

# Revenue and Finance

## Introduction

Council is required to adopt a Revenue and Financing Policy using the special consultative procedure outlined in the Local Government Act 2002 [LGA 2002]. This is Council's Revenue and Financing Policy. It is an important policy, as it determines who pays for Council's activities and how these activities will be funded.

This policy is set out under the following major headings:

- Policy statement
- Analysis
- Overall funding considerations.

In this section of the document we use the words 'public' or 'private' to reflect who benefits from the services Council provides. When the word 'public' is used it means that the community at large will receive benefits and generally it is more efficient to charge for these through a rate. When the word 'private' is used, it means that either an individual or an identifiable group of individuals will receive benefits and generally this group can be charged either directly through user charges because it is efficient to do so or by using a targeted rate.

This split is shown in a table at the end of each section.

## Policy Statement

### Operating Expenditure

Council funds operating expenditure from the following sources:

- general rates
- targeted rates
- fees and charges
- interest and dividends from investments
- grants and subsidies
- other operating revenue

Council may choose to not fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. It will only budget for such an operating surplus if necessary to fund an operating deficit in the immediately preceding or following years, or to repay debt. When ascertaining whether it is prudent to budget for an operating surplus for debt repayment Council will have regard to forecast future debt levels.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges.

Following the above requirements, Council has determined that it will seek to fund its operating expenditure as follows:

- General rates set on a differential basis with multi-residential, industrial/commercial and accommodation rating units paying a differential of two times
- Targeted Uniform General Rate
- Targeted Rate – Waste water: -Sewer Disposal
- Targeted Rate – Waste water: - Sewer Loan Servicing
- Targeted Rate – Water Supply
- Targeted Rate – Water Supply Loan Servicing
- Targeted Rate – Metered Water Supply
- Targeted Rate – District Refuse Disposal Charge
- Targeted Rate – Marketing Development Rate
- Targeted Rate – Main Street Development – Project Pounamu
- Targeted Rate – Turangi Central Business District (CBD) Security Rate
- Targeted Rate – Whakamaru Fire Protection Rate
- Targeted Rate – Whareroa Refuse Rate
- Fees and Charges (e.g. Pensioner Housing, Regulatory Services)
- Investment Income
- Operating Subsidies
- Other Sources – (e.g. grants, sales)

The LGA 2002 also requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the LTCCP. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

## Capital Expenditure

Council funds capital expenditure from:

- Subsidies
- Borrowing
- Development and financial contributions
- Operating surpluses
- Sale of assets
- Depreciation reserves
- Other financial reserves

When funded by debt, Council spreads the repayment of that borrowing over several years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Treasury Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical. Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves, including reserves comprising Financial Contributions under the Resource Management Act 1991 and Development Contributions under the LGA 2002
- Contributions toward capital expenditure from other parties such as Transfund (in relation to certain roading projects)
- Revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Operating surpluses.

The Forecast Financial Statements included in the LTCCP contain a Prospective Statement of Borrowings. This Statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

## Funding of Debt Servicing Costs Associated with Growth Related Infrastructure

Where growth related infrastructure is funded by development contributions, debt servicing costs on that infrastructure may also be recovered through development contributions. This conclusion is drawn for the following reasons:

- Clause 1(a) of Schedule 13 of the LGA allows "the total cost of the capital expenditure that a territorial authority expects to incur..." to be included in the calculation of development contributions. As opposed to the narrower wording of "capital expenditure", the "total cost of capital expenditure" is not just the value of the capital works alone but also the cost of funding these works which would include interest on debt in circumstances where these works are debt funded.
- There is no case law, either specific to development contributions or in a broader context that would suggest that debt servicing costs incurred after a development contribution funded asset becomes operational should not be considered capital expenditure. Case law supports the proposition that interest on borrowings to fund infrastructure is of a capital nature.

Although debt servicing costs associated with growth-related infrastructure may be funded through development contributions, a decision on whether they should be funded through development contributions is subject to determination pursuant to the considerations set out in section 101(3) of the LGA. This exercise should be undertaken by all local authorities who wish to use development contributions to fund these debt servicing costs. In addition to this, a decision to fund debt servicing costs through development contributions needs to be consistent with, and provided for in, a local authority's Revenue & Financing Policy.

# Local Government Act Requirements

The first step of the process followed by Council when developing the Revenue and Financing Policy has been to analyse each of its activities based on the requirements of section 101(3)(a) of the Act.

## How to Read the Policy

### Community Outcomes [Section 101(3)(a)(i)]

Council has identified how it will respond to the community outcomes in the Activities Section of this Long Term Council Community Plan (see Volume 1).

### Distribution of Benefits [Section 101(3)(a)(ii)]

Identifying who benefits from an activity provided by Taupo District Council is important when considering who should pay for the service. Generally speaking, if only individuals receive the benefits of an activity (private benefits), some type of user-pays system should be considered. Alternatively, if the benefits of an activity are shared by the whole community or by a large group within the community (public benefits) then an appropriate funding option for that activity would be the general rate or a targeted rate respectively.

### Intergenerational Equity [Section 101(3)(a)(iii)]

In developing its Revenue and Financing Policy, Council must consider the period over which the benefits of an activity are expected to occur. The aim is to ensure that costs are shared fairly between today's beneficiaries and future beneficiaries. This is often referred to as intergenerational equity.

Taupo District Council has addressed the issue of intergenerational equity in the following ways:

- This policy shows the revenue sources that will cover the annual operational expenditure of each activity (including the current year's depreciation) as a proxy for the use of Council's assets. Annual costs are met through funding from the current customers and current ratepayers.
- The Treasury Management Policy addresses how the council funds its projected capital expenditure. Fully funding depreciation satisfies this requirement for renewal of existing assets. New assets are considered, together with possible funding sources and timing issues, on a case-by-case basis as part of the council's capital rationing process. Consideration of the need for new assets is further tested against asset management, sustainability and affordability principles.

### Contributors to Need for Activity [Section 101(3)(a)(iv)]

The polluter pays principal means that if a person creates a problem which generates costs for the council and the community, then that person should bear some or all of that cost. For instance, someone who parks his or her car illegally should pay a fine to cover the cost of parking enforcement. This is not always practical however, as identifying and charging the offender is not always possible. For example, people who create graffiti or dump rubbish illegally often go uncaught.

In choosing the appropriate funding mechanism for an activity, Council is mindful of how much the negative behaviour of some individuals contributes to the cost of that activity. Where possible, a contribution from those individuals or groups is sought.

### **Costs and Benefits of Funding the Activity Distinctively from Other Activities [Section 101(3)(a)(v)]**

Council must think about the costs and benefits of a particular funding mechanism over another. It would be theoretically possible to establish specific charges or rates for many services, but this is not the best approach if the cost of establishing and administering a charging system outweighs the benefits or the revenue gained. This has to be assessed on a case-by-case basis.

Alternative funding mechanisms in terms of transparency and accountability must be considered. For instance, a funding mechanism that is targeted at specific cost items is more transparent to users of the activity, whereas a general or aggregated funding approach is less transparent. However, if the more targeted charging approach excessively increases administrative costs, then an aggregated charging approach may be better.

### **Overall Impact of the Method of Funding [Section 101(3)(b)]**

In addition to all the issues explained above, the LGA 2002 requires Taupo District Council to consider the overall impact that any allocation of charges and costs may have on the current or future social, economic, environmental, and cultural well-being of the community. This is commonly called a quadruple-bottom-line analysis.

This analysis is taken into account when considering the funding tools for a particular activity, especially those with significant social or cultural elements (for example libraries or recreation facilities).

In addition, these issues are considered in funding policies, such as Council's financing strategy and rating policies. In these cases, the council must consider the overall impact of its funding decisions on both current and future ratepayers. Much of the debate about long-term funding and rating policies focuses on these issues, which are related to the issue of intergenerational equity as outlined above.

