

INTRODUCTION

The Revenue and Financing Policy explains how the Council funds each activity it is involved in and why. Council provides a number of distinct activities and services to its communities. It must undertake these activities and services in a financially prudent and sustainable way. This Policy explains how Council activities are funded. It is not about what Council does, nor is it about what it costs. Revenue sources include rates, fees, charges, debt (loans), subsidies and investments.

The Local Government Act 2002 requires Council to meet its funding needs from the defined list of sources. The Council determines which of these are appropriate for each activity, considering equity between generations, fairness and affordability.

Affordability, and the public's ability to pay rates, is a concern. The Council has to strike a balance between the need to provide a level of service that meets customer and legislative requirements, now and in the future, and the need for these services to be provided in an affordable manner.

Council seeks to maintain an affordable and predictable level of rates in the future, having regard to its priorities and community expectations. The Financial Strategy sets out how Council plans to do this. It sets limits on rates increases and debt levels. This Revenue and Financing Policy keeps within those limits and sets out the broad guidelines for establishing the funding of activities.

The Revenue and Financing Policy is more than rating, as it also sets the policy direction for other revenue policies, including Funding Impact Statements, Development and Financial Contribution, Treasury (liability and investment) and Remission policies. The Revenue and Financing Policy is reviewed every three years as part of the long-term planning process.

Alongside consideration of new services or increasing current levels of service is the issue of affordability, which some ratepayers face. These affordability issues occur across the urban, rural and commercial / industrial sectors, and are often driven by factors outside Council control or knowledge. These factors include employment, climate, world demand for farm products, family situations and general economic conditions. On average, the urban sector has more of an affordability issue, with lower median household incomes when compared to the rural sector. Many of the infrastructure upgrade costs will be borne by urban residents only. Council is aware of these affordability issues, and is focused on developing infrastructure that balances function, longevity, supporting growth and affordability. Council is also actively working to gain external grant/subsidy funding where possible.

In deciding the most appropriate funding source for each activity, the Council must show:

- the community outcomes to which the activity primarily contributes;
- the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- the period in or over which those benefits are expected to occur;
- the extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity;
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- the overall impact of any allocation of liability for revenue needs on the community.

The list of funding sources available to Council are:

- general rates, including –
 - choice of valuation system; and
 - differential rating; and
 - uniform annual general charges:
- targeted rates,
- lump sum contributions,
- fees and charges,
- grants and subsidies,



- interest and dividends from investments,
- borrowing,
- proceeds from asset sales,
- development contributions
- financial contributions under the Resource Management Act 1991.

Council is also required to outline the policies in respect of the funding of operating and capital expenses.

DESCRIPTION OF COUNCIL EXPENDITURE

The Council has two types of expenses: operating expenditure and capital expenditure.

Operating expenditure funds the on-going day-to-day activities and services of the Council.

Capital expenditure is money spent in acquiring or upgrading an asset, such as pipes, equipment and buildings.

Council has three categories of capital expenditure spread across its activities:

- Renewals – defined as capital expenditure that increases the life of an existing asset with no increase in service level.
- Increased level of service – defined as capital expenditure that improves the service level delivered by the asset.
- Growth – defined as capital expenditure that is required to provide additional capacity to cater for future growth in demand.

Operating expenditure

The Council's policies and practices for the funding of its operating expenses are set to ensure that these comply with applicable legislation and generally accepted accounting practice.

In general terms, Council will use a mix of revenue sources to meet operating expenses, with major sources being general rates, subsidies, and fees and charges. However, revenue from targeted rates is applied to specific activities. Reserve funds, including savings from previous years, are also used as a revenue source. Operating costs do not normally utilise loans or proceeds from asset sales.

Deviating from this Policy is a Council decision. Occasionally, Council is required (under accounting rules) to write down or treat a cost as an operating expense that had been expected to be funded from loans.

