

## **s101 (3) considerations – Revenue and Financing Policy 2018**

This report sets out how the activities that Council undertakes are funded and the reasons why. This document meets the requirements of s101 (3) and s103 of the Local Government Act 2002 (LGA 2002).

Council is required to consider the following when deciding who should pay for an activity:

### **The community outcomes to which the activity primarily contributes (s101(3)(a)(i))**

Community outcomes outline the outcomes that Council wants for the District. Our community outcomes were reviewed in 2011 and are:

- Economy – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities
- Environment – a shared responsibility for places we are proud of
- Engagement – Council is connected with its communities, advocating for their social and cultural well-being

### **Who benefits (s101 (3) (a) (ii))**

Identifying who benefits from an activity provided by Council is important when considering who should pay for the services provided as part of an activity. Where there is a direct benefit to a user the primary benefit is to individuals, where a number of people or specific groups benefit then the primary benefit is attributed to groups. Where there is a benefit to the majority of persons or properties across the District then the primary benefit is attributed to the community. Generally speaking, if only individuals receive the benefits of an activity, some type of user-pays system may be considered. Alternatively, if the whole community or a large group within the community benefits then an appropriate funding option for that activity may be the general rate or a targeted rate respectively.

### **Intergenerational equity (s101 (3) (a) (iii))**

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. For operating costs the period of benefit for the rates share is generally ongoing as Council regularly provides the service. Benefits from the use of capital facilities and equipment are deemed to occur over the lifetime of the assets and as such will determine the type of funding that Council applies to the activity. Fees and charges recognise that the benefit is generally restricted to the period of use.

### **Who contributes to the need for the activity? (s101 (3)(a)(iv))**

In choosing the appropriate funding mechanism for an activity, Council is mindful of the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity. Where possible, a contribution from those individuals or groups is sought.

### **Distinct funding (s101 (3) (a) (v))**

Council must think about the costs and benefits of funding an activity distinctly from other activities, including consequences for transparency and accountability. Distinct funding means considering whether it is appropriate to have a separate rate, fee or charge for an activity or service. This is assessed on a case-by-case basis and includes considering the cost and efficiency of collecting separate revenues, the overall complexity of the rating system and the impact on transparency and accountability.

**Overall impact of the Method of Funding (s101 (3)(b))**

In addition to all the issues explained above, the LGA 2002 requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. This includes current and future ratepayers. Council is of the view that it is not always possible or fair to allocate the cost solely on individuals' benefits (as if rates replicated user pays). It is through the collective contribution of the whole community that the wellbeing of the District is best improved. For these reasons Council prefers a strong general rate based system. For example, if swimming pools were fully user-funded then charges would be higher than at present, and many people would be unable to afford the pool. Therefore, councils tend to fund pools predominately from general rates.

# Community Services

Council provides three activities in this group:

- Community engagement services
- Regulatory services
- Emergency services

## Community engagement services

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Community engagement (including safer communities, community grants and rates remissions)	Primarily contributes to the Engagement outcome	Individuals and Groups that use the services and community as a whole	Ongoing	Individuals and groups within the community	Groups and individuals could be charged, however the transaction costs of separate funding outweighs the benefits.	100% General Rate	The benefit to the whole community outweighs the costs associated with identifying individual groups.  100% general rate is therefore considered the most appropriate and efficient funding source.

## Regulatory services

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Building compliance and development	Primarily contributes to the Environment Outcome	Individuals, community as a whole	Ongoing	Individuals building houses. Builders and developers must meet the required standards. Council is able to identify non-compliance with legislation and can take action against offenders.	There are transparency, accountability and efficiency benefits from distinct funding via fees and charges.	60%-75% fees and charges  25%-40% General Rate	Individuals can be identified that directly benefit from the services. However, the community as a whole benefits from well constructed and maintained buildings.  A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

