

Objectives

The objective of this Policy is to disclose Council's intentions in regards to the funding methods applied to fund each of Council's significant activities and the reasons for the use of each funding method. This is to enable the Ruapehu Community to monitor and assess Council's prudent financial management.

This policy is required to comply with sections 102 and 103 of the Local Government Act 2002 (LGA) requiring Council to develop a Revenue and Financing Policy, and incorporate it into the LTP.

Principles

The purpose of the Revenue and Financing Policy is to demonstrate how and why Council funds each of its significant activities. Council currently funds 11 significant activities to achieve the community outcomes that Council is committed to, as outlined in the Part 2 of the LTP. Total funding comprises a funding mix of rates, fees and charges, and other income.

Background

Section 103 of the LGA states:

Revenue and Financing Policy

- (1) *A policy adopted under section 102(4)(a) must state:*
 - (a) *the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection (2).*
 - (b) *the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).*
- (2) *The sources referred to in subsection (1) are as follows:*
 - (a) *general rates, including:*
 - (i) *choice of valuation system.*
 - (ii) *differential rating.*
 - (iii) *uniform annual general charges.*
 - (b) *targeted rates.*
 - (c) *fees and charges.*
 - (d) *interest and dividends from investments*
 - (e) *borrowing.*
 - (f) *proceeds from asset sales.*

- (g) *development contributions.*
- (h) *financial contributions under the Resource Management Act 1991.*
- (i) *grants and subsidies.*
- (j) *any other source.*

- (3) *A policy adopted under section 102(4)(a) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).*

Section 101 of the LGA states:

101 Financial Management

- (1) *A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.*
- (2) *A local authority must make adequate and effective provision in its long-term council community plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term council community plan and annual plan.*
- (3) *The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:*
 - (a) *in relation to each activity to be funded-*
 - (i) *the community outcomes to which the activity primarily contributes; and*
 - (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - (iii) *the period in or over which those benefits are expected to occur; and*
 - (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - (v) *The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*
 - (b) *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.*

Policy Statement

1. Definitions

National Benefit	Benefits the nation and is public in nature.
District Benefit	Benefits the whole District and is public in nature.
Regional Benefit	Benefits the Region and is public in nature.
Commercial Benefit	Benefits the commercial sector and has elements of both public and private benefit.
Community Benefit	Benefits a particular Ward and is public in nature.
User Benefit	Benefits an identifiable individual, group, or community segment.
Applicant	Benefits an identifiable individual, group or community segment.
Offender/ Exacerbator	The cost is the result of offenders, or ones who exacerbate a problem.
Intergenerational Equity	Section 101(3) of the Local Government Act 2002 includes the consideration of "the period in or over which those benefits are expected to occur". This is referred to as intergenerational equity.

2. Policy Assumptions

2.1 Intergenerational Equity

Section 101(3) of the LGA includes the consideration of intergenerational equity in terms of "the period in or over which those benefits are expected to occur". This means that for some projects that have a long life, the cost of the project should be allocated over the life of the asset. However, to fund an asset with a life of 70 years with a loan would not be prudent due to the large interest repayments.

The Intergenerational Equity policy is based on Ruapehu District Council's 'Decline in Service Potential' (DISP) policy. The key activities where the principle of intergenerational equity applies to capital projects are as follows:

- Solid waste disposal
- Sewage collection and treatment

- Stormwater
- Water extraction, treatment and distribution
- Land Transport

Other functions where intergenerational equity may apply to capital projects include parks and reserves, district swimming pools, community halls, libraries, public toilets, cemeteries, roads, older persons housing, investment activities (DISP) and pedestrian networks.

2.2 Decline in Service Potential Policy

Council considers DISP to be a method of measuring the amount of 'service capacity' that is lost each year on key assets. For example, a water pipe slowly degrades over time until the point where it must be replaced. Each year, this reduction in life can be considered a reduction in service potential. As such, the concept of DISP is similar to depreciation. A number of methods for the treatment of DISP have already been established based on accounting standards and government directives. Council has incorporated these and the following guidelines into the DISP Policy:

2.2.1 Calculation of DISP

DISP on all assets will be calculated using the Depreciation Approach.

Funding DISP came into effect in the financial year starting 1 July 1999.

2.2.2 Use of DISP funds

Expenditure of DISP funds can only be of a capital nature, such as new assets, replacement assets, or principal repayments. This is because of the requirement that all operating expenditure be met out of operating revenues.

Council considers it has a moral obligation to spend DISP funds for the benefit of the group of ratepayers that provided those funds.

Any cash reserves that are used for internal loans will be documented.

2.3 Extra Income Policy

Extra income can be considered as income that is not specific to a particular function. This includes any dividends, petrol tax (provided by central government) and interest on rates, penalties, and any other non-specific income. Council policy is

to allocate on a pro-rata basis all significant extra income to the General Rate and the Uniform Annual General Charge (UAGC).

2.4 Sub Funding

This Revenue and Financing Policy deals with the identification of beneficiaries and the allocation of costs at a functional level. A number of functions have micro-funding issues, particularly with regard to fees and charges. These issues have been considered in the development of the Revenue and Financing Policy and a review of the fees and charges forms part of the LTP process. The objective of the overall fees and charges schedule is to achieve the proportions set out in the Revenue and Financing Policy.

2.5 Uncertainties and Variations to the Proposed Funding

Activities and Functions can be funded by more than one method. Where an Activity or Function has user funding or subsidies, the income from these sources may vary based on economic and social trends and other factors. Variations between the percentage funding described in this Revenue and Financing Policy and the actual funding received may occur due to these factors.

2.6 Global Percentage Approach

The Ruapehu District consists of a number of smaller communities which have differing funding circumstances. For example, some communities have a larger water user fees and charges allocation due to a number of large extraordinary water users. As such, each community has a different proportion of user fees to other funding mechanisms. The Ruapehu District Council takes a 'global' approach to this issue in that the percentage allocations in the Revenue and Financing Policy provide a total for the District even though the percentage allocations for individual communities may differ.

3. Policies for Funding Operating and Capital

3.1 Key Funding Considerations

The funding needs of Council are met from those mechanisms that the Council considers appropriate after considering the matters set out in Section 101(3) of the LGA:

- (a) *The promotion of community outcomes: The selection of revenue and financing mechanisms should reflect desired community outcomes.*
- (b) *The user/beneficiary pays principle: How the benefits from the activity are distributed to individuals, groups of individuals, or the community generally.*
- (c) *The intergenerational equity principle: Who will benefit from the activity in the future? Many Council assets have long lives; this principle suggests that the future ratepayer should also meet a share of the cost of these assets.*
- (d) *The exacerbator pays principle: Council has considered parties whose action or inaction give rise to the need for particular expenditure on an activity.*
- (e) *The costs and benefits of funding the activity in a different manner to the way other activities are funded.*
- (f) *How methods selected meet the principles of the LGA, including the District's Environmental, Social, Cultural and Economic wellbeing.*

3.2 Capital Funding

Council's use of funding mechanisms to fund capital development is as follows. Council will first apply, subsidies (Land Transport), Development Contributions, followed by loans and lastly rate funding. Borrowing is managed by the provisions of Council's Liability Management Policy (Refer; Liability Management Part Four). The Prospective Financial Statements, including Forecast Statement of Public Debt, provide a forecast of public debt levels associated with borrowing.

