

FUNDING IMPACT STATEMENT

The total estimated expenditure for the Taranaki Regional Council for 2011/2012 is \$19,500,667. This expenditure will be funded from the following sources (GST exclusive). These funding/financing sources are consistent with the *Revenue and Financing Policy*.

| 2009/2010 Estimate \$ | 2010/2011 Estimate \$ | | 2011/2012 Estimate \$ | 2011/2012 LTCCP \$ |
|--------------------------|--------------------------|-------------------------------|--------------------------|-----------------------|
| 3,667,474 | 4,366,411 | General rates - capital value | 4,578,083 | 3,810,505 |
| 2,053,086 | 2,489,145 | General rates - UAGC | 2,606,540 | 2,133,156 |
| 1,305,643 | 1,462,148 | Targeted rates revenue | 1,568,340 | 1,480,831 |
| 4,650,195 | 5,076,902 | Direct charges revenue | 5,476,408 | 4,990,881 |
| 1,449,267 | 2,308,831 | Government grants | 1,662,441 | 1,573,602 |
| 3,500,000 | 1,850,000 | Dividends | 2,200,000 | 3,300,000 |
| 0 | 700,000 | Vested assets: Pukeiti | 0 | 0 |
| 586,000 | 773,000 | Other investment income | 1,231,000 | 1,719,567 |
| 1,102,853 | 1,000,000 | Finance income | 930,000 | 1,126,687 |
| 251,330 | 800,389 | Transfer from reserves | 178,609 | 654,794 |
| (61,236) | (25,243) | Transfer to reserves | (54,755) | (25,243) |
| 18,504,612 | 20,801,583 | Total funding | 20,376,666 | 20,764,781 |

CAPITAL VALUE GENERAL RATE

The Council proposes a general rate on the capital value on each rating unit in the region. The estimated general rate (in cents in the dollar of capital value) for 2011/2012 is 0.0199427 (GST inclusive). The Council proposes no differentials on the general rate. The general rate will be equalised between the three districts in the Taranaki region (see page 41). The rates to be collected from each district are:

- New Plymouth and North Taranaki constituencies – to produce \$3,180,989 at a rate of 0.020782 cents in the dollar of capital value GST inclusive.
- Stratford constituency – to produce \$530,692 at a rate of 0.019880 cents in the dollar of capital value GST inclusive.
- South Taranaki constituency – to produce \$1,553,114 at a rate of 0.019515 cents in the dollar of capital value GST inclusive.

UNIFORM ANNUAL GENERAL CHARGE

The Council proposes a uniform annual general charge of \$60.95 (GST inclusive) on all separately used or inhabited parts of a rating unit in the region to produce \$2,997,521 (GST inclusive).

Separately used or inhabited - for a commercial rating unit: means a building or part of a building that is, or intended to be, or is able to be, separately tenanted, leased or subleased for commercial purposes.

Separately used or inhabited - for a residential rating unit: includes a building or part of a building that is, or intended to be used as, or is able to be used as, an independent residence, including apartments, semi-detached or detached houses, units, town houses and baches.

TARGETED RATES

The Council proposes the following targeted rates for 2011/2012:

- A targeted rate for flood and river control works on the capital value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2011/2012 is 0.003628 GST inclusive to produce \$555,302 (GST inclusive).
- A targeted rate for passenger transport services on the capital value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2011/2012 is 0.005489 GST inclusive to produce \$840,189 (GST inclusive).
- A targeted rate for passenger transport services on the capital value on each rating unit in the South Taranaki constituency of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2011/2012 is 0.000287 GST inclusive to produce \$22,828 (GST inclusive).
- A differential targeted rate for Yarrow Stadium on the land value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of land value) for 2011/2012 for each differential category is:
 - Group 1 Commercial and Industrial to produce \$172,108 at a rate of 0.022439 cents in the dollar of land value GST inclusive
 - Group 2 Residential to produce \$181,965 at a rate of 0.004570 cents in the dollar of land value GST inclusive
 - Group 3 Small holdings to produce \$9,957 at a rate of 0.002355 cents in the dollar of land value GST inclusive
 - Group 4 Farmland to produce \$21,243 at a rate of 0.000771 cents in the dollar of land value GST inclusive.

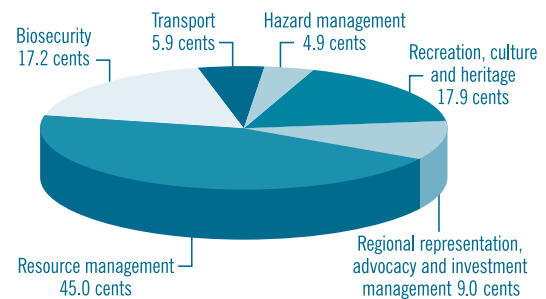
The above figures are estimated cents in the dollar rates based upon the required revenue to be recovered from each type of rate and the current capital or land value of the region or sub-part of the region. The final capital or land value of the region or sub-part of the region used to set the rates (in July 2011) will be different from the values used in the above calculations. The effect on the cents in the dollar rates is not expected to be significant.

