

Appendix 7: Revenue and financing policy 2024



Purpose and scope

1. This policy sets out who pays for the activities that Council undertakes on behalf of the community and how these activities will be funded. This policy is required under [Sections 102 - 103 of the Local Government Act 2002](#).
2. When deciding how to fund an activity Council must consider the requirements as set out in [Section 101\(3\)\(a\) of the Local Government Act 2002](#). Council's consideration of these requirements can be found in the attached Schedule 1.

Council's funding policy

3. Council's funding policies are determined having consideration of the requirements of s101(3) including consideration of who benefits, intergenerational equity, who contributes to the need for the activity, distinct funding and the overall impact of the method of funding.
4. Where we have been able to clearly identify a direct relationship between users and the service provided by Council and it is efficient and effective to do so, Council has applied either a targeted rate or fees and charges. Where the level of service provides a benefit to the community as a whole; is of a uniform nature; or where we are not able to identify the direct relationship between users and the service, we use general rates. In a number of instances, we use a mix of the general rate and fees and charges whilst also recognising the overall impact on the community and ability to pay. This philosophy also extends to the use of capital value as the basis for the general rate. The combination of capital value and a low uniform annual general charge supports our long-term strategic direction of balancing wants and needs with affordable and sustainable rates.

5. We also believe that individuals, groups and communities should pay for the services they receive at the time that they are using them (intergenerational equity). This is particularly important when we build significant infrastructure with an expected long life. Council seeks to match the term of borrowings with the average life of assets when practical, with a maximum loan term of 25 years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.
6. Where possible other sources of revenue are collected including subsidies and grants. For example, grants from Waka Kotahi (The NZ Transport Agency) from fuel and road user taxes for transport operations, maintenance and improvements. Development contributions are collected where possible for developments which create the need for additional infrastructure or place an additional demand on our existing infrastructure.
7. Due to increased pressure on some of our asset equity reserves, Council will be using rates to put additional funding into these reserves, to ensure they are not in deficit over the long-term. From year 3 in the Long-term Plan Council are also rates funding additional loan repayments for some of our Community Infrastructure to mitigate pressures on Council's debt.



Supporting the principles set out in the Preamble to Te Ture Whenua Māori Act 1993

8. In recognition of the principles of the Te Ture Whenua Māori Act, to recognise that land is taonga tuku iho of special significance to Māori people, and to support retention, occupation, use, and development of Māori land:
 - Under this funding policy to reduce the rates burden, where we have been able to clearly identify a direct relationship between users and the service provided by Council and it is efficient and effective to do so, Council has applied either a targeted rate or fees and charges.
 - Council's Development Contributions Policy provides for payment conditions that support developments, including kaumātua housing and papakāinga, on Māori land.
 - Council's Rates Remission and Postponement Policies will provide remission for rates for undeveloped Māori freehold land, and remissions for land being developed.

Operating expenditure

9. Council funds operating expenditure from the general rate, targeted rates, fees and charges, interest and dividends from investments, operating grants and subsidies, and other operating revenue. Council may choose to fund operating expenditure by other sources than those listed if it becomes available over the life of the Long-term Plan.
10. The LGA 2002 requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the Long-term Plan. 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.

GENERAL RATE

11. General rates are used to fund activities where Council believes there is a public benefit to the community as a whole or to a portion of the community. Some individuals may or may not use or access the service however there is no practical or cost-effective method for charging individual users. Having a strong general rate funded system creates a simpler structure making it easier for ratepayers to understand how they are being rated and it is a more efficient and effective rating system to administer. Council uses a capital value rating system as the basis for setting and assessing General rates on a differential basis.

