after consideration of each clause of section 101(3)(a).
26. The assessment of the funding sources is a complex matter of weighing up the requirements of section 101(3)(a) with the available sources and the Council's preferences for using these sources. The Council has documented its rationale for choosing each the funding source in this Funding Needs Analysis and the Revenue and Financing Policy.
27. The funding source for an activity may be modified by the Council when it considers the requirements of section 101(3)(b). If this has occurred it is considered as part of the overall funding considerations set out in the Revenue and Financing Policy.

Schedule One: Activity Funding Needs Analysis 101(3)(a) – operating costs

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Water Supply							
Water Treatment and Storage	A city that embraces growth	<p>The primary benefit for having a safe and adequate volume of water is to households and business.</p> <p>The Council considers that each household receives a similar benefit from a safe and adequate storage of water.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Very limited impact of the actions or in actions of others.	Council considers that there is little benefit of separate funding.	<p>MODERATE General Rates Targeted Rates</p> <p>MINIMAL Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>General and Targeted Rates are the appropriate funding source for households as they are easy to administer and</p> <p>from the quality and quantity of</p>
Water Distribution	A city that embraces growth	<p>The primary benefit for having an outstanding water distribution network and water demand management is to households and business.</p> <p>The Council considers that each household receives a similar benefit from a safe, reliable and adequate storage of water.</p> <p>1700 properties outside the district are supplied with water.</p> <p>Business and non-developed and out of district water users have variable benefit from different water consumption from connection to connection.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Very limited impact of the actions or actions of others.	The Council considers that there is little benefit of separate funding.	<p>HIGH Targeted Rates</p> <p>LOW General Rates</p> <p>MINIMAL Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>General and Targeted Rates are the appropriate funding source for households as they are easy to administer and users receive the same benefit from the supply of water including the benefits of</p> <p>Metered Water Rates (Targeted Rates) are appropriate for funding business and rural consumers.</p> <p>Where bulk water or out of district water is supplied it is charged on a</p>

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Wastewater							
Wastewater Collection	A city that embraces growth	<p>The collection of sewage is primarily a benefit to households and business that are connected to the schemes by removing the waste from properties.</p> <p>The Council considers that each household and business receives a similar benefit from the removal of sewage.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Very limited impact of the actions or actions of others.	Council considers that there is little benefit of separate funding.	<p>LOW</p> <p>General Rates Targeted Rates</p> <p>MINIMAL</p> <p>User Charges Borrowing</p> <p>UNLIKELY</p> <p>All other funding sources</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the sewerage system.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they</p> <p>sewage collection.</p>
Wastewater Treatment and Disposal	A city that embraces growth	<p>The treatment and disposal of sewage are primarily a benefit to the whole community, by removing the health risks.</p> <p>The protection of the environment is a benefit to the serviced communities.</p> <p>The Council considers that each household and business receives a similar benefit from the treatment and disposal of sewage.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	Some businesses have an adverse impact greater than most users due to the volume or nature of the waste produced.	The Council considers that there is little benefit of separate funding.	<p>MODERATE</p> <p>General Rates Targeted Rates</p> <p>MINIMAL</p> <p>User Charges Borrowing</p> <p>UNLIKELY</p> <p>All other funding sources</p>	<p>In most cases it is not practicable to measure the quantity of individual's contribution to the sewerage system.</p> <p>There are some businesses that produce abnormal sewage where direct charging is appropriate. This is required by the Trade Waste Bylaw 2016 in addition to the General or Targeted Rate. Their share of costs is recovered by way of trade waste</p> <p>The community benefits from the safety and environmental effects of sewage treatment and disposal.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they receive the same benefit from wastewater collection.</p>