Capital expenditure

Capital developments are funded (in decreasing priority) from subsidies, user contributions, reserves (where appropriate), and loans. In the land transport (roading) activity, some ongoing capital developments are funded from subsidies and rates.

Capital renewals are funded (in decreasing priority) from subsidies, depreciation or other reserves. Loans may also be used where subsidies and reserves are insufficient, and to do so supports the principle of intergenerational equity. Rates may also be used where subsidies and reserves are insufficient.

Council created reserves

Savings and unspent budgets specific to each activity or rates charged for specific projects are placed in reserves. These reserves may be used to fund activities in line with the purpose of the reserves.

The use of reserves will require a specific resolution of Council before expenditure is committed. The exception to this is depreciation reserves used to renew existing assets and for internal loans. The use of the depreciation reserves is approved by Council as part of the Long Term Plan and Annual Plan budgets.

FUNDING MECHANISMS

Different funding sources are used for different types of expenditure. Council funds its expenditure using the following funding mechanisms.

Operating Revenue Sources of Funds

General rates

This is used to cover public good activities, and includes the use of a Uniform Annual General Charge (UAGC). Council uses capital value for the application of its general rate.

Targeted rates

These rates include Uniform Annual Charges, differential rates set on value (land or capital value), rates set over an area of benefit and rates for a service or for an activity. Targeted rates can be set on a uniform or differential basis, with a range of different factors of liability. This can be used for both private good and public good services.

Lump sum contributions

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer). This usually has a high component of private good, though Council has employed district targeting to give ratepayers the choice to reduce debt.

Fees and charges

These include any fee, recovery fine, or charge made by Council for a service or activity that has a higher component of private good.

Interest and dividends from investments

Income from an investment, including interest and dividends. This would be generally a public good activity.

Development contributions under Section 106 Local Government Act 2002

This is used to recover the growth component of capital expenditure from developments. Council does have a Development Contributions Policy.

Financial contributions under the Resource Management Act 1991

This is used to recover costs to mitigate the effects of growth which may not be limited to capital expenditure. This must have a high component of private good.

Grants and subsidies

Income from another organisation. These would generally be for a public good activity.

Council created reserves

Savings or carry forward budgets specific to each activity are sometimes available to fund operating costs subject to Council approval. Reserves linked to specific activities built up from operational surpluses or grants may also be used. This can be used for both private good and public good activities.

CAPITAL REVENUE SOURCES OF FUNDS

Borrowing

Borrowings can be both short term and long term. Borrowing is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and also to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure over the life of asset. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community over the period the benefits of that expenditure accrue. It is not prudent or sustainable for all capital expenditure to be funded from borrowings and Council must balance prudence against equity. The overriding limits on borrowing are set out in the Financial Strategy.



Proceeds from asset sales

This would only need to be recognised where an asset was being sold and not replaced with a similar asset. For example, where the proceeds from the sale of a Council investment property are used to fund another activity. Proceeds from property sales will be placed in the General Reserves, unless limited by a specific trust deed, bequest or legislation.

Council created reserves

Council created reserves are from rates, surplus revenues (held for a particular purpose), savings for a particular purpose, or the transfer of non-cash expenditure (such as depreciation). The use of reserves will require a specific resolution of Council before expenditure is committed.

FUNDING OPTIONS

The following table summarises how sources of revenue are applied to Council's activities. For example, a subsidy (external funding) is the number one source of funds and this may be used first equally for any operating or capital cost.

Funding Sources Table

Key

1st – primary source of funding, if available.

2nd – secondary source on a case-by-case basis.

Possible – funding will be considered, if necessary, on a case-by-case basis.