DIFFERENTIALS

12. Council applies differential factors greater than 1.0 to some categories of rateable land when assessing the general rate to recognise that there are differences in the level of service and therefore the benefits each differential rating category derives from the various services provided by Council and the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. In some cases, costs to provide some services are higher for some rating categories and this is considered when setting differentials and applying them to rating categories. Rating units are categorised based on land use or the zoning of the land.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

13. A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 is assessed on every separately used or inhabited part of a rating unit in the district. Where separate parts of a rating unit fit within more than one category of rateable land for setting rates or where separate parts of a rating unit qualify for a rates remission a rating division may be created to accurately assess rates and/or apply remission. The Uniform Annual General Charge will be used to fund leadership, governance, advocacy, emergency management, animal control and cemeteries.

TARGETED RATES

14. A targeted rate means a rate to be used exclusively to pay for that operating expense where it can be targeted based on service provision or location. Targeted rates are used to target ratepayers who benefit exclusively from a service, or when Council believes that the benefits from the service are such that the principles of general rating (noted above) are not sufficient.

15. The activities or services where a targeted rate is applied are:
 - Sewage disposal – assessed on every rating unit connected or available to be connected (serviceable) to an accessible Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household, which shall be assessed only one charge).
 - Water supply – fixed targeted rate assessed on each separately used or inhabited part of a rating unit
 - District Refuse Disposal Charge - assessed on each separately used or inhabited part with the application of a differential to certain categories of rateable land.
 - Whareroa Refuse rate - assessed on all rating units in the Whareroa rating area as a fixed amount per rating unit.
 - Town Centre Taupō Management rate – assessed on each separately used or inhabited part of industrial/commercial rating units within the defined central business district of Taupō town.
16. Council's Funding Impact Statement contains more details on these rates.

FEES AND CHARGES

17. Fees and charges are used where there is a direct benefit to an individual. The fee or charge is determined by considering the efficiency of imposing the fee or charge, considering the value that the service provides to the community (particularly in regard to community facilities) and the overall cost of providing the service. The activities where we have fees and charges and the proportion to be collected for a particular activity are illustrated in the table below. The actual fees can be found in the Fees and Charges Schedule on our website www.taupo.govt.nz

INTEREST AND DIVIDENDS FROM INVESTMENTS

18. The interest and dividends from the general and special fund investments are used as an offset against general rates. The management of these investments is governed by the Treasury Management Policy. The interest and dividends earned on the TEL Fund will first be applied (by an amount equal to inflation proofing the capital of the fund) back to the capital of the fund, and then, reinvested until which time it may be used in the future for Council to distribute or accumulate in accordance with the TEL Community fund guiding principles.

GRANTS AND SUBSIDIES AND OTHER OPERATING REVENUE

19. Where possible Council applies for grants for specific projects, which helps to reduce the cost to the community. NZTA subsidies are received for maintenance of the local road network including passenger transport and community programmes. Other operating revenue includes but is not limited to rental income from property and petrol tax.

Capital expenditure

20. Council funds capital expenditure from borrowing, development contributions, operating surpluses, sale of assets, subsidies, depreciation reserves and other financial reserves. Council may choose to fund capital expenditure by other sources than those listed if it becomes available over the life of the Long-term Plan.

BORROWING

21. Council adopts a prudent approach to debt and its capital programme. Borrowing is managed within the framework specified in the Treasury Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing, access to funding is of primary importance. Council seeks to match the term of borrowings with the average life of assets when practical, with a maximum loan term of 25 years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.
22. Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure including the sources outlined below. The Forecast Financial Statements included in the Long-term Plan 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.

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

23. The charges under the Development Contributions Policy are used to fund the portion of capital expenditure which relates to growth. In reaching the requirement for contribution any increase in level of service or renewal of asset is identified and funded from other funding mechanisms. Where growth related infrastructure is funded by development contributions, debt servicing costs on that infrastructure may also be recovered through development contributions.

SALE OF ASSETS

24. We have an on-going land disposal process with the net proceeds to be used to reduce debt. Assets which are no longer required for strategic or operational purposes may be sold with the net proceeds to be used to reduce debt. We will harvest Council owned forests as they reach maturity with the net proceeds to be applied to debt reduction.