FUNDING IMPACT STATEMENT

Each dollar of general rates collected is spent in the following manner:

| | 2011/12 | 2010/11 | 2009/10 |
|--|---------|---------|---------|
| Resource management | | | |
| Resource management planning | 4.9 | 4.2 | 4.2 |
| Consent processing and administration | 2.3 | 2.2 | 2.2 |
| Compliance monitoring programmes | 2.7 | 3.4 | 3.6 |
| Pollution incidents and response | 2.6 | 2.5 | 2.5 |
| State of the environment monitoring | 9.8 | 9.5 | 9.7 |
| Resource investigations and projects | 3.3 | 3.2 | 3.2 |
| Waste minimisation | 0.9 | 0.8 | 0.8 |
| Sustainable land management plans and plant supply programme | 12.2 | 12.8 | 4.8 |
| Biodiversity | 3.4 | 3.2 | 2.9 |
| Enhancement grants | 2.9 | 2.9 | 11.2 |
| Biosecurity | | | |
| Biosecurity planning | 0.5 | 0.4 | 0.4 |
| Pest animal management | 13.2 | 13.8 | 13.9 |
| Pest plant management | 3.5 | 3.6 | 3.6 |
| Transport | | | |
| Regional land transport planning | 1.2 | 1.4 | 1.4 |
| Passenger transport | 4.5 | 3.6 | 3.5 |
| Harbour management | 0.2 | 0.3 | 0.3 |
| Hazard management | | | |
| Civil defence emergency management | 2.8 | 2.3 | 2.4 |
| Flood management & general river control | 2.1 | 2.9 | 1.8 |
| River control schemes | 0.0 | 0.0 | 0.0 |
| Recreation, culture and heritage | | | |
| Regional gardens | 16.6 | 16.4 | 16.3 |
| Puke Ariki | 1.3 | 1.4 | 1.4 |
| Yarrow Stadium | 0.0 | 0.0 | 0.0 |
| Regional representation, advocacy & investment management | | | |
| Investment management | 0.1 | 0.1 | 0.1 |
| Public information | 1.3 | 1.4 | 1.4 |
| Advocacy and response | 0.9 | 0.8 | 0.8 |
| Governance | 6.7 | 7.1 | 7.8 |

Spend of each \$1 of general rates in cents



FUNDING IMPACT STATEMENT

The three Taranaki based district councils collect regional general rates on behalf of the Taranaki Regional Council. The projected apportionment of general rates between districts is as follows:

| District | Capital Value Equalised \$ | % | Estimated Rate Revenue \$ | GST \$ | GST incl rate revenue \$ | Rate in the \$ excl GST |
|------------------|----------------------------|---------|---------------------------|---------|--------------------------|-------------------------|
| 2004/2005 | | | | | | |
| New Plymouth | 7,869,087,000 | 57.43% | 1,880,244 | 235,030 | 2,115,274 | |
| Stratford | 1,251,941,000 | 9.14% | 299,241 | 37,405 | 336,646 | |
| South Taranaki | 4,580,438,000 | 33.43% | 1,094,490 | 136,811 | 1,231,301 | |
| | 13,701,466,000 | 100.00% | 3,273,975 | 409,246 | 3,683,221 | 0.0238951 |
| 2005/2006 | | | | | | |
| New Plymouth | 9,692,179,000 | 56.54% | 1,822,835 | 227,854 | 2,050,689 | |
| Stratford | 1,565,748,000 | 9.14% | 294,349 | 36,794 | 331,143 | |
| South Taranaki | 5,886,240,000 | 33.43% | 1,106,791 | 138,349 | 1,245,140 | |
| | 17,144,167,000 | 100.00% | 3,223,975 | 402,997 | 3,626,972 | 0.0188051 |
| 2006/2007 | | | | | | |
| New Plymouth | 12,349,834,000 | 58.44% | 2,032,847 | 254,106 | 2,286,953 | |
| Stratford | 1,750,550,000 | 8.28% | 288,021 | 36,003 | 324,024 | |
| South Taranaki | 7,032,598,000 | 33.28% | 1,157,651 | 144,706 | 1,302,357 | |
| | 21,132,982,000 | 100.00% | 3,478,520 | 434,815 | 3,913,335 | 0.0164602 |
| 2007/2008 | | | | | | |
| New Plymouth | 14,050,793,000 | 60.84% | 2,185,588 | 273,198 | 2,458,786 | |
| Stratford | 1,964,937,000 | 8.51% | 305,709 | 38,214 | 343,923 | |
| South Taranaki | 7,079,265,000 | 30.65% | 1,101,057 | 137,632 | 1,238,689 | |
| | 23,094,995,000 | 100.00% | 3,592,354 | 449,044 | 4,041,398 | 0.0155547 |
| 2008/2009 | | | | | | |
| New Plymouth | 16,317,475,000 | 58.02% | 2,142,537 | 267,818 | 2,410,355 | |
| Stratford | 2,671,991,000 | 9.50% | 350,812 | 43,852 | 394,664 | |
| South Taranaki | 9,134,143,000 | 32.48% | 1,199,407 | 149,925 | 1,349,332 | |
| | 28,123,609,000 | 100.00% | 3,692,756 | 461,595 | 4,154,351 | 0.014772 |
| 2009/2010 | | | | | | |
| New Plymouth | 16,024,055,000 | 56.63% | 2,076,891 | 259,611 | 2,336,502 | |
| Stratford | 2,957,872,000 | 10.45% | 383,251 | 47,906 | 431,157 | |
| South Taranaki | 9,313,618,000 | 32.92% | 1,207,332 | 150,917 | 1,358,249 | |
| | 28,295,545,000 | 100.00% | 3,667,474 | 458,434 | 4,125,908 | 0.012962 |
| 2010/2011 | | | | | | |
| New Plymouth | 14,961,826,000 | 59.11% | 2,580,986 | 322,623 | 2,903,609 | |
| Stratford | 2,401,563,000 | 9.49% | 414,372 | 51,797 | 466,169 | |
| South Taranaki | 7,948,075,000 | 31.40% | 1,371,053 | 171,382 | 1,542,435 | |
| | 25,311,464,000 | 100.00% | 4,366,411 | 545,802 | 4,912,213 | 0.017251 |
| 2011/2012 | | | | | | |
| New Plymouth | 15,950,320,000 | 60.42% | 2,766,026 | 414,904 | 3,180,930 | |
| Stratford | 2,662,041,000 | 10.08% | 461,638 | 69,246 | 530,884 | |
| South Taranaki | 7,787,200,000 | 29.50% | 1,350,418 | 202,563 | 1,552,981 | |
| | 26,399,561,000 | 100.00% | 4,578,083 | 686,712 | 5,264,795 | 0.017342 |

FUNDING IMPACT STATEMENT

The following are examples of the level of total rates that different groups of ratepayers will incur in 2011/2012 under this *Annual Plan*. These are estimates only and the final rate charge may be more or less than displayed below. All figures are GST exclusive. These figures are calculated on the equalised capital value of each district. The actual rates struck will be on the unequalised capital value. Accordingly, there will be some differences (expected to be minor) between the figures below and the final rates figures charged.

RATEPAYERS IN THE NEW PLYMOUTH AND NORTH TARANAKI CONSTITUENCIES:

In these constituencies ratepayers incur a mixture of capital value general rates, uniform annual general charges, capital value targeted rates and land value targeted rates. To determine the rates for any property, refer to the table for that type of property and then look by capital value (columns) and land value (rows). For instance, a residential ratepayer with a capital value of \$300,000 and a land value of \$100,000 will pay **\$143.10** in total regional council rates (see highlighted example below).

| Commercial and industrial property | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-------------|
| Capital value: | \$200,000 | \$300,000 | \$500,000 | \$750,000 | \$1,000,000 |
| Land value: | | | | | |
| \$50,000 | \$120.18 | \$148.89 | \$206.31 | \$278.08 | \$349.86 |
| \$100,000 | \$129.93 | \$158.64 | \$216.06 | \$287.84 | \$359.61 |
| \$150,000 | \$139.69 | \$168.40 | \$225.82 | \$297.59 | \$369.37 |
| \$300,000 | \$168.96 | \$197.67 | \$255.09 | \$326.86 | \$398.64 |
| \$500,000 | \$207.98 | \$236.69 | \$294.11 | \$365.89 | \$437.66 |

| Residential property | | | | | |
|----------------------|-----------|-----------------|-----------|-----------|-------------|
| Capital value: | \$200,000 | \$300,000 | \$500,000 | \$750,000 | \$1,000,000 |
| Land value: | | | | | |
| \$50,000 | \$112.41 | \$141.12 | \$198.54 | \$270.31 | \$342.09 |
| \$100,000 | \$114.39 | \$143.10 | \$200.52 | \$272.30 | \$344.07 |
| \$150,000 | \$116.38 | \$145.09 | \$202.51 | \$274.29 | \$346.06 |
| \$300,000 | \$122.34 | \$151.05 | \$208.47 | \$280.25 | \$352.02 |