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Stormwater							
Stormwater Network	A city that embraces growth	<p>Stormwater collection benefits households and business by minimising and removing stormwater from properties. This benefit extends to the wider community in public spaces.</p> <p>Stormwater treatment provides a community benefit particularly in improving river health.</p> <p>Council considers that each household and business receives approximately the same benefit from the stormwater network.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact	The Council considers that there is little benefit of separate funding.	<p>MODERATE General rates.</p> <p>LOW Targeted rates.</p> <p>MINIMAL User Charges Borrowing</p> <p>UNLIKELY sources.</p>	<p>There is no practical way to charge individuals or groups for any direct benefit.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are the same benefit from the</p>
Transport							
Transport Network	A city that embraces growth	<p>The transport network serves the whole city and everyone benefits directly in their personal use and indirectly through the supply of goods and services to businesses.</p> <p>The Council considers that each household and business receives approximately the same benefit from the transport network.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	<p>There is an impact of the actions or inactions of others.</p> <p>Costs are driven by traffic volumes and size. Large vehicles, wear roads out more quickly than motorcars.</p>	The Council considers that there is little benefit of separate funding.	<p>LOW General Rates Targeted Rates</p> <p>MINIMAL Subsidy & other Targeted Rate User Charges Investment income Borrowing</p> <p>UNLIKELY All other funding sources.</p>	<p>While individuals benefit by using the transport network there is no practical means available to charge for this. Subsidies sourced from the New Zealand Transport Agency (NZTA) are funded from licensing revenue that represents some</p> <p>Road User Charges, which are based</p> <p>Council receives a minimal amount of regional petrol tax.</p> <p>The subsidy revenue from the NZTA is available to fund both operating and capital costs.</p> <p>A targeted rate applied to businesses within the CBD funds a share of the operating costs of the Access Hamilton Strategy.</p>

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Parking Management	A city that embraces growth	<p>Parking provides a direct benefit to users. Having parking available in business areas provides an indirect benefit to businesses.</p> <p>The Council considers that users receive the primary benefit of parking management.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	<p>There is an impact of the actions or inactions of others.</p> <p>Demand is driven by volumes and time parked.</p>	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	<p>HIGH User Charges</p> <p>MINIMAL General Rates Targeted Rates Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>Balancing user charges, demand management and the impact of businesses is challenging and requires</p> <p>There are well established user charges methodologies for city parking that assist in demand management.</p> <p>Fines revenue is included in user charges and results in this activity operating at a surplus.</p>
Rubbish and Recycling							
Refuse Collection	A city that embraces growth	<p>Removal of refuse provides a benefit to households.</p> <p>Introducing new options for refuse collection enable better environmental management of waste and contribute to waste minimisation goals.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	<p>Some households create more waste than others. This is managed by rules on volumes of waste.</p> <p>Refuse varies across business. This is managed by the Council not providing service and leaving pricing to market forces.</p>	The Council considers that there is little benefit of separate funding.	<p>MODERATE General Rates</p> <p>LOW Targeted Rates</p> <p>MINIMAL User Charges Investment Income Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>General and Targeted Rates are the appropriate funding source for households as</p> <p>users receive a similar benefit from refuse collection.</p>
Waste Minimisation	A city that embraces growth	The whole community benefits from action in this area to minimise the negative impacts of waste.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact.	The Council considers that there is little benefit of separate funding.	<p>MOST Grants, Subsidy & other.</p> <p>MINIMAL General Rates Targeted Rates Borrowing</p> <p>UNLIKELY All other funding sources</p>	General and Targeted Rates are the appropriate funding source for households as they are easy to administer and users receive a similar benefit.