Table 1. Sources of Funding

CAPITAL SOURCES

REVENUE SOURCES

General Rate (LV)  
 General Rate (TUGR)  
 Targeted Rate (LV)  
 Targeted Rate (uniform charge per property)  
 Fees and Charges  
 Grant and Subsidies  
 Development or Financial Contributions  
 Grants and Subsidies  
 Reserves  
 Depreciation (funded from a rate)  
 Loans  
 Sale of Sections

Activities in LTCCP Volume 1

	General Rate (LV)	General Rate (TUGR)	Targeted Rate (LV)	Targeted Rate (uniform charge per property)	Fees and Charges	Grant and Subsidies	Development or Financial Contributions	Grants and Subsidies	Reserves	Depreciation (funded from a rate)	Loans	Sale of Sections
<b>Working Together</b>												
Community Engagement												
- Community Grants	•											
Leadership, Governance and Advocacy		•										
Planning for the Future	•											
<b>Growth and Development</b>												
Liveable Places												
- Environmental Planning	•											
- Development Planning	•											
Destination Marketing												
- Destination Marketing and Management	•		•		•							
- Visitor Centres		•			•				•		•	
- District Economic Development	•		•									
<b>Investments</b>												
- Urban Land Development												•
- Forestry									•			
- Commercial Property	•				•				•		•	

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General Rate (LV)  
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 Targeted Rate (LV)  
 Targeted Rate (uniform charge per property)  
 Fees and Charges  
 Grant and Subsidies  
 Development or Financial Contributions  
 Grants and Subsidies  
 Reserves  
 Depreciation (funded from a rate)  
 Loans  
 Sale of Sections

Activities in LTCCP Volume 1

Strong Safe and Healthy Communities										
Community Facilities										
- Housing for the Elderly	•			•		•				•
- Public Toilets				•		•				•
- Cemeteries				•		•				•
- Libraries				•		•				•
- Community Halls	•									•
Emergency Management										
- Civil Defence				•						
- Rural Fire	•					•				
Heritage and Public Art										
- Taupo Museum and Art Gallery	•									•
- Community Development and Arts	•							•		
Parks and Reserves										
- Parks and Reserves										•
- Street and Park Amenity										•

Table 1. Sources of Funding

CAPITAL SOURCES

REVENUE SOURCES

	General Rate (LV)	General Rate (TUGR)	Targeted Rate (LV)	Targeted Rate (uniform charge per property)	Fees and Charges	Grant and Subsidies	Development or Financial Contributions	Grants and Subsidies	Reserves	Depreciation (funded from a rate)	Loans	Sale of Sections
Regulatory Services												
- Animal Control		•			•							
- Building and Resource Consents	•				•							
- Inspection Services	•											
- Parking Control	•											
Transportation												
- Roading	•					•	•	•		•	•	•
- Project Pounamu (Mainstreet)			•								•	
Venues												
- Sports Grounds		•			•		•		•	•	•	
- Swimming Pools		•			•				•	•	•	
- Taupo Events Centre		•			•				•	•	•	
- Great Lake Centre		•			•				•	•	•	
Water Supply			•	•			•		•	•	•	
<b>Sustainable Environment</b>												
Lakes and Rivers												
- Lake and River Systems	•							•	•	•	•	•

Table 1. Sources of Funding

CAPITAL SOURCES

REVENUE SOURCES

Activities in LTCCP Volume 1

	General Rate (LV)	General Rate (TUGR)	Targeted Rate (LV)	Targeted Rate (uniform charge per property)	Fees and Charges	Grant and Subsidies	Development or Financial Contributions	Grants and Subsidies	Reserves	Depreciation (funded from a rate)	Loans	Sale of Sections
- Protecting Lake Taupo			•									
Solid Waste Management				•					•			
- Solid Waste Disposal				•	•				•			
- Solid Waste Collection					•							
- Litter Control		•										
Stormwater and Land Drainage	•						•		•	•	•	
Waste Water				•			•		•	•	•	

Table 2: Summary of Operating Activities and Revenue Funding Splits

Strategic Theme	Activity	Funding Split %		Funding Mechanism	
		Private (targeted)	Public (general)	Private	Public
Working Together	Community Grants	0	100		General rate (LV)
	Leadership, Governance and Advocacy	0	100		Targeted General Charge
	Planning for the future	0	100		General rate (LV)
Growth and Development	Liveable Places				
	Development Planning	0	100		General rate (LV)
	Environmental Planning	0	100		Targeted General Charge (TUGR)
	Economic Development				
	Destination Marketing	65	35	Targeted rate	General rate (LV)
	Visitor Centres	65	35	Fees and Charges	Targeted General Charge
	Economic Development	20	80	Targeted rate	General rate (LV)
	Investments				
	Urban Land Development	100	0	Proceeds from section sales	
	Community Venture Centre	67	33	Fees and Charges	
	Council Property	0	100		
	Property Residential/Commercial	100	0	Rent/Leases	
	Motor Camps	100	0	Leases	
Town Centre Management	100	0	Targeted rate		

Table 2: Summary of Operating Activities and Proposed Revenue Funding Splits

Strategic Theme	Activity	Funding Split %		Funding Mechanism	
		Private (targeted)	Public (general)	Private	Public
Strong Safe Communities	Community Facilities				
	- Housing for the Elderly	55	45	Fees and Charges	General rate (LV)
	- Superloo	50	50	Fees and Charges	Targeted General Charge (TUGR)
	- Public Toilets	0	100		Targeted General Charge (TUGR)
	- Cemeteries	90	10	Fees and Charges	Targeted General Charge (TUGR)
	- Community Halls	15	85	Fees and Charges	General rate (LV)
	- Libraries	5	95	Fees and Charges	Targeted General Charge (TUGR)
	Emergency Management				
	- Emergency Management	0	100		Targeted General Charge (TUGR)
	- Rural Fire	0	100		General rate (LV)
	Heritage and Public Art				
	- Community Development and Arts	0	100		General rate (LV)
	- Taupo Museum and Art Gallery	15	85	Fees and Charges	General rate (LV)
	Parks and reserves				
	- Parks and Reserves	10	90	Fees and Charges	Targeted General Charge (TUGR)
	- Street and Park Amenity	0	100		Targeted General Charge (TUGR)
	Regulatory Services				
	- Animal Control	50	50	Fees and Charges	Targeted General Charge (TUGR)
	- Building and Resource Consents	40	60	Fees and Charges	General rate (LV)
	- Inspection Services	90	10	Fees and Charges	General rate (LV)
- Parking Control	0	100		General rate (LV)	

Table 2: Summary of Operating Activities and Proposed Revenue Funding Splits

Strategic Theme	Activity	Funding Split %		Funding Mechanism	
		Private (targeted)	Public (general)	Private	Public
	Transport				
	- Roding and Traffic Services	0	100		
	- Project Pounamu (Mainstreet)	100	0	Targeted rate	
	Venues				
	- Sports Grounds	5	95	Fees and Charges	Targeted General Charge (TUGR)
	- AC Baths	70	30	Fees and Charges	Targeted General Charge (TUGR)
	- Turtle Pool	5	95	Fees and Charges	General rate (LV)
	Mangakino Pool	5	95	Fees and Charges	General rate (LV)
	- Taupo Events Centre	33	67	Fees and Charges	Targeted General Charge (TUGR)
	- Great Lake Centre	33	67	Fees and Charges	Targeted General Charge (TUGR)
	Water Supply	100	0	Targeted rate - water	
<b>Sustainable Environment</b>	Lakes and Rivers				
	Lakes and River Systems	0	100		General rate (LV)
	Protecting Lake Taupo	25	75	Targeted rates (LV)	Targeted Rate (UAC'S)
	Solid Waste Management				
	- Solid Waste Collection	100	0	Fees and Charges	
	- Solid Waste Disposal	100	0	Fees and Charges	
	- Litter Control	0	100	Targeted rate (DRDC)	Targeted General Charge
	Stormwater and Land Drainage	0	100		General rate (LV)
	Waste Water	100	0	Targeted rate	

# Analysis

## 1. Working Together

### Leadership, Governance and Advocacy and Planning for the future

Funding of capital expenditure (financing policy).

There are no capital expenditure requirements.