3.3 Operating Funding

Council is required under section 103(1) of the LGA to disclose policies in respect to the funding of operating expenses from the sources listed in section 103(2) of the LGA.

- (a) Operating expenses are funded annually with costs distributed to the beneficiaries of the particular activity.
- (b) Council will make use of a mix of revenue sources to meet operating expenses. These mechanisms are outlined in the following section.

3.4 Use of Funding Mechanisms

3.4.1 General Rate

The general rate is set under Section 13(2)(a) Local Government Rating Act (LG[R]A) to part fund the activities of Leadership and Regulation. It is set according to the Revenue and Financing Policy for these services. The General Rate is a rate in the dollar on land value applied to all properties in the District. A General Rate is used according to the Revenue and Financing Policy, when:

- Council considers that a land value rate is fairer than the use of other existing rating tools for the service funded.
- Council considers that the community as a whole should meet costs of the function.
- Council is unable to achieve its user charge targets and must fund expenditure,
- Council favours use of the UAGC but is constricted by the 30% cap (section 21).

3.4.2 Uniform Annual General Charge (UAGC)

The UAGC is set under Section 15 LGRA to part-fund the activities of Leadership, Regulation, Solid Waste, Recreation and Community Facilities and Community Development. It is set according to the Revenue and Financing Policy for these services (refer Part Four; Policies). A UAGC is used according to the Revenue and Financing Policy, when:

- Council considers that all District ratepayers benefit to an equal extent from some portion of one of Council's services.
- The percentage of benefit is determined by Council's Revenue and Financing Policy.
- Council considers that applying a user charge for that portion of a service would not be practicable.
- Valuation based rating does not provide a better proxy for equitable rating.

3.4.3 Targeted Rates

A targeted rate is set under Sections 16 or 19 of the LGRA to part fund the activities of Community Boards, Mainstreet, Sewerage, Water, Stormwater, Solid Waste, Reserves, Pools, Halls and Agency Services. Targeted rates are set according to the Revenue and Financing Policy for these services. A targeted rate is used according to the Revenue and Financing Policy, when:

- Council considers that a targeted rate would enable a higher level of transparency in funding allocation;
- Council considers that a targeted rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service. The percentage of benefit is determined by Council's Revenue and Financing Policy.
- There is not equal benefit to all District ratepayers from that portion funded by a Targeted Uniform Annual Charge (TUAC).

3.4.4 Targeted Rate Capital Value

The Targeted Rate Capital Value is set to fund the activities and functions of Emergency Management, Stormwater, Accelerated and Enhanced Street Development and Economic Development. The rate is set according to the Revenue and Financing Policy for these services (refer Part Four; Policies).

3.4.5 Fees and Charges

Fees and charges will be sought according to Council's Revenue and Financing policy where:

- It is assessed that level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges and;
- There are identifiable and distinct user groups/exacerbators identified by Council's Revenue and Financing Policy.
- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

3.4.6 Interest and Dividends

Council receives limited interest and dividends. Any received are used to offset the rate required in the year received.

3.4.7 Borrowing

Refer 'Capital Funding' in this policy.

3.4.8 Proceeds from Asset Sales

Funds from any asset sales are applied first to offset public debt.

3.4.9 Financial Contributions

Council has received limited financial contributions to date. These contributions are expected to increase,

and are held in separate accounts according to the purpose for which they are raised. (Refer Part Three Prospectus Information).

3.4.10 Development Contributions

A Development Contributions Policy has been developed for the LTP. Contributions from this source of funding are held in separate accounts according to the purpose for which they are raised. The funds will be applied to projects that have resulted from development in the District.

3.4.11 Grants and Subsidies

Council receives significant subsidy from Transfund to part-fund operations, renewal and capital development in Land Transport. The percentage of this subsidy differs for different types of works. Council's subsidised works programme can be viewed under Part Two: Land Transport.

The level of rates that are levied each year is dependant on the cost of providing Council services and the funding requirements set out in the Revenue and Financing Policy. The following table provide summaries of the Revenue and Financing Policy for all of Council's significant activities and specifies how each rate is used to fund Council's outputs.

4. Activity Funding

Activity	Function	Benefit Group	Assessed Level of Benefit	% Funding	Funding Method
Leadership	Council and Committees/ Mayor Community Boards	District Benefit	100%	50%	General rate land value
				50%	UAGC
	Policy and Planning	District Benefit	100%	50%	General rate land value
				50%	UAGC
Emergency Management	National Benefit District Benefit Applicant Benefit Offenders	10% 65% 20% 5%	100%	District rate capital value	
Resource Management	Resource Management	National Benefit District Benefit	5% 35%	55%	UAGC
		Applicant Benefit Offenders	50% 10%	45%	User fees and charges (balance funded by the general rate)
Regulation Services	Building Services	District Benefit	15%	35%	UAGC
		Applicant Benefit Offenders	65% 20%	65%	User fees and charges
	Animal Control	District Benefit	10%	10%	General rate land value
		Applicant Benefit Offenders	70% 20%	90%	User fees and charges
	Environmental Health	District Benefit	30%	35%	UAGC
		Applicant Benefit Offenders	65% 5%	65%	User fees and charges
	Inspection Services	National Benefit District Benefit	5% 10%	50%	UAGC
		Applicant Benefit Offenders	70% 15%	50%	User fees and charges
Land Transport	Land Transport	National Benefit	63%	63%	Subsidies
		User Benefit	37%	37%	Land Transport rate capital value
		Differential	Receive 75% of the benefit		75% differential Rate in dollar on capital value
	Accelerated and Enhanced Street Development	National Benefit District Benefit	5% 10%	100%	Targeted rate capital value by rating area
		Community Benefit User Benefit (businesses)	60% 25%		
	Mainstreet	National Benefit District Benefit	5% 10%	75%	TUAC (North/South)
		Community Benefit User Benefit (businesses)	60% 25%	25%	Targeted rate (LV) commercial North (Taumarunui and National Park Village) South (Ohakune and Raetihi)
Sewerage	Sewerage	Community Benefit User Benefit (Public)	20% 80%	100%	TUAC Differentiated by Scheme. Rate in dollar National Park