Priority of source (number)	Revenue source	Operating	Renew existing assets	Capital: Develop assets – to improve services	Capital: Develop assets – to cater for growth
1	Subsidies and grants	1 st	1 st	1 st	1 st
1	Development or Financial Contributions	Not permitted	Not permitted	Not permitted	1 st
2	Fees and charges	1 st	2 nd	2 nd	2 nd
3	Loans (borrow internally from savings or externally)	Not permitted	Possible	1 st	1 st
3	Reserves	Possible 2 nd	1 st	1 st	1 st
4	Prior year surpluses	Possible 2 nd	2 nd	Possible 2 nd	Possible 2 nd
4	Interest and other revenue	1 st	1 st	Possible 2 nd	Possible 2 nd
5	General rates	1 st	1 st	Possible 2 nd	Possible 2 nd
5	Targeted rates	1 st	1 st	2 nd	2 nd
5	UAGC	1 st	1 st	Possible	Possible

Activity funding targets

Council's funding targets set the level of revenue that is appropriate for users to contribute for each Council activity identified. Council has reviewed these targets as required by the Local Government Act 2002 Section 101 as part of this Revenue and Financing Policy. The targets are shown in the summary tables and more detail is included in each activity section.

The specified funding source proportions are indicative only. They are not intended as an exact proportion, rather as a guideline. It is recognised that within each activity in any given year there may be justification for variation from those proportions. This could be from changes to market conditions, government policy or the demand for Council services. In order to reflect the uncertainty involved in these targets a range in each activity has been assessed.