Funding of operational expenditure (revenue policy).

This is a public benefit service funded by all ratepayers through a targeted uniform general rate. Matters that must be considered under Local Government Act 2002.

Distribution of benefits	No single identifiable group. Council considers that all members of the community have access to elected members. There are no intergenerational equity considerations.
Contributors to need for activity	There are no particular groups or individuals who impact on the need to undertake this activity
Costs and benefits of funding tools	This activity is discrete from other activities because it is the basis of local government - the right to have appropriate representation and involvement in local or district wide decision making. The most efficient, transparent method for funding this activity is via a targeted uniform general rate.

### Conclusion

This activity is fundamental to the ability of the Council to assess needs in relation to economic, environmental, social and cultural factors. The elected members provide easy access to what the community wants and needs.

Similarly the function of creating and administering policy benefits every person per rating unit equally. Council considers that the community as a whole benefits from the democratic process and policy development.

Split	Public 100%	Private 0%
Funding Sources	General Rate (TUGR) <sup>1</sup>	

<sup>1</sup> Targeted Uniform General Rate

# Community Grants

Funding of capital expenditure (financing policy).

There is no capital expenditure planned for this activity.

Funding of operational expenditure (revenue policy).

The most efficient and transparent funding method is through general rates.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The beneficiaries from the activity are those that receive a grant. The success of this activity depends on how successfully the grants are used. There are no intergenerational equity considerations.
Contributors to need for activity	Council must evaluate a range of grant applications which promote a range of community needs.
Costs and benefits of funding tools	The most efficient and transparent funding method is through general rates. Council has the appropriate systems in place to assess and separately identify the cost.

## Conclusion

This activity impacts on economic, environmental, social and cultural considerations through the provision of grants for various community based social, cultural and recreational activities.

This is a social responsibility function of Council. Grants are provided to ensure that a wide range of third party benefits are reflected in the support that Council provides for various community-based social, cultural and recreational organisations.

Split	Public 100%	Private 0%
Funding Sources	General Rate (LV)	

# 2. Growth and Development

## Environmental Planning

Funding of capital expenditure (financing policy).

There are no capital expenditure requirements.

Funding of operational expenditure (revenue policy).

Operational expenditure is funded via a targeted uniform general rate.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	Environmental planning and policy benefits whole community – there is no single identifiable group. There are significant intergenerational equity considerations for this activity.
Contributors to need for activity	Both developers and land owners benefit from an appropriate set of rules for managing land use for new and existing communities.
Costs and benefits of funding tools	Council has the appropriate systems in place to separately identify the cost. The most efficient and transparent funding method is by way of a targeted uniform general rate.

### Conclusion

This activity is about managing land use whilst ensuring appropriate environmental protection is in place. The preparation of environmental planning and policy documents and tools can affect every property and benefit the district as a whole.

Ratepayers and residents have the opportunity to receive equal benefit from the service.

Split	Public 100%	Private 0%
Funding Sources	General Rate (TUGR)	

# Development Planning

Funding of capital expenditure (financing policy).

There is no planned capital development for this activity.

Funding of operational expenditure (revenue policy).

The most efficient and transparent funding method is by way of a general rate.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	No single identifiable group. Development benefits whole community. There are significant intergenerational equity considerations.
Contributors to need for activity	Development planning is about ensuring that there is appropriate community infrastructure for existing and new communities.
Costs and benefits of funding tools	Council has identified development planning as a discrete activity. Given that planning mainly benefits the community as a whole and is a public good in nature, the general rate is the most efficient form of funding.

## Conclusion

This activity is about managing growth whilst ensuring appropriate environmental and social protections are in place. The preparation of structure plans and other strategy documents can affect every property and benefit the district as a whole.

Ratepayers and residents have the opportunity to receive equal benefit from the service.

Split	Public 100%	Private 0%
Funding Sources	General Rate	

# Destination Marketing and Management and Events

Funding of capital expenditure (financing policy).

There are no capital expenditure requirements.

Funding of operational expenditure (revenue policy).

Funding of operational expenditure is via a targeted general rate with the public portion covered by general rate.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The benefits of district destination marketing accrue to individuals and the whole community. Benefits are generally immediate with no intergenerational component.
Contributors to need for activity	Groups which have a direct impact on the need to provide these type of facilities are generally tourists visiting the Taupo District and those industries directly economically benefiting from this activity.
Costs and benefits of funding tools	Council has established a structure which separately caters for the allocation of costs to this activity. The mechanism used to fund this activity are both efficient and transparent.

## Conclusion

The promotion of the district as a tourist destination is of benefit primarily to tourist operators, accommodation providers and retail businesses. The district as a whole benefits through increased choice (i.e. shops) and through employment.

As the tourism industry grows those businesses that service the industry also grow, spreading the economical benefits throughout the community. The proliferation of events that are facilitated through DLT also contributes to a vibrant, fun, community and healthy population.

When the MDR was first proposed the services contemplated were of a general marketing nature and catered for a small number of events. Now the work involved is more targeted toward the needs of businesses and as such the general ratepayer will benefit less from this activity.

Split	Public 35%	Private 65%
Funding Sources	General Rate (LV)	Targeted Rate (Marketing Development Rate)

# Visitor Centres

Funding of capital expenditure (financing policy).

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy).

Operational expenditure is funded via a targeted uniform general rate, sales and commissions.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The benefits of visitor centres accrue to individuals and the whole community. Benefits are generally immediate with no intergenerational component
Contributors to need for activity	Groups which have a direct impact on the need to provide these type of facilities are generally tourists visiting the Taupo District and those industries directly economically benefiting from this activity. It is difficult to charge individuals for their use of visitor centres.
Costs and benefits of funding tools	Council has established a structure which separately caters for the allocation of costs to this activity. The most efficient and transparent funding method for public benefit is by way of a targeted uniform general rate. Retail items and commissions on attractions and other services booked are the only method recouping revenue for private benefit.

## Conclusion

The use of a visitor centre by individuals is primarily of private benefit. There is an element of public good in having a visitor centre for information purposes, but is relatively small. Residents can use the service but the primary focus is for visitors to the district.

Split	Public 35%	Private 65%
Funding Sources	General Rate (TUGR)	Fees and Charges

# Economic Development Strategy and Implementation

Funding of capital expenditure (financing policy).

There are no capital expenditure requirements.

Funding of operational expenditure (revenue policy).

Operational expenditure is funded by the general rate and a portion by the marketing development rate(MDR).

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The benefits of district economic development accrue to the whole community. Benefits are intergenerational but funded from current funding mechanisms.
Contributors to need for activity	Groups which have a direct impact on the need to provide these sort of facilities are generally those involved in potential business ventures in the Taupo District.
Costs and benefits of funding tools	Council has established a structure which separately caters for the allocation of costs to this activity. For transparency and efficiency, the costs of this activity are funded from the general rate (public portion) and a targeted rate (MDR) for the private portion.

## Conclusion

This activity is primarily geared toward meeting economic needs of current and future communities. The benefits afforded by economic development through increased employment opportunities accrue primarily to the non-identifiable public.

Council believes that developing and attracting new business promotes economic growth in the district. Therefore the actions of economic development are of benefit to the wider community.

Split	Public 80%	Private 20%
Funding Sources	General Rate (LV)	Targeted Rate (Marketing Development Rate)

# Investments

Council investments range from land development, leasing of land and property for various activities, TEL investment, general fund investments through to the cultivation of forestry for future income

The return on investment is used to reduce the amount of general rate requirement

## *Urban Land Development*

Funding of capital expenditure (financing policy).

The development of Council owned sections will be paid for initially by way of loan with proceeds from final sale repaying amounts drawn.

Funding of operational expenditure (revenue policy).

There is no planned operational expenditure.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	Property owners specifically benefit from planned development. The whole community benefits from a responsible approach to subdivision development and from the eventual sale of sections. There are significant intergenerational equity considerations.
Contributors to need for activity	Not applicable.
Costs and benefits of funding tools	Urban land development is a discrete activity. The activity is self funding.