District Plan compliance	Primarily contributes to the Environment Outcome	Individuals, community as a whole	Ongoing	Individuals, developers and the general community contribute to the need for this activity when appealing Council decisions and upholding the integrity of the District Plan.	There are transparency, accountability and efficiency benefits from distinct funding via fees and charges.	40%-60% fees and charges 40%-60% General Rate	Individuals can be identified that directly benefit from the services. However, the community as a whole benefits from maintaining the integrity of the District Plan.  A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
Liquor and health licensing	Primarily contributes to the Environment Outcome	Individuals, community as a whole	Ongoing	The persons to who licences and consents are granted.	There are transparency, accountability and efficiency benefits from distinct funding via fees and charges. These can be funded separately up to any limits imposed by central government.	55%-65% fees and charges (set by legislation) 35%-45% General Rate	Individuals can be identified that directly benefit from the services. However, the community as a whole benefits from ensuring compliance with the relevant public health legislative rules and regulations.  A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
Animal control	Primarily contributes to the Environment Outcome	Individuals, community as a whole	Ongoing	Animal owners whose dogs or stock are lost or wandering increases demand.	There are transparency, accountability and efficiency benefits from distinct funding via fees and charges.	30%-50% fees and charges 50%-70% UAGC	Individuals are clearly identifiable for the registration of dogs. The owners of lost or wandering animals can also be charged, provided Council can identify and contact owners. However the community as a whole benefits from increased safety through compliance and enforcement.  A split of fees and charges, and the UAGC is therefore considered the most appropriate and efficient funding sources.

Parking	Primarily contributes to the Environment Outcome	Individuals, Community as a whole	Ongoing	The lack of an extensive public transport service increases the need for parking.	Council could charge for parking. However, the transaction costs outweigh the benefits.	100% general rate	Free parking assists in attracting residents and visitors to the town centres and contributes to economic development. Both residents and visitors use parking around the District. Council has the metereye system in place in the Taupo CBD to assist with the enforcement of parking limits.  100% general rate is therefore considered the most appropriate and efficient funding source.
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#### Emergency management services

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Rationale
Emergency Management	Primarily contributes to the Engagement Outcome	Community as a whole	Ongoing	No one specifically.	It is not possible to identify the beneficiaries of this service so separate charging is not feasible.	100% UAGC	Emergency management services are provided throughout the District when needed, and cannot be funded efficiently via a separate mechanism. This activity is provided to assist in the event of an emergency.  A 100% uniform annual charge is therefore considered the most appropriate and efficient funding source. This allows Council to remain prepared if and when an event occurs.

## Water Supply

Council operates and maintains 21 water reticulation schemes for residential, rural and commercial use. Water from these schemes is also used for firefighting purposes.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Water supply	Primarily contributes to the Economy Outcome	<p>Property owners connected to or accessing Council's water supply.</p> <p>Groups that use services that are connected to the supply (e.g., schools, health services, commercial premises).</p> <p>Public health benefits for the whole community having safe drinking water and water for firefighting purposes.</p>	<p>Service benefits occur in the current year.</p> <p>Benefits from the use of the assets occur over their lifetime.</p>	<p>The Ministry of Health requires communities to fund a higher standard of water quality than many wish to purchase.</p> <p>Residential, commercial and industrial growth generates demand for new connections to water schemes.</p> <p>Current and future water demand is driven by the volumes used or conserved within each scheme.</p>	<p>A full charge will be made for each connected separately used or inhabited part of the rating unit and a half charge for serviceable separately used or inhabited parts of a rating unit (those within 100 metres of any part of the waterworks).</p> <p>Meters are compulsory for all commercial properties in the Taupo CBD and optional in other places, according to</p>	100% targeted rate	<p>The users of each water supply scheme are identifiable and a targeted rate is considered the most effective way to charge for this activity. Metered water supplies (rural and commercial) are also charged.</p> <p>100% targeted rate is therefore considered the most appropriate and efficient funding source.</p>

					consent conditions. There are transparency and accountability benefits from separate charging for water supply services.		
Whakamaru Fire Protection	Primarily contributes to the Economy Outcome	Individuals	Service benefits occur in the current year.  Benefits from the use of the assets occur over their lifetime.	No one specifically	There are transparency and accountability benefits from separate charging this service.	100% targeted rate	The individuals who receive the benefit of this service are identifiable. A targeted rate is considered the most effective way to charge for this service.  100% targeted rate is therefore considered the most appropriate and efficient funding source.