Landfill Site Management	A city that embraces growth	The whole community benefits from the responsible management and monitoring of closed landfills	The benefit of most operating costs is expected to arise in the year the funding is	The actions of individuals or groups have a minor impact	The Council considers that there is little benefit of separate funding.	MODERATE General Rates Targeted Rates UNLIKELY All other funding sources	General and Targeted Rates are the appropriate funding source for households as they are easy to administer and users receive a similar benefit.
Venues, Tourism and Major Events							
Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Claudelands	A great river city	<p>Claudelands provides venues for events that are attended by large numbers of people including high performance sport, conferences, functions, concerts and shows.</p> <p>The community is enriched by the range of events and activities at the venue.</p> <p>Events provide direct and indirect benefits to businesses.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	<p>The actions of most individuals or groups have some impact on this activity.</p> <p>Each sport has their own specifications and requirements for stadia.</p>	Identifying separate user pays funding assists in the accountability and transparency of the Council's expenditure on this activity.	<p>LOW General Rates Targeted Rates User Charges</p> <p>MINIMAL Investment Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>User Charges are made for hirage,</p> <p>User Charges do not fully recover the cost of the private benefit and rates funding is required ensure cost-effective access to this service can be provided.</p> <p>General and Targeted rates are the households and business as they are the benefit from Claudelands.</p>
FMG Stadium Waikato	A great river city	<p>FMG Stadium Waikato provides a venue for high performance sport and events attended by large numbers of people. The benefit to households of being able to attend live high-performance sport is reflected in the importance of sport to our cultural and social wellbeing.</p> <p>Sporting events provide direct and indirect benefits to businesses.</p> <p>The community is enriched by national and regional events.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	<p>The actions of most individuals or groups have some impact on this activity.</p> <p>Each sport has their own specifications and requirements.</p>	Identifying separate user pays funding assists in the accountability and transparency of the Council's expenditure on this activity.	<p>LOW General Rates Targeted Rates User Charges</p> <p>MINIMAL Investment Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>User Charges are made for</p> <p>User Charges do not fully recover the cost of the private benefit and rates funding is required ensure cost-effective access to this service can be provided.</p> <p>General and Targeted Rates are the households and business as they are easy to administer and it recognises the benefit from the stadium.</p>

Seddon Park	A great river city	<p>Seddon Park provides a venue for high performance sport (primarily cricket) and events attended by large numbers of people. The benefit to households of being able to attend live high-performance sport is reflected in the importance of sport to our cultural and social wellbeing.</p> <p>Sporting events provide direct and indirect benefits to businesses.</p> <p>The community is enriched by national and regional events.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p> <p>Each sport has their own specifications and requirements.</p>	<p>Identifying separate user pays funding assists in the accountability and transparency of the Council's expenditure on this activity.</p>	<p>MODERATE General Rates</p> <p>LOW Targeted Rates User Charges</p> <p>MINIMAL Investment Income Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>User Charges are made for admission, events and retail sales.</p> <p>User Charges do not fully recover the cost of the private benefit and rates funding is required ensure cost-effective access to this service can be provided.</p> <p>General Rates and Targeted are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the stadium.</p>
i-SITE	A great river city	<p>I-site provides services to visitors and promotes Hamilton.</p> <p>General promotion provides benefits to all businesses while referrals and bookings provide direct benefits to business.</p> <p>The I-site is part of a national network providing a benefit to households and businesses when planning travel.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have minor impact on this activity.</p>	<p>Identifying separate user pays funding assists in the accountability and transparency of the Council's expenditure on this activity.</p>	<p>MODERATE General Rates</p> <p>LOW Targeted Rates</p> <p>MINIMAL User Charges Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>User Charges are made for commissions, events and retail sales.</p> <p>User Charges do not fully recover the cost of the private benefit and rates funding is required ensure cost-effective access to this service can be provided.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the activity.</p>

Tourism and Events Funding	A great river city	<p>Tourism and Events Funding promotes Hamilton as a tourism destination including supporting events which attract visitors.</p> <p>General promotion provides benefits to all businesses while referrals and bookings provide direct benefits to business.</p> <p>The community is enriched by national and regional events</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have minor impact on this activity.	The Council considers that there is little benefit of separate funding.	<p>MODERATE Targeted Rates</p> <p>LOW General Rates</p> <p>MINIMAL</p> <p>UNLIKELY</p> <p>sources</p>	General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the activity.
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Visitor Attractions