### **Conclusion**

Investments by nature are intended to create income greater than the expense.

Any associated funding will be met from external income with the net income being used to offset general rates.

Split	Public 0%	Private 100%
Funding Sources		Sale of Council Sections

## Commercial and Residential Property

Funding of capital expenditure (financing policy).

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy).

Operational expenditure for this activity is funded by lease and rental income.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	Property owners specifically benefit from planned development. The whole community benefits from a responsible approach to subdivision development and from the eventual sale of sections. There are significant intergenerational equity considerations.
Contributors to need for activity	Not applicable.
Costs and benefits of funding tools	Council has the appropriate systems in place to separately identify the cost and administer the leases.

### Conclusion

Provision of motor camping facilities in the district enhances Councils While there are public benefits due to the provision of motor camps; benefit accrues primarily to the motor camp operator.

Split	Public 0%	Private 100%
Funding Sources		Fees and charges (lease)

## Community Venture Centre

Funding of capital expenditure (financing policy).

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy).

The most efficient and transparent funding method is through a combination of general rates and user fees.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The Community Venture Centre is aimed at providing low cost accommodation for community groups and a site for hawkers. The benefit is to both the 'tenants' of the facility and the general public. There are no intergenerational equity considerations for this activity.
Contributors to need for activity	Not applicable for this activity.
Costs and benefits of funding tools	Council has the appropriate systems in place to separately identify the cost. User fees are the most efficient method of collecting the private portion of this activity and general rates for the public portion.

### Conclusion

This activity potentially impacts on economic and social considerations through individual projects and initiatives.

This is a social responsibility function of Council.

Split	Public 33%	Private 67%
Funding Sources	General Rate (LV)	User Fees and Charges

# Community Facilities

## *Housing for the Elderly*

Funding of capital expenditure (financing policy).

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy).

The most efficient and transparent funding method is through user fees and charges (rent) and general rates.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The beneficiaries are the tenants who receive accommodation at affordable prices. There is a public and social benefit in having housing for the elderly units reflecting a community that cares. Council believes it has a social responsibility to continue to provide this service but has no plans to increase the number of units available.
Contributors to need for activity	The units are inspected on a regular basis and are subject to standard landlord / tenant arrangements and asset management planning aimed at protecting the community investment in this activity. The ability for elderly persons to pay is taken into account.
Costs and benefits of funding tools	Housing for the elderly is a strategic asset. For this reason Council has elected to treat this as a separate activity. Council has the appropriate systems in place to separately identify the cost and administer the charging of rent.

### Conclusion

Council is taking a socially responsible approach in making these assets available.

Whilst there is a public benefit in relation to this activity, the primary beneficiaries are the tenants.

Property rentals have been set at a realistic and affordable level. Existing Council policy limits the rentals charged and rents will be reviewed annually.

Split	Public 45%	Private 55%
Funding Sources	General Rate (LV)	User Fees and Charges

## Public Toilets

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy)

This activity is funded from a targeted general rate with the exception of the Superloo that is funded from user charges.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	Direct users of the facilities clearly receive a benefit. There is also a high public benefit in relation to the promotion of public health and in complementing other facilities and attractions. There is a long-term benefit from these facilities, however, Council has decided to fund these facilities through current funding mechanisms. The Superloo has both private and public benefit. The public benefit includes the prestige and 'advertising' value brought to Taupo by the building.
Contributors to need for activity	The frequency of use of the facilities clearly impact on the level of service required.
Costs and benefits of funding tools	Council has the appropriate systems in place to separately identify the cost of operating public conveniences. The Superloo is resourced sufficiently to identify and charge users for all services offered.

### Conclusion

This activity is primarily geared toward meeting environmental, social needs of the current and future communities. Some minor economic considerations arise in relation to the provision of toilets to complement tourist and other amenities.

Public toilets are of public benefit. Users can be identified by the method of charging through a form of entrance fee would either require coin operated doors or the employment of staff to collect money. In both cases, it is unlikely that the income generated would cover the cost of implementation, let alone normal operating costs. In Taupo, the Superloo was built to offer a first class service and a fee to reflect enhanced service has been applied.

## Public Toilets

Split	Public 100%	Private 0%
Funding Sources	General Rate (TUGR)	

## Superloo

Split	Public 50%	Private 50%
Funding Sources	General Rate (TUGR)	User Fees and Charges

# Cemeteries

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy)

The most efficient and effective method of charging is user pays per plot and interment, for all immediate and long term planned costs. Council considered that the most appropriate method to recover the balance of the cost is through a targeted uniform general rate.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	The deceased relatives and friends benefit from the cemetery and there is a public benefit in relation to the protection of public health as required under the Health Act 1956. Benefits are long term both for the public and interested parties. There are intergenerational considerations in relation to family plots.
Contributors to need for activity	Not applicable for this activity.
Costs and benefits of funding tools	Council has the appropriate systems in place to separately identify the cost. There should be a reduction for cremation interments as it encourages efficient use of cemeteries.

## Conclusion

This activity is primarily geared toward meeting the social, environmental and cultural needs of the current and future communities.

The interment and maintenance of the district’s cemeteries are mainly of private benefit. The users are the deceased and those who have an interest in the deceased and as such can be linked to individuals. There is an element also of public good in terms of ensuring that public health requirements are maintained.

Split	Public 10%	Private 90%
Funding Sources	General Rate (TUGR)	User Fees and Charges

## Libraries

Funding of capital expenditure (financing policy)

Capital development is funded by general rate (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy)

Council considered that a small portion of the cost should be recovered through rentals, fines for late return of books and associated fees and charges. The most appropriate method to recover the balance of the cost is through a targeted uniform general rate.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	Council assessed the public benefit at a high level because libraries provide information services that cater for the needs of residents at large and build a collection of materials which are a community asset for the future. The promotion of literacy, life-long learning and self development are also seen as public benefits. The private benefit accrues to individuals who borrow books or materials as these are used for the personal benefit of that individual. There are intergenerational considerations.
Contributors to need for activity	A small allowance is made for charges levied to reflect misuse of library books and materials and the rental of selected recent collections. A small variation in charges for selected collections exists between Turangi and Taupo and these will be brought into alignment in the next few years.
Costs and benefits of funding tools	Council has the appropriate systems in place to separately identify the cost. There is limited ability to charge fees related to other than specific selected uses.

### Conclusion

The focus of libraries is on social and cultural well-being. In addition, the range of materials available provides an ability to encourage education and heritage.

The use of a library by individuals is primarily of private benefit. People using the library receive a recreation or educational benefit from this use. It is also possible to clearly identify these users.

The public benefits of a library are also important. A library provides a pleasant environment to sit, read, learn and/or relax. Libraries also provide educational benefits to all age groups in the community and an important source of supplying public information.

In general private recreation and education is the primary use of the library. Existing Council policy is to split the public/private benefit.

Split	Public 95%	Private 5%
Funding Sources	General Rate (TUGR)	Fees and Charges

# Community Halls

Funding of capital expenditure (financing policy)

Capital development of halls is funded by reserves, general rate (including depreciation) and loan.

Funding of operational expenditure (revenue policy)

The current policy is to encourage user pays where possible. The most efficient and transparent funding method is through user fees and charges and general rates.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	The community at large benefit from a variety of halls throughout the district which form part of the social infrastructure at a local level. They are an important community asset, particularly in rural communities. Individual users also benefit through the availability of the halls for private use. Council's involvement in halls is largely historical. There are potential intergenerational equity considerations.
Contributors to need for activity	Direct users can have an impact on the standard and quality of the facilities. The local committees which run these halls take great pride in them and work to ensure the assets are protected. As the size of communities change so does the extent of the use of the halls. Council will also in future explore ways of transferring responsibility for ongoing management to local user groups.
Costs and benefits of funding tools	Asset management plans for these facilities contemplate only repairs and maintenance over the next ten years. Council has the appropriate systems in place to separately identify the cost of operating these facilities.

## Conclusion

The halls are part of the local community and promote the development of local activities. Community halls are used by community and private groups. These groups can be identified and charged accordingly. There is a large public benefit through the prestige and existence values associated with the sense of well-being and community pride and development.