*Dependant on the capital expenditure projects that occur in any given year and the growth component of those projects a development contribution may be collected.*

## Transport

Council provides transport services so that people and goods can be transported on District roads, footpaths, and cycleways. Council seeks central government subsidies from New Zealand Transport Agency (NZTA) for its work wherever possible, and planning the transport programme is heavily influenced by the likelihood of receiving NZTA subsidies.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Transport	Primarily contributes to the Economy Outcome	Community as a whole	Service benefits occur in the current year.  Benefits from the use of the	Heavy trucks and high volume users impact on the quality of our roading network. Specific industries	Transport is a complex activity with multiple beneficiaries. It would be impractical to	100% general rate	A strong and safe transport network benefits the community as a whole and is a key component of the district's social and economic development. Users of the roads receive a

			assets occur over their lifetime.	also have an impact which is monitored on an on-going basis	identify these beneficiaries individually and to charge them accordingly. As such it is not considered efficient to have separate charges.		direct benefit through an integrated road network. The general rate is the most effective way of funding this activity. Subsidies from central government (which include the District's share of petrol taxes) and development contributions are the most efficient way of targeting contributors. 100% general rate is therefore considered the most appropriate and efficient funding source.
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*Dependant on the capital expenditure projects that occur in any given year and the growth component of those projects a development contribution may be collected.*

## Community Facilities

Council provides a wide range of community facilities for sport and recreational use of residents, ratepayers and visitors.

### Parks, reserves and sportsgrounds

Council provides and maintains parks and resources around the District with related assets including barbecues, bike racks, picnic tables, park benches, lighting, paving, fences, retaining walls and signage. This activity also includes work undertaken on the lakeshore reserves as a consequence of erosion. Council also provides and maintains a range of sportsgrounds for rugby, league, football, hockey, cricket, netball and tennis. It includes all of the associated infrastructure such as goals and posts, lighting, fences, toilets, changing rooms, and public toilets at or near sportsgrounds. Council also provides an allocation and booking service for clubs and sports groups.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Parks and reserves	Primarily contributes to the Environment Outcome	Individuals, Groups, Community as a whole	Service benefits occur in the current year.	The District's high visitor numbers create demand for greater service provision than the usually resident	There are specific parks and reserves around the District where Council can charge for use. However the	90%-100% general rate 0%-10% fees and charges	As the majority of parks and reserves in the District are available for the enjoyment of the public at any time the general rate is an effective way of funding this activity. Where Council is



			Benefits from the use of assets occur over their lifetime.	population requires.	majority of these areas are available for the general public at any time.		able to charge for specific parks and reserves fees and charges are the most appropriate funding mechanism.  A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
Sportsgrounds	Primarily contributes to the Economy Outcome	Individuals, Groups, Community as a whole	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	Groups and events that utilise the sportsgrounds.	Council is able to charge individual users and clubs who utilise the grounds and facilities. However the majority of these areas are available for the general public at any time.	90%-100% general rate  0%-10% fees and charges	The community benefits from being able to use the facilities for general recreation, while clubs and individuals also benefit from the grounds at other times. There is also an economic benefit through national and regional sports tournaments that bring sports people and their families to the District.  These services can be partly funded separately by fees and charges, but there are limits to how much clubs, especially for school sports, can pay. This is reflected in the small fee and charge component.  A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