Activity	Function	Benefit Group	Assessed Level of Benefit	% Funding	Funding Method
Stormwater	Stormwater	National Benefit Ward / Community	5% 10%	50%	District rate capital value
		Urban Community Exacerbator	65% 20%	50%	UAGC
Water Supply	Water Supply	Community Benefit User Benefit (Public/ Business)	5% 95%	60%-90%	Ordinary users (UAC) differentiated by scheme
				0%-40%	Extraordinary user (Metered Charge)
Solid Waste	Waste Minimisation	District Benefit	5%	5%	UAGC
		Community Benefit	55%	60%	TUAC by Ward
		User Benefit	40%	35%	Fees and Charges
	Kerbside Collection	District Benefit	5%	5%	UAGC
		Community Benefit	55%	75%	TUAC by User by Ward
		User Benefit	40%	20%	Fees and Charges
Recreation and Community Facilities	Parks and Reserves	National Benefit District Benefit	5% 15%	55%	UAGC
		Community Benefit	40%	42%	UAC (North/South)
		User Benefit (Public, Clubs, Lessees)	40%	3%	User fees and charges
	District Swimming Pools	District Benefit	5%	25%	UAGC
		Community Benefit User Benefit (Pool Users)	40% 55%	75%	UAC (Targeted by rating area)
	Community Halls	District Benefit	5%	45%	UAGC
		Community Benefit	30%	45%	TUAC North/South
		User Benefit (Hall Users)	65%	10%	User fees and charges
	Public Toilets	National User District User Community User District Benefit	50% 20% 20% 10%	100%	UAGC
	Cemeteries	District Benefit Community Benefit	5% 10%	30%	UAGC
		User Benefit	85%	70%	User fees and charges
	Community Property	Older Persons Housing	Community Benefit User Benefit (Older Persons)	5% 95%	100% (for tenanted units)
Social Cultural and Environmental Investments		District Benefit	10%	20%	UAGC
		User Benefit	90%	80%	User fees and charges

Activity	Function	Benefit Group	Assessed Level of Benefit	% Funding	Funding Method
Community Development	Agency Services	Community Benefit	20%	50%	TUAC targeted by rating area
		User Benefit - Businesses - Service Users	50% 30%	50%	User fees and charges
	Community Support	District Benefit	5%	0%	Subsidies
		User Benefit (Grant Recipient)	95%	100%	UAGC
		User Benefit	90%	80%	User fees and charges
	Economic Development	National Benefit	25%	55%	District rate capital value
		District Benefit	30%		
		Community Benefit	30%	30%	Rate in the dollar capital value targeted on communities that benefit
		Commercial Benefit	15%	15%	Rate in the dollar capital value targeted on property codes C, I, FE
	RTO	National Benefit	25%	55%	District rate capital value
		District Benefit	30%		
		Community Benefit	15%	15%	Rate in the dollar capital value targeted on communities that benefit
		Commercial Benefit	30%	30%	Rate in the dollar capital value targeted on property codes C, I, FE
	Libraries	National Benefit District Benefit Community Benefit	5% 5% 15%	80%	UAGC
		User Benefit (Library Users)	75%	10%	User fees and charges

4.1 Solid Waste Funding

The following is Council's funding policy for the Solid Waste activity. This includes the funding policies for the functions for Kerbside Refuse and Recycling Collection, Transfer Stations and Waste Minimisation.

4.1.1 Waste Minimisation and Kerbside Collection

The Solid Waste activity ensures that the environment remains in a pristine condition and the potentially negative effects of the activity are avoided, remedied or mitigated and has a number of components, listed as follows:

- Education
- Enforcement
- Landfill (aftercare and maintenance)
- Closed Landfills (aftercare maintenance and monitoring)
- Transfer Stations
- Refuse to Landfill
- Kerbside Collection (Refuse and Recycling)

4.1.2 Funding Considerations

Waste Minimisation Funding					
Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
National				There is a large national benefit to the effective Waste Minimisation function. Effective and appropriate disposal of solid waste helps protect public health and environment for all New Zealanders.	Council considers that there is no lawful funding method to target this beneficiary group.
District	5%	5%	UAGC	This represents the public benefit from waste minimisation on health and the environment. Education, hazardous waste requirements and other functions of the activity affect all, and all benefit from these functions.	Council considers that the UAGC is the fairest method of ensuring that every ratepayer pays an equal amount for this portion of the solid waste management service.
Community	55%	60%	TUAC by Ward	The refuse collected from transfer stations is deposited in the District's landfill and has in the past been deposited in closed landfills, therefore the Transfer Station function is a beneficiary of the Waste Minimisation function. Each ward in the District is provided with at least one transfer station, the Communities that are provided with transfer stations benefit from the ability to access transfer stations in each ward.	The community benefits from the provision and access to transfer stations, Council decided that the fairest way to target this group was through a TUAC targeted by ward.
User	40%	35%	Fees, fines and other charges	Individuals or groups who inappropriately dump refuse should meet the cost of the cleanup of the area affected. Their actions require the enforcement component of the Waste Minimisation function to be carried out. Users of controlled transfer stations, and extraordinary users (including commercial operators) should meet the costs of the services that they make use of.	Council considers that fees and charges (fines) would be the most effective way of funding this function. The individuals using the Transfer Stations are the direct beneficiaries of the service. These beneficiaries contribute to the provision of this service by the payment of fees and charges for dumping refuse.

Kerbside Rubbish and Recycling Collection Funding					
Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
District	5%	5%	UAGC	This represents the public benefit from kerbside refuse and Recycling collection on health and the environment.	Council considers that the UAGC is the fairest method of ensuring that every ratepayer pays an equal amount for this portion of the kerbside refuse collection service.
Community	55%	75%	TUAC by user by ward	The Communities that are provided with a kerbside refuse collection service are beneficiaries of this service.	Council considers that the fairest method to target this beneficiary group is a TUAC differentiated by collection area.
User	40%	20%	Fees and Charges	Users of kerbside collection are the direct beneficiaries of the service.	The users of the kerbside refuse and recycling collection service should meet some of the costs of the provision of this service; the fees and charges for official Council refuse bags fund the user allocation.

4.1.3 Other Funding Considerations

4.1.3.1 Intergenerational Equity Issues

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

4.1.3.2 Costs and Benefits

The merit of identifying and accounting for this activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Ruapehu Community.
- Greater opportunity for the Ruapehu Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

4.2 Stormwater Funding

The following is Council's Revenue and Financing policy for the Stormwater Activity.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
National	5%	50%	District rate capital value.	Stormwater has a small degree of national benefit by reducing the possibility of closure of national roading and rail networks due to surface flooding.	Council considers that there is no lawful funding method for this allocation and a targeted rate on capital value is the most efficient, effective and transparently lawful available method for funding this allocation.
Community	10%			Stormwater has a small degree of community benefit. Stormwater collection and treatment provides a benefit in that it reduces the possibility of property damage, reduces the possibility of road flooding and reduces the possibility of ponding that can result in health problems.	Council considers that the most effective and transparent method to fund this allocation is through a District Rate charge on capital value, recognising this higher community benefit.
Urban Benefit	65%	50%	UAGC	Stormwater collection and discharge has a high degree of urban community benefit. Stormwater provides community benefit in that it reduces the possibility of flooding problems, disruption of transport, property damage and endangering personal safety.	It was considered that a UAGC was the fairest proxy of benefit, as urban properties benefited more from the service, while also recognising that urban stormwater issues are exacerbated by rural land use practices.
Exacerbator	20%			Council has identified issues of runoff from rural catchments as exacerbating stormwater issues in communities. This issue has developed over time with the increased felling of indigenous bush.	It was considered that a UAGC was the fairest proxy of benefit, as urban properties benefited more from the service, while also recognising that urban stormwater issues are exacerbated by rural land use practices.