DEPRECIATION RESERVES AND OTHER FINANCIAL RESERVES

25. These reserves are used to fund the asset renewal program, capital expenditure and loan repayments.

SUBSIDIES

26. Council receives Waka Kotahi (The NZ Transport Agency) subsidies for renewals and new capital expenditure for the District's transportation network. Where subsidies are available from central government for activities that Council undertakes, we will apply for these and if successful this will reduce the amount of loan funding required.

Schedule 1 - Summary of funding for Council's activities

Note: these are target ranges and are subject to a number of variables that may occur over any given financial year.

GROUP OF ACTIVITIES	ACTIVITY	UNIFORM ANNUAL CHARGE	GENERAL RATE	TARGETED RATE	FEES & CHARGES
Water	Water supply			95 - 100%	0 - 5%
Wastewater	Wastewater			95 - 100%	0 - 5%
Stormwater	Stormwater		100%		
Transport	Transport		95 - 100%		0 - 5%
Waste and environmental management	Litter control		100%		
	Solid waste collection				100%
	Solid waste disposal			25-45%	55-75%
Community facilities	Parks and reserves		90 - 100%		0 - 10%
	Venues - AC Baths		55 - 70%		30 - 45%
	Venues - Tūrangi Turtle Pools		85 - 95%		5 - 15%
	Venues - Mangakino Pools		100%		0%
	Venues - Taupō Events Centre		65 - 80%		20 - 35%
	Venues - Great Lake Centre		75 - 85%		15 - 25%
	Community Buildings - Community Halls		90 - 100%		0 - 10%
	Community Buildings - District Libraries		90 - 100%		0 - 10%
	Heritage, culture & public art - Taupō Museum & Art Gallery		85 - 95%		5 - 15%
	Public conveniences (including Superloo)		100%		
Regulatory and Emergency Management	Cemeteries	0 - 30%			70 - 100%
	Building consents		20 - 40%		60 - 80%
	Resource consents		40 - 60%		40 - 60%
	Regulatory compliance - Alcohol and Health licensing		35 - 45%		55 - 65%
	Regulatory compliance - Animal control & sundry compliance	50 - 70%	0-10%		30 - 50%
	Regulatory compliance - Parking		100%		
	Emergency management	100%			
Community leadership	Leadership, governance & advocacy	100%			
	Community engagement & development		100%		
	Investments		100%		
Strategic property	Property		10 - 30%		70 - 90%
	Housing for the Elderly		50-70%		30-50%
District development	District development, visitor support & events		100%		

Section 101(3) considerations – Revenue and Financing Policy 2024

1. 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).
2. Council is required to consider the following when deciding who should pay for an activity:

THE COMMUNITY OUTCOMES TO WHICH THE ACTIVITY PRIMARILY CONTRIBUTES [SECTION 101(3)(A)(I) REFERS]

3. Community outcomes outline the outcomes that Council wants for the District. Our community outcomes were reviewed in 2024 and are:
 - Tangata whenua are acknowledged and respected
 - Vibrant places and connected communities
 - Resilient communities working in partnership
 - Innovative, thriving economy
 - Flourishing environment

WHO BENEFITS [SECTION 101 (3) (A) (II) REFERS]

4. 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 [SECTION 101 (3) (A) (III) REFERS]

5. 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? [SECTION 101 (3)(A)(IV) REFERS]

6. 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 [SECTION 101 (3) (A) (V)REFERS]

7. 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 [SECTION 101 (3)(B) REFERS]

8. 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.

Water Supply

Council operates and maintains 18 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 Resilient communities working in partnership 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.</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 industrial/commercial properties within the district & are also mandatory in other places where there is potential for high water use, according to consent conditions. There are transparency and accountability benefits from separate charging for water supply services.</p>	<p>95 - 100% targeted rate</p> <p>0 - 5% fees and charges</p>	<p>All rating units that are connected to a Council water scheme are charged a fixed targeted rate, regardless of where the property is situated within the district. Volumetric water metering charges also apply where a water meter is installed.</p> <p>95%-100% targeted rate and 0%-5% fees & charges is therefore considered the most appropriate and efficient funding sources.</p>

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 Flourishing 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.	95 – 100% targeted rate (charged on a sliding scale) 0 – 5% fees and charges	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 95%-100% targeted rate and 0%-5% fees & charges is therefore considered the most appropriate and efficient funding sources.