### Venues

Council provides and maintains a number of venues across the District. This includes the AC Baths, Taupo Events Centre (Fitness Studio, Stadium), Great Lake Centre, Turangi Aquatic Centre, Turangi Gym, Mangakino Pool, and Mangakino Sports Hall. Due to their size and the level of activity the pools, Events Centre and Great Lake Centre require a separate funding policy over and above that of venues generally.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Pools (AC Baths, GETAC and Mangakino Pool)	Primarily contributes to the Economy Outcome	Individuals, groups and community as a whole	<p>Service benefits occur in the current year.</p> <p>Benefits from the use of assets occur over their lifetime.</p>	The District's high visitor numbers create demand for greater service provision than the usually resident population requires.	Users can be charged for this service. However, charges need to be reasonable otherwise they are likely to discourage users.	<p><i>AC Baths</i></p> <p>35%-45% fees and charges</p> <p>55%-65% general rate</p> <p><i>Mangakino Pool and Turangi Aquatic Centre</i></p> <p>5%-15% fees and charges</p> <p>85%-95% general rate</p>	<p>Users are clearly identifiable. However, swimming pools provide a range of benefits to our communities. The Turangi and Mangakino Pools recognise a significant public funding component (85%-95%) on the basis of wider social responsibility.</p> <p>A public funding input (55%-65%) for the AC Baths is based on the economic and social benefits accruing to the wider community from the operation of the pool facility. There is also a wider range of services provided at the AC Baths which accounts for the higher level of fees applied.</p> <p>A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.</p>
Taupo Events Centre	Primarily contributes to the Economy Outcome	Individuals, groups and community as a whole	<p>Service benefits occur in the current year.</p> <p>Benefits from the use of assets occur over their lifetime.</p>	The District's high visitor numbers create demand for greater service provision than the usually resident population requires.	Users can be charged for this service. However, charges need to be reasonable otherwise they are likely to discourage users.	<p>25%-35% fees and charges</p> <p>65%-75% general rate</p>	The venue is used by groups and individuals which creates the ability to apply fees and charges. Council supports the use of the venue as it assists in meeting the social needs of current and future generations. This support is recognised in the split between fees and charges and the general rate. Increasing the fees and

							charges is likely to result in a reduction in community use. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
Great Lake Centre	Primarily contributes to the Economy Outcome	Individuals, groups and community as a whole	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	The District's high visitor numbers create demand for greater service provision than the usually resident population requires.	Users can be charged for this service. However, charges need to be reasonable otherwise they are likely to discourage users.	15%-25% fees and charges  75%-85% general rate	The venue is used by groups and individuals which creates the ability to apply fees and charges. Council supports the use of the venue as it assists in meeting the social needs of current and future generations. This support is recognised in the split between fees and charges and the general rate. Increasing the fees and charges is likely to result in a reduction in community use. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

### Community halls

Council provides and maintains community halls around the District.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Community Halls	Primarily contributes to the Engagement Outcome	Groups (especially in those areas where a Community Hall is located),	Service benefits occur in the current year.  Benefits from the use of assets occur	No one specifically.	Users can be charged separately. However, charges need to be reasonable otherwise they are	0%-10% fees and charges  90%-100% general rate	The primary beneficiaries are those that use the Community Halls. However, the wider community benefits through enabling communities to be active and connected.

		community as a whole.	over their lifetime.		likely to discourage users.		A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
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### District Libraries

Council provides a library service operating in Taupō, Turangi and Mangakino.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
District Libraries	Primarily contributes to the Engagement Outcome	Individuals, community as a whole.	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	No one specifically.	Users can be charged separately. However, charges need to be reasonable otherwise they are likely to discourage users.	0%-10% fees and charges  90%-100% general rate	The District Libraries provide social and cultural benefits to the individuals that visit. There is also a wider community benefit which includes an ability to encourage education, a social environment and an important source of supplying public information. These community benefits are recognised in the split between fees and charges and the general rate. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