4.2.1 Other Funding Considerations

4.2.1.1 Intergenerational Equity Issues

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

Council's use of funding mechanism to fund capital development is as follows. The Council will first apply Development Contributions, then depreciation funding available, then loan and lastly rate funding depending on the circumstances, (see Part Three Financial Information and Part Four, Development Contributions Policy) The Development Contributions Policy was developed for the LTP. The contributions expected from developers are likely to be minor and unable to be predicted with certainty.

4.2.1.2 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Ruapehu Community.
- Greater opportunity for the Ruapehu Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Cos and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Cos annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

4.3 Sewerage Funding

The following is Council's Revenue and Financing policy for the Sewerage activity.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Community	20%	100%	TUAC differentiated by Scheme (Targeted Rate in dollar for National Park)	Sewage collection has a small community benefit. Sewage collection and treatment provides community benefit in that it reduces the possibility of health problems resulting from open sewer or inadequate septic tank facilities. This can also detract from the aesthetic nature of the Community and impact on receiving waterways.	
User (Public)	80%			(Public) users of the reticulated sewage system are the direct beneficiaries of the service. The user can be described as those properties that are connected to or can potentially be connected to a reticulation system or use a sewage treatment plant to treat septic tank and other waste.	Revenue is received from connection fees. Council considers that a TUAC Differentiated by Scheme to be the most efficient, effective and transparently lawful available method for funding this function. In the National Park Ward targeted (LV) rate in the dollar is used as opposed to a TUAC for historical and community choice reasons. A contribution from the general rate is made to Phipiriki debt repayment and will be repaid at a later date. In Rangataua, debt servicing is levied against ratepayers who have not made a lump sum contribution towards the development costs of the system. 181

4.3.1 Other Funding Considerations

4.3.1.1 Intergenerational Equity Issues

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

Council's use of funding mechanism to fund capital development is as follows. The Council will first apply Development Contributions, then depreciation funding available, then loan and lastly rate funding depending on the circumstances, (see Part Three Financial Information and Part Four, Development Contributions Policy) The Development Contributions Policy was developed for the LTP. The contributions expected from developers are likely to be minor and unable to be predicted with certainty.

4.3.1.2 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

4.4 Resource Management Funding

The following is Council's Revenue and Financing Policy for the Resource Management activity.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
National	5%	55%	UAGC	Council considers the National Benefit level to be 5%, given that the National Public Benefit is derived through the sustainable management of nationally and regionally significant natural and physical resources. The Policy also recognises that there is a reciprocal effect in that Ruapehu residents/ ratepayers receive benefit from the sustainable management of other districts.	The funding for the National Benefit group is by way of UAGC.
District	35%			The District Benefit is received from general advice given to the public and education. There is also an element of public monitoring and research that cannot be attributed to specific beneficiaries. Some legal and policy issues associated with Resource Management also have a public benefit in that Council is acting on behalf of the general public to encourage the sustainable management of resources in the District. On this basis the level of benefit for the District is considered at 35%.	The Policy currently funds for this benefit group by way of a UAGC

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Applicant	50%	45%	Fees and Charges	Individuals and groups applying for Resource Consent requiring monitoring, and District Plan advice, are direct beneficiaries of this service. Applications are for their own benefit; therefore this benefit group would derive the greatest level of benefit from the Resource Management Activity. The assessed level of benefit for this group is currently set at 50%.	Funding for this group of beneficiaries is currently by way of user fees and charges. This function is managed on a cost recovery basis for applicants and may result in higher user fees and charges funding.
Offender	10%			This benefit derived from provision of the Resource Management Activity relates to the costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consent conditions, and can result in expensive legal action and/or hearings. The considered level of benefit for this group is currently 10%.	The funding for the Offenders benefit group is currently by way of user fees and charges with prosecution being a final option.

4.4.1 Other Funding Considerations

4.4.1.1 Intergenerational Equity Issues

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

4.4.1.2 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Ruapehu Community.
- Greater opportunity for the Ruapehu Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the activity contributes to the achievement of Cos and service delivery goals through detailed understanding and planning.
- Improved monitoring of the activity in terms of how well Council is achieving its Cos annually.
- Identification of costs required supporting the activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

4.5 Land Transport Funding

The following is Council's Revenue and Financing Policy for the Land Transport activity. This includes the revenue and Financing Policy for Land Transport Management, Accelerated & Enhanced Development and Mainstreet projects.

4.5.1 Land Transport Management

Denotes the regular works undertaken to maintain and develop the road network to the level of service identified by Council's roading standards, according to Council's Asset Management Planning works programmes.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
National	63%	63%	Subsidies.	The road network is considered to have a high degree of national benefit and is considered to be part of the national roading network.	
District	37%	37%	Land Transport rate capital value	This group represents those users of the national roading network who contribute to funding the LTNZ subsidy via road user charges and fuel excise. This group is identified directly as a benefit group at a national scale. The Council bases the existing funding split on the cost/benefit criteria set by LTNZ and therefore used as the benefit allocation. District benefit is derived from the provision of roads for public access and transport to those people and organisations within the District (this is the segment of users not accommodated by the LTNZ subsidy). There are also option values to members of the Community in that the road system provides access to other properties when required.	Council considers that this activity should be funded on a District-wide basis, as this was the most efficient, effective and transparently lawful available method. Funding as a District network brings significant administration efficiencies and better reflects Council's strategic approach to roading development District-wide. Council believes that a capital value based rate better reflects the physical usage of the District's roads and is a better proxy of road funding than a land-based rate. Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.
Hydro Electric Properties over \$50 million	Receive less benefit of other members of the District		75% Differential Rate in \$ on Land Value		Council resolved that these properties receive less benefit than other properties in the District and therefore they should receive a Differential to reflect the reduced level of benefit that these properties have.

4.5.2 Accelerated and Enhanced Street (A&E) Funding

Where a subsidy is available for the work a National contribution equal to the Councils applicable Financial Assistance Rate will apply.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
National	5%	100%	Targeted Rate in Dollar Capital Value by Rating Area	A&E developments are considered to have a small degree of national benefit attributable to visitors from outside the District who benefit from enhanced streetworks in a particular township.	National benefit will be funded by subsidy.
District	10%			A&E developments are considered to have a small degree of district benefit attributable to people from the District that use or benefit from enhanced streetworks in a particular township.	Individual A&E development programmes have some degree of district benefit, pertaining to overall development but it was resolved by Council that a Targeted Rate in Dollar Capital Value by rating area is the most efficient, effective and transparently lawful available method for funding this allocation. The rating area represents the primary area of benefit from enhancements.
Community	60%			A&E development projects are considered to have a high degree of community benefit. The A&E upgrades provide benefit to the people who shop in the Community and use and enjoy the upgraded streetworks, which also build community pride.	Council considers that as the majority of benefit is to the Community, a Targeted Rate Capital Value by rating area is the most efficient, effective and transparently lawful available method for funding this allocation. A capital value method is felt to be the best proxy to reflect the Council's view that benefit is mainly derived in the urban areas.
User (Business)	25%			A&E development projects in commercial zones provide a degree of benefit to businesses. The user benefit group are the commercial people who have an interest in the provision of this service at their shop fronts. The footpaths provide access for customers and encourage visitors to stop and shop in these zones.	The higher benefit accrued by businesses is reflected in the capital value method.