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.

Stormwater

Council provides stormwater services which include a reticulated network in the Taupō, Tūrangi 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 Flourishing 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.

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 Vibrant places and connected communities outcome	Community as a whole	Service benefits occur in the current year. Benefits from the use of the assets occur over their lifetime.	Heavy trucks and high-volume users' impact on the quality of our roading network. Specific industries also have an impact that is monitored on an on-going basis.	Transport is a complex activity with multiple beneficiaries. It would be impractical to identify all these beneficiaries individually and to charge them accordingly. As such it is not considered efficient to have significant separate charges.	95 - 100% general rate 0 - 5% fees and charges	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 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. 95%-100% general rate and 0%-5% fees & charges is therefore considered the most appropriate and efficient funding sources.

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.

Waste and environmental management

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 (Taupō, Tūrangi 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 Flourishing environment outcome	Community as a whole	Ongoing	People who want to discard rubbish while in town, and while using parks and reserves cause the need for litter control. The packaging practices of manufacturers and retailers also increase the need for litter control.	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 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.
Solid waste collection	Primarily contributes to the Flourishing 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	Primarily contributes to the Flourishing 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.	25 – 45% targeted rate (set charge across each ratepayer) 55 – 75% 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.

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. Additionally, Council 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 (includes sportsgrounds)	Primarily contributes to the Vibrant places and connected communities outcome	Individuals, Groups, 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.	There are specific parks and reserves around the District where Council can charge for use. However, the majority of these areas are available for the general public at any time.	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 able to charge for specific parks and reserves fees and charges are the most appropriate funding mechanism, for sportsgrounds there are limits to how much clubs, especially for school sports, can pay. This is reflected in the small fee and charge component. There is also an economic benefit through national and regional sports tournaments that bring sports people and their families to the District. 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, Taupō Events Centre (Fitness Studio, Stadium), Great Lake Centre, Tūrangi Aquatic Centre, Tūrangi 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
Venues - Taupō Events Centre	Primarily contributes to the Vibrant places and connected communities 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.	20 - 35% fees and charges 65 - 80% 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 considered the most appropriate and efficient funding sources.
Venues - Great Lake Centre	Primarily contributes to the Vibrant places and connected communities 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 buildings – Community Halls	Primarily contributes to the Vibrant places and connected communities outcome	Groups (especially in those areas where a Community Hall is located), 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 primary beneficiaries are those that use the Community Halls. However, the wider community benefits through enabling communities to be active and connected. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

DISTRICT LIBRARIES

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

ACTIVITY	COMMUNITY OUTCOMES	WHO BENEFITS	PERIOD OF BENEFIT	WHO CONTRIBUTES TO THE NEED	DISTINCT FUNDING	FUNDING SOURCE	FUNDING RATIONALE
Community Buildings - District Libraries	Primarily contributes to the Vibrant places and connected communities 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.

TAUPŌ 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 Ngāti 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
Heritage, culture & public art – Taupō Museum & Art Gallery	Primarily contributes to the Vibrant places and connected communities 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 that 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.

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 conveniences (including Superloo)	Primarily contributes to the Flourishing 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, with the exception of the Superloo, it is not practicable to identify everyone who uses these facilities, and the transaction costs outweigh the benefits.	100% general rate	<p>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.</p> <p>100% general rate is therefore considered the most appropriate and efficient funding source.</p> <p>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.</p> <p>A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.</p>

CEMETERIES

Council provides, operates and maintains three cemeteries (Taupō, Tūrangi and Mangakino), and maintains or assists with the maintenance of Urupa (Māori 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 Flourishing 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 - 30% UAGC 70 - 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.