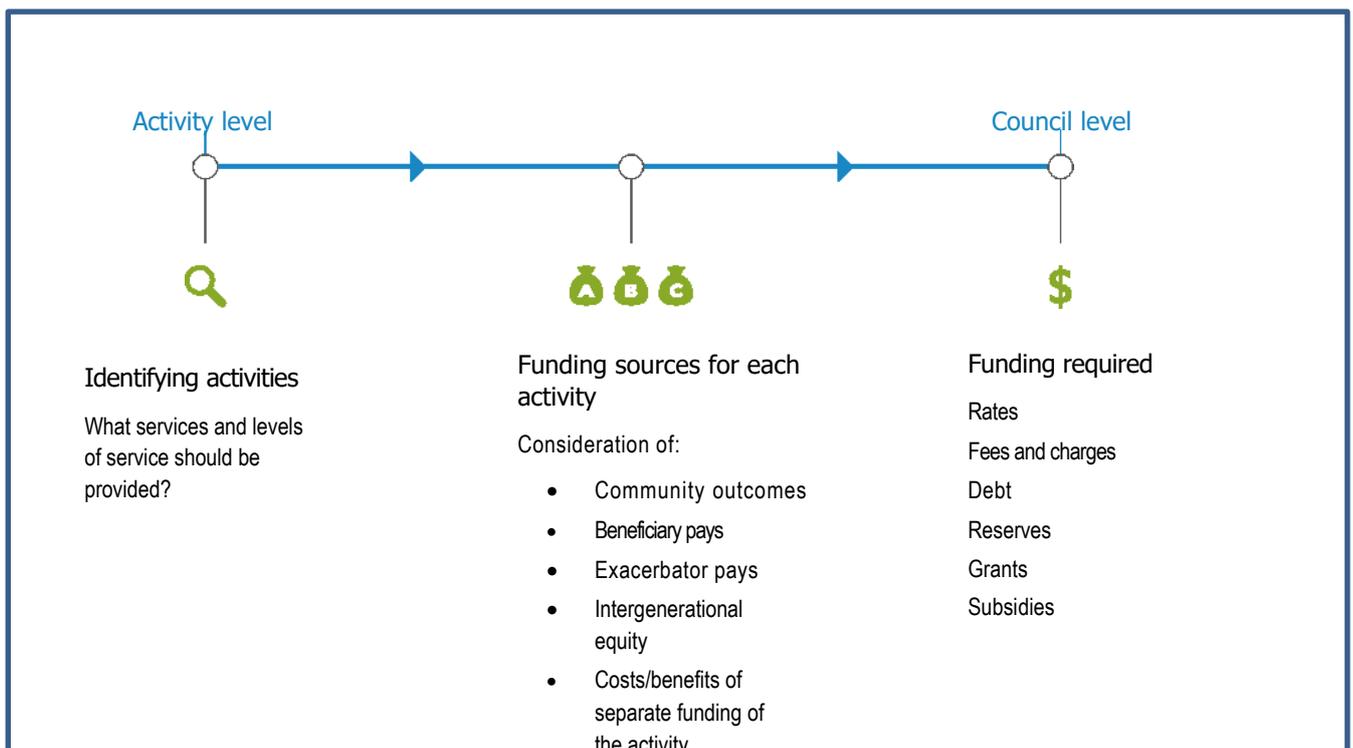
Process for determining funding sources

In determining the appropriate funding sources, the council has adopted a two-stage process in accordance with section 101 (3) of the Local Government Act 2002.

Step 1

The first step is to determine the most appropriate source of funding for each activity by considering the following:

- Community outcomes to which the activity primarily contributes.
- Distribution of benefits between the community as a whole, any identifiable part of the community and individuals.
- The period in, or over which, the benefits are expected to occur. Generally, benefits derived from operating costs are received in the year the expenditure is incurred. In contrast, capital expenditures relate to investments in assets that generate benefits over their useful lives that extend beyond the current year.
- The extent of the actions or inaction of individuals or a group contributing to the activity undertaken.
- The costs and benefits, including consequences of transparency and accountability, of funding the activity distinctly from other activities.



Step 2

Once the most appropriate funding method for each activity is identified, based on the considerations stated above, the Council needs to consider the overall impact of its funding mix on the community.

For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability.

Selecting the appropriate funding source – Council funding principles

The general principles used in the process are:

- The public good theory:
 - The distribution of benefits between the community as a whole;
 - An activity should be collectively funded if those that benefit directly cannot be identified and/or if those that benefit directly cannot be excluded from using the service;
- The user/beneficiary pays principle:
 - An activity should be funded on a user pays basis if an individual or group of individuals directly receive benefits of the activity exclusively and that costs of the activity can easily be attributed to that individual or group of individuals;
 - The service “consumed” is excludable and creates rivalry (i.e. using this service reduces the availability for someone else - e.g. drinking water);
- The merit goods theory:
 - The use of private goods and services can also result in benefits to third parties – people who don’t directly use them. In these cases, Council considers that the service should be provided on the basis of community need rather than willingness to pay, or identifiable benefits received (e.g. regional sporting facilities);
- The intergenerational equity principle:
 - The period in or over which those benefits are expected to accrue (i.e. inter-generational);
- The exacerbator/polluter pays principle:
 - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities;
 - This considers the efficiency or ability to identify and separate costs, and then collect revenue, and the impact on demand for services.

The differentiation of private and public goods and the identification of externalities are necessary for the strict apportionment of the costs between private users and the community as a whole. Sometimes such differentiation is not easy, because very few goods and services can be treated as purely private or public; most goods and services have characteristics of both private and public goods.

For each activity the following have been considered:

- Relationship to Council Outcomes.
- Council considerations of:
 - the distribution of benefits from the activity between the community and any identifiable groups or individuals;
 - intergenerational equity;
 - exacerbator pays; and
 - the costs and benefits of distinct funding.
- A percentage range of public versus private benefits providing a rationale for the allocation between rates and targeted recoveries through fees and charges.
- The overall impact of any allocation of liability for revenue needs on the community.

The following policy positions have been set by Council and are used with the principles above:

- Where the benefit accrues to the whole district, general rates will be used (these include UAGC).