Denote those works that enable a community to improve road, footpaths etc above the minimum levels of service standard identified by Council's roading strategy. 'Accelerated' refers to planned works brought forward that would be carried out in addition to planned works, and 'Enhanced' is new developments such as street furniture, plantings and cobbles above the maintenance standard level.

This funding method is a discretionary function of Council, pertaining to projects that communities of benefit would be consulted on prior to being actioned.

This funding method pertains only to the portion of the streetworks not attracting NZTA subsidy. It is a method for funding the local share.

4.5.3 Mainstreet Funding

Where a subsidy is available for the work a National contribution equal to the Councils applicable Financial Assistance Rate will apply.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
National	5%	75%	TUAC North/South	Mainstreet is considered to have a small degree of national benefit attributable to visitors from outside the District who use the Mainstreet facilities.	National benefit will be largely funded by subsidy.
District	10%			Mainstreet is considered to have a small degree of District benefit attributable to people from the District that use or benefit from Mainstreet facilities.	Council considers that a network approach will be taken for this function. That is, individual Mainstreet programmes are treated as part of an integrated Northern/Southern programme and that a North/South TUAC was the most efficient, effective and transparently lawful available method for funding this allocation.
Community	60%	25%	Targeted Rate in Dollar (LV) Commercial Rate on commercial properties North (Taumarunui and National Park Townships) / South (Ohakune and Raetihi).	Mainstreet projects are considered to have a high degree of Community benefit. The Mainstreet upgrades provide benefit to the people who shop in the Community and use the Mainstreet facilities.	Council considers that individual Mainstreet programmes will be treated as part of an integrated Northern/Southern urban development programme and that a North/South TUAC is the most efficient, effective and transparently lawful available method for funding this allocation.
User (Businesses)	25%			Mainstreet projects and facilities in commercial zones provide a degree of benefit to businesses. The User Benefit group are the commercial people who have an interest in the provision of this service at the front of their businesses, the footpaths provide access for customers and encourage visitors to stop and shop in these zones.	Council considers that a commercial rate on land value to those zoned or having land use as commercial targeted rate in dollar is the most efficient, effective and transparently lawful available method for funding this allocation. The southern commercial rate includes Ohakune and Raetihi only, and the northern commercial rate includes only National Park and Taumarunui.

Mainstreet projects are to be 'grandparented'. As Council has strategically reviewed its road funding, it was considered that Mainstreet projects were better represented by the Accelerated and Enhanced funding method, which attributes costs to specific Wards that derive the majority of benefit. However, Council retains the Mainstreet policy to continue funding of existing projects funded under Mainstreet and fulfil existing commitments to communities.

4.5.4 Other Funding Considerations

4.5.4.1 Intergenerational Equity Issues

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

Council's use of funding mechanisms to fund capital development is as follows. Council will first apply Development contributions, then depreciation funding available, then loan and lastly rate funding depending on the circumstances, (see Part 3: Financial Information and Part 4: Development Contributions Policy).

The Development Contributions Policy was developed for the LTP. The contributions expected from developers are likely to be minor and unable to be predicted with certainty.

4.5.4.2 Costs and Benefits

The merit of identifying and accounting for this activity separately from other activities enables:

- More transparent disclosure and accountability of projects and funding to the Ruapehu Community.
- Greater opportunity for the Ruapehu Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.

Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.

4.6 Water Supply Funding

The following is Council's Revenue and Financing Policy for the Water Supply activity.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Community	5%	-	TUAC differentiated by Scheme on ordinary users	Water treatment and reticulation has a small Community benefit. Water treatment and reticulation provides Community benefit in that it reduces the possibility of health problems resulting from contamination of water and inadequate supply.	Council considers that whilst tenure is an identifiable benefit to communities from potable water supplies, this benefit is recognised in use of the TUAC on properties connected or adjacent.
User (Public and Businesses)	95%	60% - 90%	TUAC differentiated by Scheme on ordinary users	Users or potential users of the water treatment and reticulation system are the direct beneficiaries of this service.	Council considers that a TUAC on those properties connected or able to be connected is the most efficient, effective transparently lawful available method for funding this function. A scale of charges is introduced in the Funding Impact Statement (Part Three) in recognition of the variable water use between schemes, and between extraordinary and ordinary users within schemes. Fixing the amount payable by extraordinary users in the past had forced inequity between water use and charging. The variable scales will enable water charging to be more closely linked to water consumption.
		0% - 40%	Metered Charge (extraordinary users)		

4.6.1 Other Funding Considerations

4.6.1.1 Intergenerational Equity Issues

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

Council's use of funding mechanisms to fund capital development is as follows. The Council will first apply Development Contributions, then depreciation funding available, then loan and lastly rate funding, depending on the circumstances, (see Part 4: Financial Information and Part 5: Development Contributions Policy). The Development Contributions Policy was developed for the LTP. The contributions expected from developers are likely to be minor and unable to be predicted with certainty.

4.6.1.2 Costs and Benefits

The merit of identifying and accounting for this activity separately from other activities enables:

- More transparent disclosure and accountability of projects and funding to the Community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

4.7 Recreation and Community Facilities Funding

The following is Council's Revenue and Financing Policy for the Recreation and Community Services activity. This includes the Revenue and Financing Policies for the functions of Parks and Reserves, Swimming Pools, Halls, Libraries, Public Toilets and Cemeteries.

Funding Tool	%	Funding of Part-Activities
UAGC	61%	The revenue and financing part of the separate functions of recreation services follow.
TUAC	33%	
User fees and charges	6%	

Deficits in user fees and charges received will be recovered through the General Rate.

4.7.1 Other Funding Considerations

4.7.1.1 Intergenerational Equity Issues

Capital works that are an improvement or addition to the asset are considered intergenerational.