Hamilton Gardens	A great river city	<p>The gardens are for the recreational enjoyment of the amenity by visitors. They are the region’s largest visitor attraction.</p> <p>The households benefit for the recreation and amenity of the gardens.</p> <p>Business benefits from the visitor activity created by the attraction.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups have some impact.	The Council considers that visitors are getting considerable benefit from the visitor attractions.	<p>MODERATE Targeted Rates</p> <p>LOW General Rates</p> <p>MINIMAL User Charges Borrowing</p> <p>UNLIKEY All other funding sources</p>	<p>A small amount of user charges is achievable for private use of the facility such as weddings, festivals and retail sales.</p> <p>Koha for access to the themed gardens are appropriate for non-resident visitors. It is not practical to charge casual users.</p> <p>It is budgeted that all costs associated with the Gardens development meet from the Gardens targeted rate will be for both operating and capital costs.</p>
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Waikato Museum	A great river city	<p>The museum provides for exhibitions and use of the archives by visitors to the museum.</p> <p>Businesses benefit from this visitor attraction.</p> <p>The community benefits from a collective sense of history due to preservation of collections of regional significance and the contribution of the museum to the regional visitor and tourism economy.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate user pays funding assists in the accountability and transparency of the Council's expenditure on this activity.</p>	<p>LOW General Rates Targeted Rates</p> <p>MINIMAL User Charges Grants & subsidies Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>User Charges set at an appropriate level to promote and provide access to a range of experiences which celebrate the arts and history of the region.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the activity.</p>
Hamilton Zoo	A great river city	<p>The primary benefit of the Hamilton Zoo is to users. An indirect benefit to business occurs as the zoo attracts regional tourism.</p> <p>Zoological activities assist the international protection species.</p> <p>Regional visitor uses the facilities providing indirect benefits to business.</p> <p>The Council considers that households receive a similar</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate user pays funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>LOW General Rates Targeted Rates User Charges</p> <p>MINIMAL Grants & subsidies Investment Income Borrowing</p> <p>UNLIKELY All other funding sources.</p>	<p>User Charges are made for admission, events and retail sales.</p> <p>User Charges do not fully recover the private benefit and rates funding is required ensure the viability of the facilities.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit of the Hamilton Zoo.</p>

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Parks and Recreation							
Community Parks	A great river city	<p>Community parks create amenity with green spaces and playgrounds throughout the city.</p> <p>The whole community benefits from this activity.</p> <p>There are some tenancies on community parks.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	The Council considers that there is little benefit of separate funding for community parks.	<p>MODERATE General Rates</p> <p>LOW Targeted Rates</p> <p>MINIMAL Investment income Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>There is no practical way to collect revenues from private benefit of using these parks.</p> <p>Tenancies which meet the Community and tenancies outside this policy would be charged for their private benefit.</p> <p>General and Targeted Rates are the households and business as they are the benefit from community parks.</p>
Natural Areas	A great river city	<p>Natural areas include gullies and native plantings create amenity with green spaces.</p> <p>The whole community benefits from this activity.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	The Council considers that there is little benefit of separate funding for natural areas.	<p>MODERATE General Rates</p> <p>LOW Targeted Rates</p> <p>MINIMAL Grants & subsidies Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>Some external funding is available for improving these areas.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from for natural areas.</p>
Streetscapes	A great river city	<p>Streetscapes create amenity with green spaces.</p> <p>The whole community benefits from this activity.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	The Council considers that there is little benefit of separate funding for streetscapes.	<p>MODERATE General Rates Targeted Rates</p> <p>MINIMAL Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from streetscapes.</p>