- Where benefits accrue to certain groups within the district, user charges, differentials or targeted rates will be used if efficient to do so.
- User pays is also recognised as a tool to achieve Council's goals (e.g. charging for refuse collection to encourage waste minimisation). Where a fee or charge is not practical, targeted rates may be set in accordance with Council's rating policies.
- Where it is practical to recover the designated portion of the net operating cost of an activity from a private user or exacerbator, fees and charges are set at levels designed to achieve this provided there are no legislative constraints on doing this.
- In some cases, (e.g. wastewater), targeted rates are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges.
- Rates are partly a tax. While effort is made to link payment of rates to benefits received or costs generated, it is not possible to do this on an individual ratepayer basis.
- Subsidy from central government recognises that some services (e.g. Roading), form part of a national infrastructure network and only central government can levy user charges.
- Uniform Annual General Charge (UAGC) recognises that most services are available to all properties regardless of value and that all properties should contribute a reasonable amount to the running of the District.

Very few activities deliver entirely public benefits or private benefits. Most activities contain aspects of both and fall somewhere between the two ends of the continuum. The characteristics of an activity determine what type of funding mechanism is used to fund a particular service.

For example, an activity towards the 'public good' end of the continuum may not be a good candidate for user charges as people cannot be prevented from consuming it, or because everyone is provided with access to the service whether they wish to use it or not. Such activities will generally be candidates for funding from some general source, such as a general rate. An activity that delivers benefits towards the 'private' end of the spectrum may be a candidate for a targeted rate or a user charge. In the end, it comes down to "reasonable" judgement by the Council having considered the legal factors, funding principles and guiding policies.

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

The following tables show this analysis for each activity within the groups of activities. A summary is provided on the final page of this Policy.



Group of Activities/ Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3)(b) impact modification	Benefits		Rationale	Funding Sources	
							Private	Public		Operational	Capital
Governance and Leadership											
	Aspirational, Connected, Empowered, Engaged, Responsible, Supportive, United	Low	Low	Low	Low- Medium	Low	0%	100%	Elected Council members represent the residents of the District. The benefit of representation is available to all residents and ratepayers of the District. Elected community board members represent their respective communities of Ōtorohanga and Kāwhia.	General rate; Targeted rate	Loans; General rate; Reserves
Community Services											
Cemeteries	Diverse, Enduring Sustainable, Vibrant	High	High	Low	Low	Medium	50%	50%	The private benefit is received by the families of the deceased, and to those researching family history. There is also a public benefit with communities benefiting from being able to have family members buried in their community. The garden maintenance has a component of private and public benefit.	General rate, Fees and charges	Loans; General rate; Grants; Reserves
Community Centre (Kāwhia)	Connected; Diverse; Liveable, Welcoming	Medium	High	Low	Medium	Medium	40-60%	40-60%	The Kāwhia community centre covers social and recreational use. While individuals and local community groups benefit from the use of the facilities there is also a public benefit in having the Centre available to the wider area.	Targeted rate	General rates; Grants; Reserves
Housing for the Elderly	Connected, Diverse, Liveable, Responsible, Supportive, Welcoming	High	High	Low	Medium	Low	90-100%	0-10%	The main beneficiaries are the tenants, who receive housing at rentals below market rates.	General rate; Fees and charges	Loans, Grants, Reserves
Kāwhia Wharf	Connected, Enduring, Prosperous, Resilient, Responsible	High	High	Low-Medium	Medium	Medium	80-90%	10-20%	The provision of a wharf at Kāwhia is historical, but there is a large degree of private benefit. There is a widespread community expectation that Council will continue to maintain the wharf.	General rate; Targeted rate; Fees and charges	Loans
Libraries	Connected, Diverse, Knowledgeable, Liveable, Sustainable, Vibrant	High	Low - Medium	Low	Low	High	80-90%	10-20%	Recreational reading primarily benefits the individual users, as do school holiday programmes, and the availability of reference material and internet access. The acquisition of knowledge does have a high public benefit through contributing value to the community by people having access to knowledge, being well informed and by encouraging literacy.	General rate; Fees and charges	Loans; Reserves
Litter Control	Liveable, Proud, Responsible, Sustainable	Low	Low	High	Low	High	0%	100%	The need for this service is a direct result of illegal dumping and the inappropriate discarding of rubbish. In most case the person(s) responsible is unknown and cannot be charged.	General rate; Fees and charges	N/A