### Taupo Museum and Art Gallery

Council provides a District Museum and Art Gallery to recognise, protect and promote the District's heritage, build and strengthen community identity, and encourage and support a thriving arts community. A feature of the Museum is the Tūwharetoa Gallery that houses taonga on loan from Ngati Tūwharetoa. The Museum courtyard is also available for private hire.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Taupo Museum	Primarily contributes to the Engagement Outcome	Individuals, groups and community as a whole	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	No one specifically.	Users can be charged separately.	5%-15% Fees and Charges  85%-95% General Rate	The Museum and Art Gallery provides cultural or recreational benefits to the individuals that visit. There is also a wider community benefit which includes economic, social and cultural benefits of protecting our history. These community benefits are recognised in the split between fees and charges and the general rate. Increasing the fees and charges is likely to result in a reduction in use. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

### Housing for the Elderly

Council provides and maintains housing units in Taupo, Mangakino and Turangi, primarily for elderly residents with low incomes.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Housing for the Elderly	Primarily contributes to the Engagement Outcome	Individuals	Service benefits occur in the current year.  Benefits from the use of assets occur	Individuals requiring affordable accommodation.	Users can be charged separately. However, charges need to be reasonable otherwise they are	40%-60% fees and charges  40%-60% general rate	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.

			over their lifetime.		likely to discourage users.		A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
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### Public toilets

Council provides a high standard of showers, toilets and changing facilities at the Superloo, for visitors, and more than 50 public toilets around the District.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Public Toilets	Primarily contributes to the Environment Outcome	Individuals, community as a whole	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	Visitors to the District increase the need	Users can be charged separately. However, it is not practicable to identify everyone who uses these facilities and the transaction costs outweigh the benefits.	100% general rate	Given the impracticality of charging individuals and the wider community benefit of providing amenities for residents and visitors to the District the general rate is considered the most appropriate source of funding. 100% general rate is therefore considered the most appropriate and efficient funding source.
Superloo	Primarily contributes to the Economy Outcome	Individuals, community as a whole	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	Visitors to the District increase the need	Users can be charged separately.	30%-50% Fees and Charges  50%-70% General Rate	The District benefits from having visitors and providing public amenities is part of ensuring visitors enjoy their stay. Beyond user charges, the costs are only borne efficiently by the whole community and limited transparency benefits from distinct funding would be less than the transaction costs. The Superloo was built to offer a first class service and a fee reflects the enhanced service applied.  A split of fees and charges, and the general rate is therefore considered

							the most appropriate and efficient funding sources.
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### Cemeteries

Council provides, operates and maintains three cemeteries (Taupō, Turangi and Mangakino), and maintains or assists with maintenance of Urupa (Maori burial grounds).

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Cemeteries	Primarily contributes to the Environment Outcome	Individuals	Benefits occur over the lifetimes of family members, who tend to use enduring memorials (headstones, etc.) to mark graves.	No one specifically.	Services can be charged to individual users on a plot basis, to cover the lifetime cost of those services.	0%-20% UAGC 80%-100% fees and charges	Interment and maintenance of the district's cemeteries are mainly of private benefit. The users are the deceased and those related to the deceased and as such can be linked to individuals. There is an element of public good in terms of ensuring that public health requirements are maintained.  A split of fees and charges, and a UAGC is therefore considered the most appropriate and efficient funding sources.

### Solid Waste

Council provides waste collection, disposal and recycling services to keep the District and its waterways clean, tidy and attractive. Council also provides litter and recycling bins throughout the District, mainly in town centres and parks and reserves. Council operates a District waste disposal service at the Broadlands Rd landfill, and provides transfer stations at Kinloch, Mangakino, Whareroa Omori and Turangi. Council also maintains three closed landfills (Taupo, Turangi and Mangakino) to ensure that decomposing waste does not have adverse effects on the environment.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Litter control	Primarily contributes to the	Community as a whole	Ongoing	People who want to discard rubbish while in town, and while using parks and	It is not practicable to identify everyone who uses this service.	100% General Rate	Both ratepayers and residents receive a benefit from this service, therefore the most efficient and transparent funding method is the