Sports Parks	A great river city	<p>Sports parks provide active recreation for training and competition for all levels of sport.</p> <p>Users benefit directly from having the facilities available.</p> <p>The whole community benefits from the amenity values, the health and wellbeing benefits. The community is enriched by the sports performance and events.</p> <p>Business benefits indirectly from the events.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of the Council's expenditure on this activity.</p>	<p>MODERATE General Rates LOW Targeted Rates MINIMAL User Charges Investment income Borrowing UNLIKELY All other funding sources</p>	<p>User Charges set at an appropriate level to promote and provide the sustainable use of these facilities.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from sports parks.</p>
Cemeteries & Crematorium	A great river city	<p>The provision of burial facilities and services is for individuals.</p> <p>The city in turn has available green space, protecting public health by ensuring the safe disposal of human remains, and in maintaining cemeteries and cemetery records for future generations to locate their ancestors' burial plots/sites.</p> <p>The crematorium is a regional facility and benefits those who choose cremation.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of some individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of the Council's expenditure on this activity.</p>	<p>MOST User charges MINIMAL General Rates Targeted Rates Reserve funds Investment Income Borrowing UNLIKELY All other funding sources.</p>	<p>Individuals pay user charges for the initial acquisition and use of a burial site (burial fees and plot charges) or the crematorium.</p> <p>The Cemetery Plot Maintenance in Perpetuity Reserve Fund contributes to maintenance costs.</p>

<p>Pools</p>	<p>A great river city</p>	<p>The primary benefits from the leisure facilities are to the users of the pools for recreation, social, sporting, educational, and water safety purposes.</p> <p>Regional visitors use the facilities providing indirect benefits to business.</p> <p>The Council considers that households receive a similar benefit from the availability of leisure facilities.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p> <p>There is a correlation between the numbers of people using the pool and operating costs.</p>	<p>Identifying separate user pays funding assists in the accountability and transparency of the Council's expenditure on this activity.</p>	<p>LOW General Rates Targeted Rates User Charges</p> <p>MINIMAL Investment Income Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>The Active Hamilton Strategy encourages participation. Appropriate pricing of access contributes to this.</p> <p>User Charges are made for casual recreation, programmes, swim school, and retail sales.</p> <p>User Charges do not fully recover the private benefit and rates funding is required to ensure the viability of the facilities.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from pool facilities.</p>
<p>Indoor Recreation</p>	<p>A great river city</p>	<p>The primary benefits from the indoor recreation are to users of the Te Rapa Sportsdrome for recreation, social, sporting, and educational purposes.</p> <p>Regional visitor uses the facilities providing indirect benefits to business.</p> <p>The Council considers that households receive a similar benefit from indoor recreation facilities.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p> <p>There is a correlation between the numbers of people using the facilities and operating costs.</p>	<p>Identifying separate users pays funding assists in the accountability and transparency of the Council's expenditure on this activity.</p>	<p>MODERATE General Rates</p> <p>LOW Targeted Rates</p> <p>MINIMAL Investment Income Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>The Active Hamilton Strategy encourages participation. Appropriate pricing of access contributes to this.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from indoor recreation facilities.</p>

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Arts and Community							
Community Development	A great river city	The community development activity supports resilient and readiness of communities. All members of the community benefit from these activities.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	The Council considers that there is little benefit of separate funding for community development.	MODERATE General Rates LOW Targeted Rates MINIMAL Investment income Borrowing UNLIKELY All other funding sources	This activity includes grants This shows as an income and expense. General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from
Libraries	A great river city	<p>The primary benefits from libraries are to those that borrow and use library material and resources.</p> <p>Waikato ratepayers get the benefit of free access, which is funded from the Waikato District Council.</p> <p>The libraries attract visitors which benefit local businesses.</p> <p>The community is enriched by the preservation of collections of regional significance and the contribution of the library to a well-informed and literate community.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate user pays funding assists in the accountability and transparency of the Council's expenditure on this activity.	MODERATE General Rates LOW Targeted Rates MINIMAL User Charges Grants & subsidies Borrowing UNLIKELY All other funding sources	<p>Some private good component of user charges, and fines.</p> <p>High levels of user charging results in a considerable drop-off in usage and has proven to not be cost-effective. User recovery is also constrained by s.142 of the Local Government Act 2002.</p> <p>Waikato residence use is paid for by agreement with the Waikato District</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the libraries.</p>