4.7.1.2 Costs and Benefits

The merit of identifying and accounting for this activity separately from other activities enables:

- More transparent disclosure and accountability of projects and funding to the Community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the activity contributes to the achievement of Cos and service delivery goals through detailed understanding and planning.
- Improved monitoring of the activity in terms of how well Council is achieving its Cos annually.
- Identification of costs required to support the activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Parks and Reserves					
National	5%	55%	UAGC	People and organisations from outside the District have the ability to come and use parks and reserve facilities. In these situations it is difficult to identify or exclude these people. It is noted that there is a reciprocal effect in that District residents/ratepayers receive benefit when visiting other districts.	A lawful funding method is not available for this allocation. Council resolved that the UAGC was the most efficient, effective and transparently lawful available method for funding this allocation.
District	15%			Parks and reserves are considered to have a small degree of District benefit. People and organisations from within the District have the ability to come and use parks and reserves facilities. In these situations it is difficult to identify or exclude these people.	It is noted that some people in rural areas use the parks and reserves in the urban areas, and some people use parks and reserves outside of their own community from time to time. Council considered that the UAGC was the most efficient, effective and transparent, lawfully available method for funding this allocation.
Community	40%	42%	TUAC (North/South)	<p>Parks and reserves are considered to have a medium degree of Community benefit. People and organisations from within the Community have the ability to come and use Parks and Reserves facilities. It is considered that most of the facility users are people within the Community rather than those external to the Community. There are also existence and option values attributed to parks and reserves. People enjoy the knowledge that if they desire to use open space for either passive or active sport, they have the opportunity to do so.</p> <p>A large part of the expense for this function is the mowing of grass verges that has no cost recovery. Community benefit also includes the encouragement of health and fitness, enhancement of community amenities and contributes to community pride. In these situations it is difficult to identify or exclude these people.</p>	Council considers that the TUAC on a North/South split is the most efficient, effective and transparently lawful available method for funding this allocation. The North/South split was considered most appropriate due to the geographic distribution of facilities.
Users (Public, Clubs, Lessees)	40%	3%	User fees and charges	As already mentioned, the public represent the largest beneficiary group. Clubs and lessees also derive benefit from reserves.	A small contribution from identified user groups is to be sought to offset costs in recognition of the benefit received. Council supports recreation groups through its remission policy.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Pools					
District	5%	25%	UAGC	Swimming pools have a small degree of District benefit. District benefit is based on option values – people in the District can come and use swimming pool facilities for leisure, swimming, training and water safety. There was seen to be a national benefit in that learning to swim reduces drowning, but it was felt that this benefit was not measurable.	Council considers that UAGC is the most efficient, effective and transparently lawful available method for funding the allocation.
Community	40%	75%	TUAC Targeted by Rating Area with Council swimming pool	Swimming pools have a medium degree of Community benefit. Community benefit is based on option values – people in the Community can come and use swimming pool facilities for leisure, swimming, training and water safety. It is Council's view that people who live within the Community will benefit more than those who have to travel a longer distance to use the facility.	Council considers that a Rating Area based TUAC, in those areas containing swimming pools to be the most effective, efficient and transparently lawful available method for funding the allocation. Although there are beneficiaries outside those areas containing swimming pools it was resolved that this proportion is in the District allocation and that the 75% reflects the higher area benefit.
Users (Pool)	55%			The direct beneficiaries of swimming pools include individuals, clubs, children and schools. These groups are identifiable and excludable.	
Halls					
District	5%	45%	UAGC	District Halls have a small District benefit. District benefit is derived from halls continuing to provide points of meeting and functions, particularly where other options are not readily available, or do not have sufficient capacity.	Council considers that the UAGC is the most efficient, effective and transparently lawful available method for funding this allocation.
Community	30%	45%	TUAC North/South	District halls have a medium degree of community benefit. Community benefit is derived from the accessibility of halls for functions. It is Council's view that those people who live within the Community will benefit more than those who have to travel a longer distance to use the facility. In many cases the halls are Memorial Halls with a community focus for the memory of soldiers who lived within the communities and died at war. In many cases the hall is the focal point of the Community.	Council considers that a North/South TUAC rate was the fairest funding mechanism for the Community benefit as it was difficult to split the halls up between the Wards, particularly as hall catchments cross ward boundaries. To allocate the exact users of the halls on a per community basis is highly problematic.
Users (Hall)	65%	10%	User fees and charges	The direct beneficiaries of community halls include sport groups, church groups, education groups, recreation groups and people hiring halls for activities such as private functions. These groups are identifiable and excludable.	A high proportion of user fees and charges are retained by various Hall Committees to maintain their halls into the future. Benefits therefore are allocated to both the UAGC North/South portions of the funding mix.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Public Toilets					
National	50%	-	User fees and charges	Under the existing system public toilets are considered to have a small degree of District benefit. People from within the District have the ability to come and use public toilets. In these situations it is difficult to identify or exclude these people. There are also public health benefits associated with the provision of public toilets.	It was considered that the cost of implementing the system would far outweigh the benefits. Overall, the District's public toilets do not have the volume of users to justify the system. However, Council decided to retain 'user fees and charges' as a placeholder to signal its intent to attempt to recover some funding by way of Transit subsidy in the future.
District	20%				
Community	20%				
District	10%	100%	UAGC	The direct beneficiaries of public toilets are the users of the facilities. The User benefit includes a large portion of visitors to, and people passing through, the Ruapehu District, together with a smaller portion of people from within the District.	Council considers that the UAGC is the most efficient, effective transparently lawful available method for funding this allocation.
Cemeteries					
District	5%	30%	UAGC	Cemeteries have a small District benefit. The District benefit results from the promotion of public health and sanitary disposal of the deceased. Cemeteries are spiritual in nature and have intrinsic and heritage values associated with them.	Council considers that the UAGC is the most efficient, effective and transparently lawful available method to fund this function.
Community	10%			Cemeteries have a small degree of community benefit. The Community benefit results from the promotion of public health and sanitary disposal of the deceased. As with the District benefit, cemeteries are spiritual in nature and have intrinsic and heritage values associated with them. It is Council's view that those people who live within the Community will utilise the cemetery more than those outside the Community.	Council considers that it was not efficient or sufficiently transparent to fund this allocation separately and considered that the UAGC is the most efficient, effective and transparently lawful available method to fund this function.
User	85%	70%	User fees and charges	The direct beneficiaries of cemeteries are the families and friends of the deceased. Also included in this User Group are those people who reside outside of the District but have chosen to return to be interned. These groups are identifiable and excludable.	Council considers that the user fees and charges is the most efficient, effective and transparently lawful available method to fund this function.

4.8 Community Property Funding

The following is Council's Revenue and Financing Policy for the Older Persons Housing function.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Older Persons Housing					
Community	5%	100% for tenanted units	User fees and charges (General rate for vacant units)	The Older Persons Housing function has a small degree of community benefit. The Community benefit is due to its ability to care and assist with housing for the elderly and disabled.	Older Persons Housing has a high degree of private benefit. The direct beneficiaries of Older Persons Housing are the occupants, and the family and friends of the occupants.
User (Pensioners)	95%				Council considers that user fees and charges is the most efficient, effective and transparently lawful available method for funding this allocation. Council has decided that tenanted units need to be self-funding. However, tenanted units cannot be expected to pay for vacant housing. This represents the need for District subsidy of the vacant component, by way of the general rate

4.8.1 Social, Cultural and Environmental Investments Funding

The following is Council's Revenue and Financing Policy for the Social, Cultural and Environmental Investments funding.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
District	10%	20%	UAGC	Investment activities provide a dual purpose for both returning an income for Council, and also providing services that may not exist without Council assistance. This is particularly evident with the Airport.	The District benefit allocation from rate funding has been set at 20%. The UAGC is the preferred method, with the balance (if required) from rate in the dollar (capital value) for funding of costs accounted with uneconomic properties.
User	90%	80%	User fees and charges	It is considered that the Investment Activities function is 80% user benefit in that it should be predominantly self-funding. Forestry investments will ultimately be intergenerational in time, as the investment will produce income in approximately 10 years. It is also noted that this function includes parcels of unusable and uneconomic land that have passed to Council ownership over a period of time, (this includes abandoned land).	Council's Revenue and Financing Policy (Part Four, LTP) sets the funding target from user fees for Investment Activities at 80%.