Split	Public 85%	Private 15%
Funding Sources	General Rate (TUGR)	User Fees and Charges

# Emergency Management

## *Civil Defence*

Funding of capital expenditure (financing policy).

All planned capital expenditure relates to plant replacement, all of which will be funded from depreciation reserves.

Funding of operational expenditure (revenue policy).

The most efficient and transparent funding method is through a targeted general rate (TUGR) as emergency response is of public benefit.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The whole of the district benefits from a planned response in the event of an emergency. There are no intergenerational considerations.
Contributors to need for activity	Emergency Management is largely about being prepared for natural disasters but events, such as chemical fires, may occur due to human activities.
Costs and benefits of funding tools	This activity is separate and discrete and should stand alone. Council has the appropriate systems in place to separately identify the cost. The targeted general rate is the most efficient method.

## **Conclusion**

Emergency Management is concerned with public health, public well-being, mitigation of the effects of disaster on the environment and the restoration of the economy in the event of a disaster.

Split	Public 100%	Private 0%
Funding Sources	General Rate (TUGR)	

## Rural Fire

Funding of capital expenditure (financing policy).

There is no planned capital development for this activity.

Funding of operational expenditure (revenue policy).

Funding is by way of general rate for rural fire coordination and a targeted rate for the supply of water to the Whakamaru community for fire fighting purposes.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The whole community benefits from the control of fires in the rural sector – economic and socially. The residents/ratepayers of the Whakamaru community specifically benefit from having a water supply for fire fighting. There are no intergenerational considerations for this activity.
Contributors to need for activity	Fire can occur as a result of natural events as well as from human actions.
Costs and benefits of funding tools	This activity is discrete and Council has the system in place to separately identify the costs. A targeted rate is the most appropriate tool to fund services to a specific community.

### Conclusion

Taupo District Council has a statutory obligation to carry out the functions of a Rural Fire Authority. Rural fire is concerned with the protection of the environment, property and people. The general public benefits from this activity.

Split	Public 100%	Private 0%
Funding Sources	General Rate (LV)	

# Heritage and Public Art

## *Taupo Museum and Art*

Funding of capital expenditure (financing policy).

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy).

The most efficient and transparent funding method is through user fees and charges (entry charge) and general rates. Local residents are not charged for entry into the museum unless a special exhibition is offered).

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	There is a direct private benefit to users of the Museum and Art Gallery. There is also a public benefit in relation to the general promotion of social and cultural well-being for all residents and visitors to the district. There are intergenerational considerations.
Contributors to need for activity	Activity is promoted by those involved in arts and cultural events and consequently justification for a user pays component.
Costs and benefits of funding tools	It is considered necessary to keep these facilities separate from other venues facilities to clearly demonstrate the benefits and cost to the community over a period of time. Council has established a structure which separately caters for the allocation of costs to this activity. The most efficient and transparent funding method is through user fees and charges (entry charge) and general rates.

### Conclusion

This activity is primarily geared toward meeting the cultural and social needs of the current and future generations.

The use of the Museum and Art Gallery by individuals is primarily of private benefit. People using the Museum receive a cultural or recreational benefit from this use. Users can be clearly identified. The public benefits of the Museum are also important.

Split	Public 85%	Private 15%
Funding Sources <sup>2</sup>	General Rate (LV)	Fees and Charges

## Community Development and Arts

Funding of capital expenditure (financing policy)

There is no capital expenditure planned for this activity.

Funding of operational expenditure (revenue policy)

The most efficient and transparent funding method is through general rates.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	Council's role is that of advocate on behalf of the community. It also undertakes projects and initiatives on behalf of the community at large by supporting, developing and partnering community projects. There are potential intergenerational equity considerations.
Contributors to need for activity	Not applicable
Costs and benefits of funding tools	This is a social responsibility function of Council. The most efficient and transparent funding method is through general rates. Council has the appropriate systems in place to separately identify beneficiaries and cost.

### Conclusion

This activity impacts on economic, social and cultural considerations through the effective advocacy of community issues and support of development of art and cultural experiences.

Split	Public 100%	Private 0%
Funding Sources	General Rate (LV)	

# Recreation and Leisure Services

## *Parks and Reserves*

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan, reserves and development contributions.

Funding of operational expenditure (revenue policy)

Operational expenditure is funded by a targeted general rate and user fees and charges.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	<p>The benefits of parks and green spaces are split between those who directly use the facilities and the general promotion of health and well-being of all residents.</p> <p>In relation to the capital development programme for reserves, Council considered that whilst a number of the facilities and amenities will benefit the community over a prolonged period, funding will come from a range of sources including loans and development contributions reflecting direct impact of growth.</p>
Contributors to need for activity	<p>Groups which directly impact on the need to provide these facilities are generally developers and residents and cost can be addressed through development contributions. For reserves subject to commercial lease, the maintenance is included as part of the lease, therefore there is little cost involved. Any cost should be recovered through the lease.</p>
Costs and benefits of funding tools	<p>Council has established a structure which separately caters for the allocation of costs to this activity.</p> <p>Operational expenditure should be funded by all ratepayers through a targeted general rate. Limited opportunities exist to recover the private component through rents. Where leases are established the most efficient and transparent funding method is through user fees and charges.</p>

### Conclusion

This activity is primarily geared toward meeting environmental, social and cultural needs of the current and future communities.

Parks and reserves add prestige and quality of life to the district and are of public benefit. The cost cannot always be attributed to individuals. Ratepayers and residents have the opportunity to receive equal benefit from this service.

Split	Public 90%	Private 10%
Funding Sources	General Rate (TUGR)	Fees and Charges

## Street and Park Amenity

Funding of Capital Expenditure (Financing Policy).

Development contributions will be used to fund amenity planting on reserves acquired as a result of development.

Funding of operational expenditure (revenue policy).

Operational expenditure is funded by a targeted uniform general rate.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	The benefits of amenity plantings accrue to the whole community. Benefits are intergenerational but funded from current funding mechanisms.
Contributors to need for activity	Groups which have a direct impact on the need to provide these sorts of amenities are generally developers and new residents / ratepayers.
Costs and benefits of funding tools	Council has established a structure which separately caters for the allocation of costs to this activity. Development contributions are the most efficient and transparent mechanism for funding capital costs. As a public benefit service the most efficient and transparent funding method for funding operational expenditure is by way of a targeted uniform general rate.

### Conclusion

This activity is primarily geared towards meeting environmental, social and cultural needs of the current and future communities.

Amenity plantings add prestige and quality of life to the district and are of public benefit.

Split	Public 100%	Private 0%
Funding Sources	General Rate (TUGR)	

# Regulatory Services

## *Animal Control*

Funding of capital expenditure (financing policy).

All planned capital expenditure relates to plant and building replacement, all of which will be funded from depreciation reserves.

Funding of operational expenditure (revenue policy).

Operational expenditure is funded via user fees and charges and general rates (TUGR).

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	Both dog and stock owners and the public at large benefit from this activity. The public benefit is in respect of protecting people from dangerous dogs and uncontrolled livestock. The focus of this activity is very much the current community. There are no intergenerational equity considerations.
Contributors to need for activity	The vast majority of complaints are in relation to unregistered dogs or dogs which are not adequately controlled. The amount of control exercised over dogs by dog owners affects the level of service required in this activity.
Costs and benefits of funding tools	This activity is seen as discrete from any other activity and Council has the appropriate systems in place to separately identify the cost. A combination of user fees and general rates are the most efficient method.

### Conclusion

This activity is focused on protecting the community and consequently social and environmental considerations are to the forefront.

Council elected to fund the private benefit portion from dog registration fees and infringement charges. Ratepayers and residents also have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate.

Split	Public 50%	Private 50%
Funding Sources	General Rate (TUGR)	Fees and charges

# Building and Resource Consents

Funding of capital expenditure (financing policy)

All planned capital expenditure relates to plant replacement, which will be funded from depreciation reserves.

Funding of operational expenditure (revenue policy).