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Theatre	A great river city	<p>The Theatre activity provides funding to other parties to provide events and performing arts venues that assist in celebrating</p> <p>Founders Theatre is closed for the foreseeable future.</p> <p>Primary benefits are to the events and performances..</p> <p>Businesses benefit indirectly from these events.</p>	The benefit of most operating costs is expected to arise in the year the funding is	The actions of most individuals or groups have a minor impact on this activity.	There is no practical means for the Council to charge individuals or groups.	<p>LOW General Rates Targeted Rates</p> <p>Borrowing</p> <p>All other funding</p>	General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from the theatres.
Arts Promoti on		The community is enriched by art, events and performances.	The benefit of most operating costs is expected to arise in the year the funding is	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate user pays funding assists in the accountability and	<p>LOW General Rates Targeted Rates</p> <p>UNLIKELY All other funding sources</p>	General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
Safety							
Animal Education and Control	A great river city	<p>Dog registration is a service that benefits dog owners by allowing legal ownership of dogs and enabling lost / impounded dogs to be traced to their owners.</p> <p>Dog ranging, pound keeping and response to animal complaints are activities that protect the public from the negative effects of the actions or inactions of dog owners.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	<p>The actions or inactions of animal owners create costs for this activity and negatively impact on the community.</p> <p>The negative impacts affect the whole community.</p>	Identifying separate funding assists in the accountability and transparency of the Council's expenditure on this activity.	<p>LOW User charges</p> <p>MINIMAL General Rates Targeted Rates Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>User Charges recognise that the benefits of registration activities are to dog owners and the costs of dogs and wandering stock are animal owners.</p> <p>General and Targeted Rates are the easy to administer and it recognises the benefit from animal control.</p>
Environmental Health	A great river city	<p>The benefits of inspection and licensing of premises (including food premises, camping grounds, hairdressers, offensive trades and funeral directors) accrue mostly to the business owner.</p> <p>The protection of public health by ensuring standards are met is a benefit to the community.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	<p>The actions of individuals or groups have some impact.</p> <p>The actions or inactions of organisations monitored by this activity have the greatest impact on the activity.</p>	Identifying separate funding assists in the accountability and transparency of the Council's expenditure on this activity.	<p>LOW General Rates Targeted Rates User Charges</p> <p>MINIMAL Borrowing</p> <p>UNLIKELY All other funding sources</p>	<p>User Charges recognise the benefits to people who apply for licences.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from a safer community.</p>
Alcohol Licensing	A great river city	<p>The benefits of inspection and licensing of premises trading with alcohol accrue partly to the business owner.</p> <p>The protection of public health ensuring standards are met is a benefit to the community.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	<p>The actions of individuals or groups have some impact.</p> <p>The actions or inactions of organisations monitored by this activity have the greatest impact on the activity.</p>	Identifying separate funding assists in the accountability and transparency of the Council's expenditure on this activity.	<p>ALL User Charges</p> <p>UNLIKELY All other funding sources</p>	<p>User Charges recognise the benefits to people who apply for licences. Charges are restricted by regulation.</p> <p>General and Targeted Rates are the appropriate funding source for easy to administer and it recognises the benefit from a safer community.</p>

Public Safety	A great river city	The protection of public health by ensuring standards are met is a benefit both households and business creating a better environment for the community.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups are primarily the reason for this activity.	There is no practical way to charge the individuals and groups creating the need for this activity.	MODERATE General Rates LOW Targeted Rates MINIMAL User charges Borrowing UNLIKELY All other funding sources	General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from a safer community.
Civil Defence	A great river city	Civil defence activities are provided for the benefit of the whole community.	The benefit of operating costs is in having plans in the event of an emergency at some time in the future. The annual operating costs ensure there are up to date plans and staff and volunteers are trained. These costs are incurred in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	The Council considers that there is little benefit of separate funding for emergency management.	MODERATE General Rates Targeted Rates MINIMAL Borrowing UNLIKELY All other funding sources	In the event of activation the Council may be entitled to subsidies for some Civil Defence costs such as welfare. Council does not budget for this income or the expense. The planning for an emergency benefits the whole community and is fully rate-funded.