Regulatory and emergency management

ACTIVITY	COMMUNITY OUTCOMES	WHO BENEFITS	PERIOD OF BENEFIT	WHO CONTRIBUTES TO THE NEED	DISTINCT FUNDING	FUNDING SOURCE	FUNDING RATIONALE
Building consents	Primarily contributes to the Resilient communities working in partnership 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 - 80% fees and charges 20 - 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.
Resource consents	Primarily contributes to the Resilient communities working in partnership 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.
Regulatory compliance - Alcohol and Health licensing	Primarily contributes to the Vibrant places and connected communities 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.

ACTIVITY	COMMUNITY OUTCOMES	WHO BENEFITS	PERIOD OF BENEFIT	WHO CONTRIBUTES TO THE NEED	DISTINCT FUNDING	FUNDING SOURCE	FUNDING RATIONALE
Regulatory compliance - Animal control & sundry compliance	Primarily contributes to the Vibrant places and connected communities 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% Uniform Annual General Charge (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.
Regulatory compliance - Parking	Primarily contributes to the Vibrant places and connected communities 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 100% general rate is therefore considered the most appropriate and efficient funding source.
Emergency Management	Primarily contributes to the Resilient communities working in partnership 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% UAGC is therefore considered the most appropriate and efficient funding source. This allows Council to remain prepared if and when an event occurs.

Community leadership

Council provides District leadership, governance and advocacy services to meet the current and future needs of the District and its residents. The Tūrangi-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 & advocacy	Primarily contributes to the Resilient communities working in partnership 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	<p>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 ongoing basis and covers a range of issues, some of which take multiple years to resolve.</p> <p>100% UAGC is therefore considered the most appropriate and efficient funding source.</p>
Planning for the future	Primarily contributes to the Resilient communities working in partnership 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	<p>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.</p> <p>100% general rate is therefore considered the most appropriate and efficient funding source.</p>

ACTIVITY	COMMUNITY OUTCOMES	WHO BENEFITS	PERIOD OF BENEFIT	WHO CONTRIBUTES TO THE NEED	DISTINCT FUNDING	FUNDING SOURCE	FUNDING RATIONALE
Community engagement & development	Primarily contributes to the Resilient communities working in partnership 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 outweigh the benefits.	100% General Rate	<p>The benefit to the whole community outweighs the costs associated with identifying individual groups.</p> <p>100% general rate is therefore considered the most appropriate and efficient funding source.</p>
Investments	Primarily contributes to the Resilient communities working in partnership 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	<p>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.</p> <p>The interest and dividends earned on the TEL Fund will first be applied (by an amount equal to inflation proofing the capital of the fund) back to the capital of the fund, and then, reinvested until which time it may be used in the future for Council to distribute or accumulate in accordance with the TEL Community fund guiding principles</p>

Strategic property

Council manages a range of investments in land, buildings and forestry. Council provides and maintains housing units in Taupō, Tūrangi and Mangakino, 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
Property	Primarily contributes to the Resilient communities working in partnership 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.
Housing for the Elderly	Primarily contributes to the Resilient communities working in partnership outcome	Individuals	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	Individuals requiring affordable accommodation.	Users can be charged separately. However, charges need to be reasonable otherwise they are likely to discourage users.	30 - 50% fees and charges 50 - 70% 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. A split of fees and charges, and the general rate is considered the most appropriate and efficient funding sources.

District development

Council supports and promotes economic development within the District. This includes supporting Destination Great Lake Taupō, Enterprise Great Lake Taupō, 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
District Development, Visitor support & events	Primarily contributes to the Innovative, thriving economy outcome	Individuals, groups and community as a whole	Ongoing	<p>Events that are run in the District.</p> <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>Council could target larger high profile 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>	100% general rate	<p>Council supports and promotes economic development within the 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>