4.8.2 Other Funding Considerations

4.8.2.1 Intergenerational Equity Issues

Investment Activities total expenditure and income needs to be specified over the proposed investment period as part of intergenerational funding decisions.

4.8.2.2 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Ruapehu Community.
- Greater opportunity for the Ruapehu Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Cos and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Cos annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

4.9 Leadership Funding

The following indicates Council's Revenue and Financing Policy for Leadership.

4.9.1 Overall Funding of the Activity

Funding Tool	%	Part Activities Funding
UAGC	50%	The revenue and financing of the separate functions of Leadership are provided in the following tables.
General rate land value	50%	

4.9.2 Other Funding Considerations

4.9.2.1 Intergenerational Equity Issues

Representation and Policy is considered an annually funded activity.

4.9.2.2 Costs and Benefits

Council assesses the merit of identifying and accounting for this activity separately from others as separate identification enables:

- More transparent disclosure and accountability of projects, and funding to the Ruapehu Community.
- Greater opportunity for the Ruapehu Community to have input on decisions, proposals, issues and other matters through consultation.
- Achieving of community outcomes and service delivery goals through detailed understanding and planning of how the activity contributes to this achievement.
- Improved monitoring of this activity in terms of how well Council is achieving its community outcomes, annually.
- Identification of this activity accrues cost in terms of time involved in planning, monitoring, accounting, reporting and administration required to support the activity.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Council and Community Boards					
District	100%	50%	UAGC	The benefit of the Mayor and the Council is largely a District benefit in that they are elected to provide governance for the entire District and input into the District's policies. Individuals and groups within the community view the elected Council as an important instrument to consider community issues and to represent their views. Council considered that the 'Mayor and Council' includes a community benefit as well as a District benefit. Community Boards also have a minor element of District Benefit in that they provide some input to District issues and assist with the overall governance function.	A combination of UAGC and the general rate is considered the most efficient, effective and transparent method for funding this allocation.
		50%	General rate land value	The primary role of the Community Boards is to identify, discuss, and report to Council those issues that are relevant to the particular community. Council decided that the function and role of Community Boards are separate to that of Council and the Mayors Office, and for the purpose of funding, separates the two function parts.	
Strategic Development					
District	100%	50%	UAGC	Strategic Development benefits the District in general. The Future Ruapehu Community Outcomes 2005 Report, Ruapehu District Plan, Revenue and Financing Policy and other Council plans and policies are developed on a District-wide basis.	Council considers that the most efficient, effective and transparent method for funding this allocation is a combination of UAGC and General Rate.
		50%	General rate land value		

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Emergency Management					
National	10%	100%	District rate capital value	Civil Defence is considered to be largely public in nature. The benefit of Civil Defence services provides safety and general wellbeing to the national public through the monitoring of Mount Ruapehu and assisting visitors to the District in times of disaster. It is noted that there is a reciprocal effect when Ruapehu residents/ratepayers visit other districts. Approximately 47% of the Ruapehu District is Crown owned (National Parks and Reserves), the majority of which is in forest and therefore makes the National benefit significant. Due to the location and geographic nature of the Ruapehu District the national road and rail systems may be jeopardised.	
District	65%			Civil Defence is considered to have a high district benefit. The benefit of the function is for the safety and wellbeing of the people within the District as a whole. The Community is well aware and supportive of this function, particularly due to the potential for volcanic eruptions	
User (Victims)	20%				
Offender	5%				

4.10 Community Development Funding

4.10.1 Introduction

The following is Council's Revenue and Financing Policy for the Community Development activity. This includes the functions of Economic Development, the Regional Tourism Organisation, Agency Services and Community Initiatives.

4.10.2 Other Funding Considerations

4.10.2.1 Intergenerational Equity Issues

Community Development is considered as an annually funded function.

4.10..2.2 Costs and Benefits

The merit of identifying and accounting for this activity separately from other activities enables:

- More transparent disclosure and accountability of projects and funding to the community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