	Environment Outcome			reserves cause the need for litter control. The packaging practices of manufacturers and retailers also increase the need for litter control.			general rate. This activity contributes to the environmental and social considerations for the community as a whole. 100% general rate is therefore considered the most appropriate and efficient funding source.
Refuse collection	Primarily contributes to the Environment Outcome	Individuals	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	High levels of product packaging increase the need for the service.	Users can be charged separately.	100% fees and charges	Refuse collection can be fully user funded, which also provides an incentive for residents and ratepayers to reduce their refuse volumes.  100% fees and charges are therefore considered the most appropriate and efficient funding source.
Solid waste disposal and minimisation	Primarily contributes to the Environment Outcome	Individuals, community as a whole	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	High levels of product packaging exacerbate the need for the service.	Charges can be applied at the Broadlands Road Landfill and the transfer stations around the District for waste materials.  However, charges need to be reasonable to minimise dumping.	51% targeted rate (set charge across each ratepayer)  49% fees and charges	The funding split between a targeted rate and fees and charges is in an attempt to encourage waste minimisation. Individuals do not pay to recycle at the disposal facilities around the District which assists with reducing volumes to landfill.  A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

## Stormwater

Council provides stormwater services which include a reticulated network in the Taupō, Turangi and Mangakino central business and industrial areas, an urban stormwater network, culverts in rural areas, and a reticulated stormwater network.



Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Stormwater	Primarily contributes to the Environment Outcome	CBD and industrial properties that are connected to the network and the community as a whole.	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	For the whole District, road users are the main offenders, contributing road sediment that must be treated, and those that drop litter to a lesser degree.	Council could charge those ratepayers (mainly commercial) whose properties connect directly to the network for their higher levels of stormwater service. However, the transaction costs outweigh the benefits.	100% general rate	The service is provided primarily for its environmental benefits to mitigate pollution and erosion effects on waterways. Stormwater services are also provided, to a lesser degree, for public safety (flooding risk from stormwater).  100% general rate is therefore considered the most appropriate and efficient funding source.

*Dependant on the capital expenditure projects that occur in any given year and the growth component of those projects a development contribution may be collected.*

## Wastewater

Council provides reticulated wastewater systems for twelve communities in the District. Public health risks are minimised by Waikato Regional Plan rules that require septic tanks and other contained systems where Council does not provide a reticulated system.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Wastewater	Primarily contributes to the Environment Outcome	Ratepayers connected to the system. There are also public health benefits for the community as a whole.	Service benefits occur in the current year.  Benefits from the use of assets occur over their lifetime.	The need for the activity is increased by peak demands experienced over the summer period.	The rating units connected or available to be connected to a Council scheme are easily identified.	100% targeted rate (charged on a sliding scale)	Direct users of the wastewater system clearly receive the benefit. There is also a high public benefit in relation to the promotion of public health. A targeted general rate is applied to ratepayers that are connected to a wastewater scheme. This is considered the most efficient method of funding as the benefit users receive is the same regardless of volume. It is also not considered

							practical to measure and make specific household charges. 100% targeted rate is therefore considered the most appropriate and efficient funding source.
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*Dependant on the capital expenditure projects that occur in any given year and the growth component of those projects a development contribution may be collected.*

## Democracy and Planning

Council provides District leadership, governance and advocacy services to meet the current and future needs of the District and its residents. The Turangi-Tongariro Community Board operates as a communication channel with Council, and advocates for its own communities, so that locally important decisions are made with input from local residents. Council provides a wide range of policy and long term planning services, including financial policy, planning and reporting, and development of the District Plan.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Leadership, governance and advocacy	Primarily contributes to the Engagement Outcome	Community as a whole	Ongoing	No one specifically.	It would be impossible to determine a fee which was proportional to the specific benefits for each ratepayer or household.	100% UAGC	Providing leadership and advocacy for the District and the people who live here is very important. It ensures that the voice of our communities is heard at a national and regional level. This is an activity that provides benefits for ratepayers and residents on an on-going basis and covers a range of issues, some of which take multiple years to resolve. 100% UAGC is therefore considered the most appropriate and efficient funding source.
Turangi-Tongariro Community Board	Primarily contributes to the Engagement Outcome	Residents and ratepayers of the Turangi-Tongariro ward. There is also a lesser benefit to the	Ongoing	No one specifically.	Ratepayers in the Turangi-Tongariro ward can be charged for this service.	80% targeted rate 20% general rate	A clear community of interest can be identified and the benefit the Board supplies. However there is also a wider benefit to the community as a whole from local input into the decision making process.