This activity is funded from the general rate and fees and charges.

Matters that must be considered under Local Government Act 2002.

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Distribution of benefits

The benefits of this activity are derived in a mixture of ways:

**1. Resource Consent Processing**

The public benefit component of this activity relates to the administration of our District Plan and compliance with the Resource Management Act (RMA) 1991.

The private benefit component of this activity relates to the processing of resource consent and other RMA related applications which directly benefit land owners and developers. A direct beneficiary is clearly identifiable in each case.

**2. Developer Liaison**

The public benefit component relates to the administration of District Plan and other Council policies ensuring sustainable development and providing customer service.

The private benefit component is attributable through pre-application meetings and the lead up to the processing of land use and subdivision applications which benefits land developers.

**3. Appeal/Objections**

The benefit of this activity is entirely for public good, upholding the integrity of the District Plan and other Council policies and defending Council decisions in line with those policies.

**4. Building Consent Authority (BCA) functions**

The public benefit of this activity relates to the benefits received from having safe and sanitary buildings being constructed within the district.

This activity is generated directly from building consent applicants and there is a direct private benefit to building consent applicants.

**5. Territorial Authority functions**

The public benefit component relates to the over-riding reason for the Building Act 2004 being the promotion of public health by ensuring buildings are constructed and maintained in a safe and sanitary manner.

There is no private benefit component of this activity. It is a statutory process aimed at the community's health and well-being.

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Contributors to need for activity	<p>Builders and developers must maintain high standards for the objectives of this activity to be achieved. Through the Resource Management Act Council is able to identify non-compliance with legislation and take action against exacerbators.</p> <p>Through the Building Act Council is able to identify non-compliance with legislation and can take action against exacerbators as the Territorial Authority.</p> <p>Both developers and the general community contribute to the need for this activity when appealing Council decisions and upholding the integrity of the District Plan.</p> <p>The community expects buildings which they may access or wish to purchase are constructed and maintained in a safe manner.</p>
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Costs and benefits of funding tools	<p>Council has the appropriate systems in place to separately identify the charge and costs of resource consent planning, building consent and territorial authority functions.</p> <p>Council considered that the most appropriate method to recover the public benefit component is general rate (rate in the dollar based on land value) and considered that the most efficient and appropriate method to recover the private benefit portion is Fees and Charges.</p>
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## Conclusion

This activity is about ensuring appropriate building and land use standards so that the community can have confidence that buildings of a suitable standard are being constructed in the district and that land use is appropriately controlled through a focus on sustainable development and protection of the environment. This activity is also focused on protecting our heritage and cultural concerns.

Average Split for Building and Resource Consents	Public 60%	Private 40%
Funding Sources	General Rates (LV)	User Fees and Charges

## Inspection Services

Funding of capital expenditure (financing policy).

All planned capital expenditure relates to plant replacement, all of which will be funded from depreciation reserves.

Funding of operational expenditure (revenue policy).

Council considered that the most appropriate method to recover the public benefit component is the General Rate.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	<p>The benefits of this activity are derived in a mixture of ways:</p> <p><b>(i) Monitoring and Compliance</b> Public benefits to the community arise from the promotion and conservation of public health by ensuring compliance with the statutory standards set for building, resource management, general bylaws and noise. There is no private benefit component of this activity.</p> <p><b>(ii) Liquor Licensing and Gaming Venue Consents</b> Public benefits to the community arise from the promotion and conservation of public health by ensuring compliance with the statutory standards set for health, noise, infectious diseases, liquor/gaming venue licensing and hazardous substances. Public education is also an important role. The private benefit is in relation to the owners who benefit from licences and advice about improvements to health, hygiene and safety conditions on their premises. There are no intergenerational equity considerations.</p>
Contributors to need for activity	<p>The entire community must comply with all relevant rules, regulations, statutes or bylaws for the objectives of this activity to be achieved. The community expects that all relevant controls are enforced to maintain a high level of amenity and enjoyment.</p> <p>The persons to whom licences and consents are granted can impact on this activity. The result can be infringement notices, although to date this has been rarely used.</p>
Costs and benefits of funding tools	<p>Council recognises that while benefits of inspection services are equally split, there is a large element of administration and reporting time that would be inequitable to recover through inspection fees.</p> <p>Council has the appropriate systems in place to separately identify the cost and charge for private benefits accordingly.</p>

## Conclusion

Monitoring and Compliance is focused on protecting our environment through monitoring building, resource management and general bylaws. Social considerations are in relation to enforcing building standards and general well-being. Inspection services provide resources to police Council bylaws and other legislation. There is both private and public benefit.

Liquor Licensing and Gaming Venue Consenting is focused on protecting our environment through monitoring noise control and infectious diseases. Social considerations are in relation to protecting public health and general well-being.

Average Split for Inspection Services	Public 10%	Private 90%
Funding Sources	General Rate (LV)	User Fees and Charges

# Parking Control

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy)

Council considered that the most appropriate method to recover the public benefit component is the general rate.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	Those who use the CBD including business premises and the general public benefit. There are no intergenerational equity considerations.
Contributors to need for activity	Activity targets those who create parking problems in the CBD (the exacerbators).
Costs and benefits of funding tools	Council has chosen to separately identify this activity and has the appropriate systems in place to identify the cost. The most efficient method for charging the public portion is via the general rate. Exacerbator income will be collected from fees and charges.

## Conclusion

Council has no control over the number of infringements in any period, therefore any exacerbator income will be treated as incidental to the main purpose of parking control. The revenue and funding policy recognises the NET cost of the service after infringement fees.

Split	Public 100%	Private 0%
Funding Sources	General Rate (LV)	

# Transportation

## *Roading*

Funding of capital expenditure (financing policy).

Capital development is funded by general rate including depreciation, subsidies, loan and development contributions.

Funding of operational expenditure (revenue policy).

The most efficient and transparent funding method is through general rates and subsidies.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	Users of the roads clearly receive a direct benefit through an integrated road network. In addition, public benefit is derived from the roading infrastructure which allows economic activity, access to services and social interaction. There are intergenerational considerations.
Contributors to need for activity	Heavy trucks and high volume users impact on the quality of our roading network. Specific industries also have an impact which is monitored on an ongoing basis.
Costs and benefits of funding tools	Roading is a complex activity requiring a range of cost effective and efficient funding tools to target beneficiaries and contributors. The general rate is the most effective way of addressing local community needs. Subsidies (which include the district's share of petrol taxes) and development contributions are the most efficient way of targeting contributors for the need for the service.

### Conclusion

A strong roading network is a key component of the district's social and economic development. Heavy traffic generated by the primary and secondary commercial sectors places a greater demand on maintenance than does local traffic.

There is both local and national public good. The national portion is recognised partly through Government subsidies.

Split	Public 100%	Private 0%
Funding Sources	General Rates (LV) <sup>3</sup> Subsidy	

<sup>3</sup> Land Value

## Project Pounamu (Mainstreet)

Funding of capital expenditure (financing policy)

There is no planned capital development for this activity. Any future capital development will be funded by a targeted rate (including depreciation) and loan.

Funding of operational expenditure (revenue policy)

A targeted rate is made over all properties in the Turangi/Tongariro rating area.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	Retailers, residents, ratepayers and visitors benefit from a revitalised Mall in Turangi CBD. There are intergenerational considerations.
Contributors to need for activity	Specific users of the Mall can contribute to the need for ongoing maintenance and improvements.
Costs and benefits of funding tools	The Turangi/Tongariro community in general benefits from Project Pounamu. Individuals who may vandalise or contribute to the need for repairs are difficult to identify. A targeted rate is therefore the most efficient form of funding.

### Conclusion

The Turangi Mall is of both private and public benefit. It benefits retailers and the customers directly but also adds to the aesthetics of the town and is of civic importance to Turangi.

Split	Public 0%	Private 100%
Funding Sources		Targeted Rate

# Venues

## *Sports Grounds*

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan, reserves and development contributions.