4.10.3 Economic Development Funding

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Economic Development					
National	25%	0%	No lawful funding method	Economic Development is considered to have a moderate degree of National benefit with the production of primary produce benefiting the economy and Ruapehu's tourism benefiting the wider region's economy.	Council considers that a practicable funding method is not available for funding this allocation. Council therefore re-allocated this 15% to the District Benefit Group.
District	30%	55%	District rate capital value	The benefits of Economic Development can lead to improved business conditions, employment and enhance the District's identity and social standards.	Council considers that the most efficient, effective and transparently lawful available method for funding this allocation is a Rate in the dollar on Capital Value. Capital Value better reflects benefit from this activity than a land value proxy, given the nature and priorities of the activity.
Community	30%	30%	Rate in the dollar CV targeted on communities that benefit	Economic Development can lead to improved opportunities within communities. The Economic Development function works to improve the economic opportunities within communities.	Council considers that as some communities benefit more than other ratepayers these communities should meet a fair proportion of the costs for the Economic Development function. Council decided that the fairest way of defining the Community benefit was to charge this rate in the dollar based on capital value on all properties able to be connected to a Council run reticulated water or sewerage scheme. (Extraordinary metered water users are excluded if they are not attached to a sewerage scheme).
Commercial	15%	15%	Rate in the dollar CV targeted on properties with codes C, I, FE	Economic Development is considered to have commercial benefit as commercial operators benefit directly from any new development and specific business support services offered.	Council considered that there is slightly higher benefit derived from commercial businesses, and that this should be reflected in a 15% allocation targeted to commercial industrial and commercial forestry properties as a Capital Value Rate. This rate is targeted to all properties with a QV defined property category code of I (industrial) C (commercial) or FE (forestry exotic).
RTO Function					
National	25%	0%	No lawful funding method	Visitor Industry development and promotion is considered to have a large degree of National benefit with Ruapehu's tourism benefiting the wider regions and the national economy.	Council considers that a practicable funding method is not available for funding this allocation. Council therefore re-allocated this 15% to the District Benefit Group.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
District	30%	55%	District rate capital value	The benefits of a growing visitor sector can lead to improved business conditions, employment, and enhance the District's identity and social standards.	Council considers that the most efficient, effective, and transparently lawful available method for funding this allocation is a Rate in the dollar on Capital Value. Capital Value better reflects benefit from this activity than a land value proxy, given the nature and priorities of the activity.
Community	15%	15%	Rate in the dollar CV targeted on communities that benefit	A growing and developing visitor sector can lead to improved opportunities within communities.	Council considers that as some communities benefit more than other ratepayers these communities should meet fair proportion of the costs for the RTO function. Council considers that the fairest way of defining the Community benefit was to charge this rate in the dollar based on capital value on all properties able to be connected to a Council run reticulated water or sewerage scheme. (Extraordinary metered water users are excluded if they are not attached to a sewerage scheme).
Commercial	30%	30%	Rate in the dollar CV targeted on properties with codes C and I	A growing and developing visitor sector is considered to have commercial benefit as commercial operators benefit directly from any new development and specific industry support services offered.	Council considers that there is a higher benefit derived from commercial businesses, and that this should be reflected in a 30% allocation targeted to commercial and industrial properties as a Capital Value Rate. This rate is targeted to all properties with a QV defined property category code of I (industrial) and C (commercial).
Agency Services					
Community	20%	50%	TUAC Targeted by Rating Area	Agency services are considered to have a medium Community benefit. There is a Community benefit in providing Agency services as this provides the option of using this service rather than having to travel out of town for this service.	Council considers that, where possible user fees and charges will be used and a TUAC (Wards with Agencies) will be the most efficient, effective and transparently lawful available method for funding the remainder of this Activity.
User (Businesses)	50%	50%	User fees and charges	The benefit of providing Agency services on behalf of another organisation has an element of benefit for the organisation. This User Group is the Agency whose service Council is providing.	Council considers that user fees and charges will be the most efficient, effective and transparently lawful available method for funding this function and where possible the user fees and charges will be increased. In the situation where Agency Services provided to the Waimarino Ward cannot be funded by the user, the Waimarino Rating Area will meet the shortfall by a TUAC.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
User (Services)	30%			Agency services have an element of benefit for the people who use the service.	
Community Support					
District	95%	100%	UAGC	Community initiatives are considered to have a small District benefit. The provision of grants to organisations provides social services for the whole District.	Council considers that funding by way of a UAGC will be the most efficient, effective and transparently lawful available method for funding this function.
User(Grant Recipient)	5%			For the purposes of Community Initiatives (Grants and Schemes) users are those organisations that receive the grant.	
Libraries					
National	5%	85%		District libraries have a small national benefit and visitors to the District use them. They also add benefit to the nation as a whole through improving access to knowledge and stimulating preservation of local knowledge.	Council considers that a lawful funding method is not available for this allocation
District					
Community	15%				
Users (Library)	75%	15%	User fees and charges	The direct beneficiaries of libraries are borrowers, information seekers and users of services provided by the library. These groups are identifiable and excludable.	Council considers that user fees and charges is the most efficient, effective and transparently lawful available method for funding this allocation.

4.11 Regulation Funding

The following is Council's Revenue and Financing Policy for the Regulation activity. This includes the activities of Resource Management, Building Services, Animal Control, Environmental Health and Inspection Services.

4.11.1 Funding Considerations

4.11.1.1 Intergenerational Equity Issues

Regulation Services are considered an annually funded activity.

4.11.1.2 Costs and Benefits

The merit of identifying and accounting for this activity separately from other activities enables:

- More transparent disclosure and accountability of projects and funding to the community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Building Services					
District	15%	35%	UAGC	The District benefit is received from general advice given to the public, education and public safety. This Activity is mandatory for Council and has the District benefit by ensuring minimum building standards are met and that buildings are safe for use.	Council considers that the most efficient, effective and transparent method for funding this allocation is UAGC.
Applicant	65%	65%	User fees and charges	Individuals and groups applying for a building consent, requiring building inspection, compliance certificates and advice, are the direct beneficiaries of this service.	Council considers that user fees and charges is the most efficient, effective and transparently lawful available method for funding this allocation. This function is managed on a cost recovery basis for applicants and may result in higher user fees and charges funding.
Offenders	20%			These are the costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consents and Warrants of Fitness.	Council considers that it is not efficient or effective to separately fund this part of this function due to the costs of collection, prosecution and administration. Council considers education and monitoring to be the most effective method to promote good building practices.
Animal Control					
District	10%	10%	General rate land value	The District benefit is received from general advice given to the public, education, visits to schools and public safety.	Council considers that the general rate is the most efficient, effective and transparently lawful available method for funding this allocation.
Applicant	70%	90%	User fees and charges	Individuals applying for and maintaining dog registration and receiving education are direct beneficiaries of this service.	Council considers that user fees and charges is the most efficient, effective and transparently lawful available method for funding this allocation. This function is managed on a cost recovery basis for applicants and may result in higher user fees and charges.
Offender	20%			These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of dogs and stock and prosecution of offenders.	Council considers education and monitoring to be the most effective method to promote good animal management and control and that Council will fine or prosecute to fund enforcement as a last resort. The 20% offender portion was reallocated to the Applicants.
Environmental Health					
District	30%	35%	UAGC	Environmental Health delivers District benefits by ensuring minimum health standards, such as premises being licensed, healthy and hygienic for the public to use and providing general advice and education. The investigation and notification of incidents of communicable diseases also provides benefit to the entire District.	Council considers that the most efficient, effective and transparent method for funding this allocation is UAGC.

Benefit Group	Assessed Level of Benefit	% Funding	Funding Method	Level of Benefit	Funding
Applicant	65%	65%	User fees and charges	Individuals and organisations applying for a licence to operate under specific health requirements within the District and requiring advice are direct beneficiaries of this service.	Council considers that user fees and charges is the most efficient, effective and transparently lawful available method for funding this allocation. This function is managed on a cost recovery basis for applicants and may result in higher user fees and charges funding.
Offender	5%			These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and health standards and prosecution of offenders.	Council considers that it is not efficient or effective to separately fund this part of this function due to the costs of collection, prosecution and administration. Council considers education and monitoring to be the most effective method to promote good environmental health practices.
Inspection Services					
National	5%	50%	UAGC	National benefit is derived from the provision of a service that ensures the safety of national visitors to the District. It is also noted that there is a reciprocal effect in that Ruapehu residents/ ratepayers receive benefit when visiting other districts.	Council considers that it was not efficient or effective to separately fund this part of this function and have reallocated this portion to the District Allocation.
District	10%			This Activity has the District benefit of ensuring Dangerous Goods Regulations, Liquor Licenses and General Bylaws are complied with for public safety and wellbeing. General advice and education is also provided for public safety.	Council considers that the most efficient, effective and transparent method for funding this allocation is UAGC.
Applicant	70%	50%	User fees and charges	Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and requiring advice about the regulations are direct beneficiaries of this service.	Council considers that user fees and charges are the most efficient, effective and transparently lawful available method for funding 50% of this allocation. The remainder (20%) has been reallocated to the District allocation.
Offenders	15%			These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.	Council considers that it was not efficient or effective to separately fund this part of this function due to the costs of collection, prosecution and administration. Council considers education and monitoring to be the most effective method to promote health and safety in the District. It was considered by Council to reallocate this portion to the District Allocation with prosecution being the final option.

Delegations

Refer to Council's Delegations Manual.