Group of Activities/ Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3)(b) impact modification	Benefits		Rationale	Funding Sources	
							Private	Public		Operational	Capital
Parks and Reserves	Diverse, Enduring Liveable, Sustainable, Vibrant	Low	High	Low - Medium	Medium	Low	60-80%	20-40%	Parks and Reserves beneficiaries are the users, both local and visitors to the district, and in particular user groups such as sports clubs. It is not feasible to charge for access to reserves and playgrounds as access cannot be readily restricted. All residents have access to reserves, although sports clubs are charged via leases for the exclusive use members enjoy.	General rate, fees and charges	Loans; general rates; grants, reserves
Public Toilets	Liveable, Responsible, Vibrant	Medium	Medium	Medium	Low	Medium	50%	50%	The benefits are the provision of clean and safe toilets for travellers, shoppers, parents and children in commercial areas in particular, and for users of recreational facilities.	General rate	Loans; general rate; reserves
Security Patrol	Liveable; Responsible	High	Low	High	Low	Medium	80-90%	10-20%	The provision of a security service is by way of a grant to Ōtorohanga Business Association, but funded from the commercial area of Ōtorohanga, where the majority of benefit accrues. There is also a wider public benefit in having regular security patrols in the town.	General rate; Targeted rate	N/A
Swimming Pool	Diverse, Liveable, Responsible, Sustainable	High	Medium	Low	Medium	Medium	80-100% (Council does not receive the entry fees or manage the facility)	0-20%	Swimming pools are recreational facilities, and provide social benefits such as learn-to-swim, coaching and leisure opportunities for residents with a range of needs. Users of the pool are private beneficiaries and user fees reflect this. The fees are not collected by Council. The Council funds a contract for service.	General rate; Targeted rate;	Loans; General rate; Grants; Reserves
District Development											
Community Development	Connected, Diverse, Thriving, Empowered, Engaged, Proud, Knowledgeable, Resilient, Vibrant, Responsible, Supportive	Medium	Low	Low	Low-Medium	Low	10-20%	80-100%	The primary beneficiaries are the community groups that receive funding from Council, and users or lessees of commercial properties. These properties are considered an investment type of asset and therefore a commercial return is expected.	General rate; Fees and charges; Grants	Loans, Fees and charges; Reserves
Economic Development District Promotion	Connected, Diverse, Enduring, Innovative, Progressive, Prosperous, Resilient, Sustainable, Thriving	Medium	Low	Low	Low-Medium	Low	10-30%	70 -90%	Private beneficiaries are the individuals who gain employment, retailers, tourist operators, motels and other businesses, but the whole District benefits from an increased population, improved economic wellbeing and a larger rating base.	General rate	N/A