		community as a whole.					A split of targeted and general rates is therefore considered the most appropriate and efficient funding sources.
Planning for the future	Primarily contributes to the Engagement Outcome	Community as a whole	Ongoing	Central and regional government policy, planning and standard setting create demand for these services. Residents and ratepayers also require a measure of certainty about the governance and policy in operation in the District.	It would be impractical to identify and charge individuals for this activity.	100% general rate	Because the community as a whole is the primary beneficiary, the benefits of separate funding are outweighed by the lower transaction costs and the efficiency benefits of funding this service via the general rate.  100% general rate is therefore considered the most appropriate and efficient funding source.

## Investments

Council manages a range of investments in land, forestry and capital markets.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding?	Funding source	Rationale
Investments (TEL fund, forestry and general investments)	Primarily contributes to the Economy Outcome	Ratepayers and community as a whole.	Ongoing	No one specifically.	The benefits of this activity are applied across the community as a whole and distinct funding is not appropriate.	100% general rate	Any expenditure required to manage this activity is funded 100% general rate. The net revenue from the activity is either used as an offset against general rates and/or reducing general rate funded debt. It is not used to reduce debt which relates to activities where a targeted rate applies. The income from the TEL fund investments may be used to

							fund community based projects as specified by Council. There is a transitional period until June 2020 whereby some of the TEL fund income may continue to be used as a partial rate subsidy.
Property (including motor camps, residential and commercial land and property)	Primarily contributes to the Economy Outcome	Individuals, community as a whole.	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	Visitors to the District, new businesses to the District.	Council is able to charge for the use of property by way of fees and charges.	10%-30% general rate  70%-90% fees and charges	Most of the costs associated with this activity are covered by those that use the properties. These costs are recovered by fees and charges. Where there are costs to maintain these properties the general rate is considered the most appropriate form of funding given that the overall benefit of this activity applies to the community as a whole. The benefits and costs of the motor camps are covered by fees and charges.  A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

## Economic Development

Council supports and promotes economic development within the District. This includes supporting Destination Great Lake Taupo, Enterprise Great Lake Taupo, Go Tongariro and Town Centre Taupō, and the facilitation of events.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Economic Development	Primarily contributes	Individuals, groups and	Ongoing	Events that are run in the District.	Council could target larger high profile	100% general rate	Council supports and promotes economic development within the

	to the Economy Outcome	community as a whole		<p>Visitors to the District</p> <p>Additional demand may be placed on some of Councils services or facilities by businesses who wish to locate within the District.</p>	<p>visitor industry beneficiaries' e.g. Supermarkets, accommodation providers and activity providers. However, Council cannot easily identify properties used for short-term home based accommodation such as Airbnb and holiday homes that are available to rent. There is limited transparency and accountability with this approach as apart from making sure each individual or business owner who receives a direct benefit is identified it is also an issue of determining an equitable proportion of funding versus the benefit received.</p> <p>Council can charge event operators for the service it provides.</p>		<p>District to assist with meeting the social and economic needs of current and future communities. The long-term nature of this type of investment means that the benefits cannot be directly attributed to individuals.</p> <p>The promotion of the district as a tourist destination is of benefit primarily to tourist operators, accommodation providers and retail businesses. However, the district as a whole benefits through increased choices (i.e. shops) and employment opportunities. As such this component of economic development is best funded through the general rate.</p> <p>Supporting events is one element of Council's economic development strategy. Event providers are charged for the hire of venues which is covered under Community Facilities. The support and facilitation of events is undertaken for the benefit of the community as a whole to create vibrancy and is part of what makes a great District. This component of events is best funded through the general rate.</p> <p>100% general rate is therefore considered the most appropriate and efficient funding source.</p>
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