Activity	Community outcomes	Distribution of benefits	Period of benefit	Whose act creates a need	Separate funding	Funding source and bands	Rationale
City Planning & Development							
City Planning	A city that embraces growth	<p>City Planning provides professional resource management advice and leadership to Council, the community and the development industry; to facilitate the planned and sustainable growth of Hamilton City.</p> <p>from this activity.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Individuals or groups can undertake private plan changes for their benefit, where separate funding would be appropriate.	<p>MODERATE General Rates</p> <p>LOW Targeted rate</p> <p>MINIMAL General Rates</p> <p>UNLIKELY All other funding sources</p>	General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from City Planning.
Planning Guidance	A city that embraces growth	<p>Individuals that apply for consents and use the other services in this area are the predominant</p> <p>Through their actions they directly drive the majority of the costs.</p> <p>These activities also provide benefit to persons other than the</p> <p>occupiers of the land (a property-based benefit).</p> <p>The whole community benefits as this activity aims to protect Hamilton's unique environment and residents' quality of life as the city grows and develops.</p>	The benefit of operating costs is expected to arise in the year the	The actions of individuals and groups drive the	<p>Identifying separate funding assists in the accountability and</p> <p>Council's expenditure on this activity.</p>	<p>HIGH User Charges</p> <p>General Rates Targeted Rates Borrowing</p> <p>UNLIKELY</p>	<p>A User Charge recognises the benefits to people who apply for resource consents.</p> <p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises</p>
Building Control		Individuals that apply for consents and use the other	The benefit of operating costs is	The actions of most individuals or groups	Identifying separate funding assists in the	ALL User Charges	User Charges are favoured for those that apply for building

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	A city that embraces growth	<p>services in this area directly drive the majority of the costs.</p> <p>Building control activities also entering a building and future owners and occupiers of the building with the benefits arising from compliance with standards at the time of construction.</p> <p>Information is supplied to the public through inquiries.</p> <p>The whole community benefits as this activity aims to protect Hamilton's unique environment and residents' quality of life as the city grows and develops.</p>	expected to arise in the year the funding is sourced.	have a minor impact on this activity.	accountability and transparency of Council's expenditure	<p>UNLIKELY</p> <p>All other funding</p>	<p>consents, code compliance certificates, PIMs or LIMs.</p> <p>Some other income is collected in</p>
Democracy Services							
Governance & Public Affairs	A Council that is best in business	The whole community benefits from this activity.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups drive the costs in this activity.	The Council considers that there is little benefit of separate funding for this activity.	<p>MODERATE</p> <p>General Rates</p> <p>LOW</p> <p>Targeted Rates</p> <p>MINIMAL</p> <p>User Charges</p> <p>Borrowing</p> <p>UNLIKELY</p> <p>All other funding sources</p>	<p>General and Targeted Rates are the appropriate funding source for households and business as they are easy to administer and it recognises the benefit from this activity.</p> <p>A small amount of income is received every three years for providing election services to other</p>

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Partnership with Maaori	A Council that is best in business	The whole community benefits from this activity.	The benefit of operating costs is expected to arise in the year the funding is source.	The actions of individuals and groups drive the costs in this activity.	Council considers that there is little benefit of separate funding for the activity.	LOW General Rates MINIMAL Targeted Rates UNLIKELY All other funding sources	General and Targeted Rates are the appropriate funding source for households and business as they are the benefit from the activity.