Group of Activities/ Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3)(b) impact modification	Benefits		Rationale	Funding Sources	
							Private	Public		Operational	Capital
Regulatory Services											
Animal Control	Knowledgeable, Liveable, Responsible	Medium	Low	High	Low	Low	80 - 90%	10 -20%	The majority of the costs for this activity should be borne by dog owners, as it the existence of dogs in the community that gives rise to the need to carry out this activity. There is a small public benefit from animal education programmes. The control of stock on public roads has a lower private benefit, due the greater level of public safety.	Fees and charges; General rate	Loans; General rate; Reserves
Building Control	Enduring, Knowledgeable, Liveable, Resilient, Responsible	High	Low	Medium	Medium	Medium	90-100%	0-10%	The building control activity is mainly funded by the beneficiaries of the service, as they can be easily identified. There is some general community benefit because the public can be assured that buildings being erected are safe.	General rate; Fees and charges	N/A
Civil Defence Emergency Management	Connected, Enduring, Engaged, Knowledgeable, Liveable, Resilient, Responsible	Low	Low	Low	Low	Low	0%	100%	The primary purpose of civil defence is emergency preparedness with an initial response capability. This activity cannot be attributed to any individuals and therefore it is the community as a whole that benefits from this activity.	General rate; Subsidies	Loans; General rate; Reserves
Environmental Health	Knowledgeable, Liveable, Responsible, Sustainable, Thriving	Medium	Low	Medium	Medium	Medium	40 -60%	40-60%	For health and liquor licensing there is a moderate level of public good in the general health monitoring and advisory service provided to the community. Direct inspections of premises are user fees, but some fees are set by government legislation and therefore full cost recovery is not always possible. In the general inspection area, it is often impossible to identify offenders or impractical to recover enforcement costs. The whole community benefits from these activities.	Fees & Charges; General rate	N/A
Planning Development	Knowledgeable, Liveable, Progressive, Resilient, Responsible, Sustainable, Vibrant	Medium – High	Low	Low- Medium	Medium	Medium	90-100%	0-10%	There are two distinct beneficiaries of this activity, the primary being the applicant/developer and the second being the whole district through the development and monitoring of the District Plan.	Fees & Charges; General rate A full review of the District Plan may be funded via a loan, which reflects the long-term benefit.	N/A

Group of Activities/ Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3)(b) impact modification	Benefits		Rationale	Funding Sources	
							Private	Public		Operational	Capital
Land Transport											
Footpaths	Connected; Liveable, Resilient,	Low	Medium – High	Low – Medium	Low	Low	40-60%	40-60%	Occupiers of urban residential and commercial properties that are served by footpaths benefit from easier access and the added value to the properties. While the primary benefit is for the people who use the footpaths, these users generally cannot be individually identified or be restricted from using footpaths from a public safety factor.	General rate; subsidies	General rate; subsidies; reserves; development contributions
Roading	Connected, Liveable, Prosperous, Resilient, Responsible, Sustainable	Medium – High	High	Medium	Medium – High	Low	40-60%	40-60%	The beneficiaries are the users of the roads, the owners of properties served by roads, the local community and the wider public. The private benefit is collected via fuel taxes and road user charges by the government and allocated as a grant through Waka Kotahi/NZ Transport Agency.	General rate; subsidies; fees & charges; reserves	General rate; subsidies; reserves; development contributions
Waste Management (Rubbish & Recycling)											
	Innovative, Liveable, Resilient, Responsible, Sustainable	High	Low - Medium	Low - Medium	Low	Medium	20 – 30%	70 – 80%	Urban households receive a kerbside recycling service and all properties have access to recycling facilities. All properties have access to waste disposal facilities at refuse transfer stations. The whole District benefits from the environmental benefits. Pricing is a tool that can impact on people's behaviour to achieve the reduction, reuse and recycling of solid waste.	Targeted rate; Fees and charges; Grants	Loans; Targeted rate; Grants; Reserves
Stormwater											
	Liveable, Resilient, Responsible, Sustainable	Medium - High	Medium High	Low - Medium	Medium	High	75 - 85%	15 - 25%	Properties within the urban stormwater network areas benefit from collecting and disposing stormwater to limit flood damage. Property owners downstream from these areas also benefit. There is also a public benefit to health and safety to the urban populations generally.	Targeted rate; General rate	Loans; targeted rate; reserves
Flood Protection											
	Liveable, Resilient, Responsible, Sustainable	High	Medium High	Low	Medium	High	75 - 85%	15 - 25%	Properties within the Ōtorohanga flood protection scheme area benefit from limiting flooding and consequential property damage. There is also a public benefit in protecting public areas from flooding.	Targeted rate; General rate	