Funding of operational expenditure (revenue policy)

Operational expenditure is funded via a targeted uniform general rate and rents and leases where appropriate.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	The benefits of sports grounds are split between those who directly use the facilities and the general promotion of health and well-being of all residents.
Contributors to need for activity	Users have an impact on these facilities and should pay a portion of the operating costs.
Costs and benefits of funding tools	Council has established a structure which separately caters for the allocation of costs to this activity. The most efficient and transparent method of funding capital is via general rates and development contributions. Operational expenditure should be funded by all ratepayers and the most efficient and transparent funding method is by way of a targeted uniform general rate. Rents and leases are arranged where there are opportunities to recover the private component.

### Conclusion

This activity is primarily geared toward meeting environmental, social and cultural needs of the current and future communities.

Sports grounds add prestige and quality of life to the district. The cost cannot be easily attributed to individuals. Ratepayers and residents have the opportunity to receive equal benefit from this service. Sports grounds are of both private and public benefit. There is a high demand for sports grounds from organised clubs at peak times (usually during the weekends). Council recognises that provision of sports grounds at an affordable rental level is important for community well-being. While these clubs are using a facility, the public is usually excluded from use. However, these grounds are available to the public at all other times. The funding mechanism should reflect the fact that sports grounds are unavailable to the public at peak demand times.

For reserves subject to commercial lease, the maintenance is included as part of the lease, therefore there is little cost to the ratepayer involved.

Split	Public 95%	Private 5%
Funding Sources	Targeted General Rates (TUGR)	Fees and Charges

## Swimming Pools

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy)

The most efficient and transparent funding method is through user fees and charges and general rates.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	<p>There is a direct benefit to users of the pools. There is also a public benefit in relation to the general promotion of health, well-being and public safety of all users whilst using the facilities.</p> <p>There are intergenerational considerations.</p>
Contributors to need for activity	<p>There is justification for a user pays component as well as public benefit.</p> <p><b>AC Baths:</b> This pool is primarily geared toward meeting social needs of the current and future generations and offers a range of pool types and activities. There are also opportunities to allow venue 'package' private use of the facility. Strong private good provides for user charges.</p> <p><b>Genesis Energy Aquatic Centre Turangi:</b> This is regarded by the Turangi/Tongariro Community Board as a social responsibility function of Council. Genesis Energy has agreed to provide annual sponsorship.</p> <p><b>Mangakino Pool:</b> This is also regarded as a social responsibility function of Council.</p>
Costs and benefits of funding tools	<p>Over a period of time Council has invested a large amount of money in swimming pool facilities. It is considered necessary to keep these facilities separate from other venues facilities to clearly demonstrate the benefits and cost to the community over a period of time. Council has established a structure which separately caters for the allocation of costs to this activity. The most efficient and transparent method of funding the private benefits is through fees and charges and the public portion is through general rates.</p>

### Conclusion

Council operates three separate swimming pools, A C Baths in Taupo, the Genesis Energy Aquatic Centre in Turangi, and the Mangakino Pool. Swimming pools are traditionally seen as being user pays in most parts of the country although there is usually a ratepayer input to community pools. Community well-being is a significant factor in providing the option for people to swim.

The Turangi and Mangakino Pools recognise a significant funding public component (95%) on the basis of wider social responsibility. A public funding input (40%) for the AC Baths is considered reasonable due to the economic and social benefits accruing to the wider community from the operation of the pool facility.

**AC Baths**

Split	Public 30%	Private 70%
Funding Sources	General Rate (TUGR)	Fees and Charges

**Genesis Energy Aquatic Centre and Mangakino Pool (net of any sponsorship)**

Split	Public 95%	Private 5%
Funding Sources	General Rate (LV)	Fees and Charges

## Taupo Events Centre

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy)

Operational expenditure is funded through user fees and charges and general rates.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	There is a direct benefit to users of the Events Centre. There is also a public benefit in relation to the general promotion of health and well-being of all residents. There are long-term benefits.
Contributors to need for activity	The activity is promoted by those involved in indoor sports and consequently justification for a user pays component.
Costs and benefits of funding tools	Council has established a structure which separately caters for the allocation of costs to this activity. The most efficient and transparent method of funding the private benefits is via user charges and the public portion through general rates.

### Conclusion

This activity is primarily geared toward meeting social needs of the current and future generations. There are also opportunities for private use of the whole venues 'package'. The use of the indoor sports and leisure centre by individuals creates opportunities to charge for private benefit. People using the centre receive a recreation or leisure benefit from this use. Users can be clearly identified. The public benefits of the Centre are also important.

While Council would like to split the public/private benefit equally, it is recognised that the resulting fees and charges would deter usage. Therefore policy is to split the public/private benefit 2 thirds, 1 third.

Split	Public 67%	Private 33%
Funding Sources	General Rate (TUGR)	Fees and Charges

# Great Lake Centre

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy)

Operational expenditure is funded through user fees and charges and general rates.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	There is a direct benefit to users of the Great Lake Centre. There is also a public benefit in relation to the general promotion of social and cultural well-being for all residents and visitors to the district. There are intergenerational considerations.
Contributors to need for activity	Activity is promoted by those involved in arts, leisure and cultural events and consequently justification for a user pays component. The Centre is also used for trade shows and as a conference/convention centre which is of private commercial benefit and therefore all costs relating to such events should be recovered through the user pays system.
Costs and benefits of funding tools	Council has established a structure which separately caters for the allocation of costs to this activity. The most efficient and transparent method of funding the private benefits is via user charges and the public portion through general rates.

## Conclusion

This activity is primarily geared toward meeting the cultural and social needs of the current and future generations. The Great Lake Centre is available for community events which carry both private and public benefits. Some groups are given use of the facility at a reduced charge to encourage use of the venue to meet community cultural or social needs. The Great Lake Centre provides benefit to the wider community.

Split	Public 67%	Private 33%
Funding Sources	General Rate (TUGR)	Fees and Charges

# Water Supply

Funding of capital expenditure (financing policy).

Capital expenditure is funded through development contributions (District), financial contributions (Lake shore settlements except Kinloch and Taupo town), loans and targeted rates (either current or through accumulated reserves including depreciation).

Funding of operational expenditure (revenue policy).

Targeted rates are applied reflecting the composition of the local community.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	Direct users of water supplies clearly receive a benefit. There is also a wider community benefit in relation to the promotion of public health. This work has an intergenerational equity component.
Contributors to need for activity	The users of the water schemes clearly impact on the provision of the service.
Costs and benefits of funding tools	Council has identified water as a discrete activity. Given that water supply can be identified to specific groups of users a targeted rate is considered the most appropriate and efficient form of funding. Council has established a structure which caters for the allocation of costs to this activity.

## Conclusion

This activity is primarily geared toward meeting environmental, social and cultural needs of the current and future communities. It is also noted that water has a cultural significance to a range of our communities. This is primarily centred on the role of Lake Taupo which is the major source of water to our water supply schemes.

While the supply and treatment of water is of private benefit there are public benefits in terms of public health and availability of water for fire fighting and emergency management capabilities. Council existing funding policy is based on reasons of fairness, equity and ease of collection through targeted rates.

Split	Public 0%	Private 100%
Funding Sources		Fees and Charges Targeted Rates

# 4. Sustainable Environment

## Lakes and River Systems

Funding of capital expenditure (financing policy)

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy)

Operational expenditure is funded via general rates.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	Lake and river control protects private property from flooding and erosion. There is clearly a public component in relation to the run off of water onto roads and to ensure access to properties during periods of high flooding. There is an intergenerational component.
Contributors to need for activity	Users can impact on lake and river management and Council seeks to identify any such circumstances.
Costs and benefits of funding tools	Over a period of years, Council has established a structure which caters for the allocation of costs to this activity. The most efficient and transparent funding method is through general rates.

### Conclusion

This activity is primarily geared toward meeting environmental, social and cultural needs of the current and future communities.

River and lake control is of public benefit as expenditure cannot be attributed to individuals or groups - it is of global community benefit. Lake and river control is strongly related to property rather than individuals therefore more reasonable to be charged as a rate in the dollar on land value.