Group of Activities/ Activity	Community Outcomes	User/ beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Costs and benefits	Section 101(3)(b) impact modification	Benefits		Rationale	Funding Sources	
							Private	Public		Operational	Capital
Aotea Erosion Control											
	Liveable, Resilient, Responsible, Sustainable	High	High	Low	Medium	Medium	90 - 100%	0 - 10%	Properties within the Aotea community benefit from limiting sea erosion and consequential property damage. There is also a public benefit in protecting public areas from erosion.	Targeted rate; General rate	Loans; Targeted rate; development contributions
Wastewater											
	Liveable, Resilient, Responsible, Sustainable	Medium - High	High	Low - Medium	Low	Medium	90 - 100%	0 - 10%	The direct beneficiaries of this activity are the properties connected to the Ōtorohanga network. There is a public health benefit particularly to people who live in urban areas, and with the downstream effects of clean rivers benefiting the whole district. The provision of public toilets in Ōtorohanga is a district-wide benefit.	Targeted rate; general rate; fees and charges; reserves	Targeted rate; loans; reserves; subsidies; development contributions
Water Supplies (including Rural Water Schemes)											
	Liveable, Resilient, Responsible, Sustainable	High	High	Low	Low - Medium	Medium	90 - 100%	0 - 10%	The immediate beneficiaries are the properties that are connected to the water supplies. However, there is a public health benefit in providing potable water supplies. Additional public benefits include fire protection, and public toilets and street cleaning for urban areas.	Targeted rate; fees and charges; reserves	Targeted rate; loans; reserves; subsidies; development contributions

Summary of funding targets

	Rates	Fees & Charges	Grants, Subsidies & other revenue
Governance / Leadership	100% General rate		
Community Boards	100% (0-20% General rate; 80-100% Targeted rate)		
Community Services			
Cemeteries	70 – 80% General Rate	20 – 30%	
Community Centre (Kāwhia)	100% Targeted rate		
Housing for the Elderly	0-10% General rate	90-100% (rent)	
Kāwhia Wharf	80 – 90% (65–75% General rate; 15–25% Targeted rate)	10 – 20%	
Libraries	90 – 100% General rate	0 – 10%	
Litter Control	90-100% General rate	0-10%	
Parks and Reserves	80 – 100% General rate	0 – 20% (Leases)	
Public Toilets	100%		
Swimming Pools ¹	100% General rate (net)		
Security Patrol	100% (95-100% Targeted Rate; 0- 5% General Rate)		
District Development			
Community Development	100% General rate		
Economic Development	100% General rate		
Regulatory Services			
Animal Control	10 – 20% General rate	80 – 90%	
Building Control	10 – 20% General rate	80 - 90%	
Civil Defence Emergency Management	100% General rate		
Environmental Health/Liquor Control	50 – 70% General rate	30 – 50%	
Planning & Development	50-60% General rate	40-50%	

¹ Pool operation is contracted out, with entry fees retained by the Contractor

Land Transport			
Footpaths	40 - 50% Targeted Rate (70% on CV, 30% Uniform)		55 - 65% (NZTA 61% funding assistance rate for subsidised works) 0 – 10% Development Contributions
Roading	40 - 50% Targeted Rate (70% on CV, 30% Uniform)	0 – 10%	55 - 65% (NZTA 61% funding assistance rate for subsidised works) 0 – 10% Development Contributions
Waste Management (Rubbish & Recycling)	100% (Refuse 90% Targeted rate; 10% General Rate. Solid waste 90% Targeted rate; 10% General Rate)		
Stormwater	90 - 100% (90 – 100% Targeted Rate; 0 – 10% General Rate)		0 – 10% Development Contributions
Wastewater	80 – 100% (0-10% General rate; 90-100% Targeted Rate)	0 – 10%	0 – 10% Development Contributions
Water Supply	80 – 100% (0-10% General rate; 90 – 100% Targeted Rate)	0 – 20%	0 – 10% Development Contributions
Flood Protection	100% General rate (Collected by WRC)		
Aotea Erosion Control	100% (0-10% General rate; 90-100% Targeted rate)		