Split	Public 100%	Private 0%
Funding Sources	General Rate (LV)	

# Protecting Lake Taupo <sup>1</sup>

Funding of capital expenditure (financing policy).

There are no capital expenditure requirements.

Funding of operational expenditure (revenue policy).

Costs have been spread between both beneficiaries and contributors. The mechanisms within the targeted rates chosen by Council reflect this rationale.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	A wide cross section of people benefit from the improvement of Lake water quality within the Taupo District including locals and visitors. This contributes to a strong tourism base in the Taupo District. There is a significant intergenerational component for this project. The life of the project is 15 years and Council's contribution will be funded annually over this period through a targeted rating mechanism.
Contributors to need for activity	Predominant exacerbators of Lake water quality is pastoral farming within the catchment.
Costs and benefits of funding tools	Annual contributions from Environment Waikato, Taupo District Council and Central Government will be paid into a public fund. Appropriate financial systems have been established for the collection and distribution of the fund. A mix of targeted rates are the most efficient and transparent mechanism for collecting the Taupo District Council portion of the public fund reflecting the level of benefit/contribution to the need for the activity

## Conclusion

This activity is primarily geared toward meeting environmental, social and cultural needs of the current and future communities. This project potentially has the biggest impact of all Council's activities on the well-being of the community.

In broad terms, it is concluded that contributors should pay a substantial proportion of the costs of Taupo District's share of the project. However it is recognised that a strict 'polluter pays' approach is unlikely to achieve the fundamental land use changes sought by this project.

Split	Public 75%	Private 25%
Funding Sources	Targeted rate (charge per property) <sup>1 &amp; 2</sup>	Targeted Rate (LV) <sup>3</sup>

1 All Taupo Township ratepayers. Lakeshore settlements, rural industrial properties and rural commercial properties including forestry interests within the Lake catchment. (see map Volume 2, page 91).

2 Taupo District ratepayers outside the Lake catchment including Mangakino and River Road.

3 Rural properties 2 hectares and over within catchment but excluding rural industrial properties, rural commercial properties and forestry interests.

# Solid Waste Management

## *Solid Waste Disposal*

Funding of capital expenditure (financing policy).

Capital development is funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy).

Operational costs are funded by a targeted rate and fees and charges.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	<p>Council considered that the public benefit is in relation to the protection of the environment and the community. The private benefit is in relation to those people who utilise the disposal site.</p> <p>Capital development is in respect of the development of refuse transfer stations. Council has decided that as the facility will benefit current and future generations.</p> <p>The public benefit component relates to the provision of safe and cost effective waste disposal sites to protect the health of the community and the environment.</p> <p>There is an intergenerational component.</p>
Contributors to need for activity	<p>Those using the landfill site and transfer stations are the major contributors to this activity.</p> <p>All users of the facility have the potential to impact on the public health of the community and the environment if waste is not managed.</p>
Costs and benefits of funding tools	<p>Council has the appropriate systems in place to separately identify the cost. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted rate for disposal. Users of the landfill can be identified and it is transparent and efficient to apply user charges.</p>

### Conclusion

While this activity contributes to the environmental and social well-being of the community it is primarily of private benefit. Users can be identified either as being those that physically use the landfill sites/ transfer stations to dispose of waste or on a wider scale through the refuse collection process. Some public good components exist through the need to maintain a hygienic environment in the community. This includes the disposal of unattributed waste, encouragement of composting and recycling and future planning.

Split	Public 0%	Private 100%
Funding Sources		Fees and Chges (49%) Targeted Rate (51%)

## Solid Waste Collection

Funding of capital expenditure (financing policy)

There are no capital expenditure requirements.

Funding of operational expenditure (revenue policy)

Operational expenditure is funded through a charging regime per bag.

Matters that must be considered under Local Government Act 2002

Distribution of benefits	Individual property owner's benefit from the collection of rubbish but there is also a public benefit in relation to protection of public health as required by the Health Act 1956. Benefits are generally immediate with no intergenerational component.
Contributors to need for activity	Close monitoring is required as users of the service can impact on public health and the environment.
Costs and benefits of funding tools	Council operates a prepaid bag collection method in the district. It considers this system the most efficient and transparent funding for this activity.

### Conclusion

This activity is primarily geared toward meeting environmental, social and cultural needs of the current and future generations.

The collection portion of the activity is primarily of private benefit. Users can be identified for house and business collections. However, collection from public bins cannot be linked to individuals.

Split	Public 0%	Private 100%
Funding Sources		Fees and Charges

## *Litter Control*

Funding of capital expenditure (financing policy).

Capital expenditure funded by general rates (including depreciation), loan and reserves.

Funding of operational expenditure (revenue policy).

Operational expenditure is funded via a general rate.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	Council considered that the public benefit is in relation to the protection of the environment and the community. There is no intergenerational component.
Contributors to need for activity	Both residents and visitors to the district create litter in public places. It is often difficult to identify individual exacerbators.
Costs and benefits of funding tools	Council has the appropriate systems in place to separately identify the cost. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a general rate for litter control.

### **Conclusion**

This activity contributes to the environmental and social considerations for the community. Litter control is of public benefit. Although there is benefit to the individual, that individual cannot be identified. The service adds prestige and quality of life to the district.

Split	Public 100%	Private 0%
Funding Sources	General Rate (TUGR)	

# Stormwater

Funding of capital expenditure (financing policy).

Capital expenditure is funded through general rates (including depreciation) and loans. Development contributions will be used to fund capital expenditure on stormwater resulting from development.

Funding of operational expenditure (revenue policy).

Operational expenditure is funded via general rates.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	Urban stormwater protects private property from flooding and erosion. There is clearly a public component in relation to the run off of water onto roads and to ensure access to properties during periods of high flooding. There is an intergenerational component.
Contributors to need for activity	Users can impact on the progress of stormwater and Council seeks to identify any such circumstances.
Costs and benefits of funding tools	Over a period of years, Council has established a structure which caters for the allocation of costs to stormwater and land drainage. This activity is strongly related to property rather than individuals therefore more efficient and transparent to be charged as a rate in the dollar on land value.

## Conclusion

This activity is primarily geared toward meeting environmental, social and cultural needs of the current and future communities.

The stormwater network is primarily of public benefit. There is some additional benefit to businesses in the CBD which pay a differential rate. A differential of two currently exists for this area.

Split	Public 100%	Private 0%
Funding Sources	General Rate (LV)	

# Waste water

Funding of capital expenditure (financing policy).

Capital expenditure is funded through development contributions (District), financial contributions (Lake shore settlements except Kinloch and Taupo town), loans, depreciation and Targeted Rates (either current or through accumulated reserves).

Funding of operational expenditure (revenue policy).

Ratepayers in a supply area pay a district wide targeted rate.

Matters that must be considered under Local Government Act 2002.

Distribution of benefits	<p>Direct users of the waste water supply clearly receive a benefit. There is also a high public benefit in relation to the promotion of public health. Council believes that all residents benefit from having a public sewerage collection, treatment and disposal system available. These schemes benefit the environment.</p> <p>Major capital work is required on an ongoing basis for the range of waste water supply schemes. This will enable more connections to the schemes as additional residents wish to join and also facilitate improved treatment and disposal in some areas.</p> <p>This work has an intergenerational equity component.</p>
Contributors to need for activity	<p>The removal and treatment of waste water is mainly of private benefit. The user/ beneficiary can be identified down to specific households and businesses. However, it is not practical to measure and make specific household charges.</p>
Costs and benefits of funding tools	<p>Council has established a structure which caters for the easy allocation of costs to this activity.</p> <p>A targeted general rate applied to ratepayers in supply areas is the most efficient method of funding this activity.</p>

## Conclusion

This activity is primarily geared toward meeting environmental, social and cultural needs of the current and future communities. It is also noted that there are cultural considerations in relation to where treated effluent is disposed.

There is a public component due to the public health factor and Resource Management Act requirements for effective treatment to protect the environment, in particular lakes and waterways.

Split	Public 0%	Private 0%
Funding Sources		Targeted Rate