| Small holdings property | | | | | |
|-------------------------|-----------|-----------|-----------|-----------|-------------|
| Capital value: | \$200,000 | \$300,000 | \$500,000 | \$750,000 | \$1,000,000 |
| Land value: | | | | | |
| \$50,000 | \$111.44 | \$140.15 | \$197.57 | \$269.35 | \$341.12 |
| \$100,000 | \$112.47 | \$141.18 | \$198.60 | \$270.37 | \$342.15 |
| \$150,000 | \$113.49 | \$142.20 | \$199.62 | \$271.40 | \$343.17 |
| \$300,000 | \$116.56 | \$145.27 | \$202.69 | \$274.47 | \$346.24 |

| Farmland property | | | | | |
|-------------------|-----------|-------------|-------------|-------------|-------------|
| Capital value: | \$500,000 | \$1,000,000 | \$2,000,000 | \$3,000,000 | \$5,000,000 |
| Land value: | | | | | |
| \$250,000 | \$198.23 | \$341.78 | \$628.88 | \$915.98 | \$1,490.17 |
| \$500,000 | \$199.90 | \$343.45 | \$630.55 | \$917.65 | \$1,491.85 |
| \$1,000,000 | \$203.26 | \$346.81 | \$633.91 | \$921.01 | \$1,495.20 |
| \$1,500,000 | \$206.61 | \$350.16 | \$637.26 | \$924.36 | \$1,498.56 |
| \$2,000,000 | \$209.96 | \$353.51 | \$640.61 | \$927.71 | \$1,501.91 |

RATEPAYERS IN THE STRATFORD CONSTITUENCY:

In this constituency ratepayers incur a mixture of capital value general rates and uniform annual general charges.

| Capital value of property: | \$200,000 | \$500,000 | \$1,000,000 | \$2,000,000 | \$5,000,000 |
|----------------------------|-----------|-----------|-------------|-------------|-------------|
| Total rates | \$92.76 | \$152.40 | \$251.80 | \$450.59 | \$1,046.98 |

RATEPAYERS IN THE SOUTH TARANAKI CONSTITUENCY:

In this constituency ratepayers incur a mixture of capital value general rates, uniform annual general charges and capital value targeted rates.

| Capital value of property: | \$200,000 | \$500,000 | \$1,000,000 | \$2,000,000 | \$5,000,000 |
|----------------------------|-----------|-----------|-------------|-------------|-------------|
| Total rates | \$92.53 | \$151.82 | \$250.65 | \$448.29 | \$1,041.23 |

FUNDING IMPACT STATEMENT

ACTUAL RATES TO BE PAID

To calculate the approximate rates payable for a property, obtain the rateable land value and capital value from the Rates Assessment Notice issued by your local district council and then complete the attached table. All figures include GST. For example if you own a residential property in the North Taranaki constituency with a capital value of \$400,000 and a land value of \$120,000, then the rates calculation would be as follows::

| New Plymouth and North Taranaki Constituencies | | | | | |
|--|--------|-----------------------|-----------------------------------|----------|-----------------|
| Capital Value (CV): \$400,000 | | | Land Value (LV): \$120,000 | | |
| Rate | Factor | Differential | Value | Rate | Amount |
| General | CV | | \$400,000 | 0.000208 | \$83.13 |
| UAGC | | | 1 | \$60.95 | \$60.95 |
| River control | CV | | \$400,000 | 0.000036 | \$14.51 |
| Transport | CV | | \$400,000 | 0.000055 | \$21.96 |
| Yarrow Stadium | LV | Residential | \$120,000 | 0.000046 | \$5.48 |
| | LV | Commercial/industrial | | 0.000224 | N/A |
| | LV | Farmland | | 0.000008 | N/A |
| | LV | Small holding | | 0.000024 | N/A |
| Total rates | | | | | \$186.03 |

| New Plymouth and North Taranaki Constituencies | | | | | |
|--|--------|-----------------------|------------------|----------|---------|
| Capital Value (CV): | | | Land Value (LV): | | |
| Rate | Factor | Differential | Value | Rate | Amount |
| General | CV | | | 0.000208 | |
| UAGC | | | 1 | \$60.95 | \$60.95 |
| River control | CV | | | 0.000036 | |
| Transport | CV | | | 0.000055 | |
| Yarrow Stadium | LV | Residential | | 0.000046 | |
| | LV | Commercial/industrial | | 0.000224 | |
| | LV | Farmland | | 0.000008 | |
| | LV | Small holding | | 0.000024 | |
| Total rates | | | | | |

| Stratford Constituency | | | | | |
|------------------------|--------|--------------|-------|----------|---------|
| Capital Value (CV): | | | | | |
| Rate | Factor | Differential | Value | Rate | Amount |
| General | CV | | | 0.000199 | |
| UAGC | | | 1 | \$60.95 | \$60.95 |
| Total rates | | | | | |

| South Taranaki Constituency | | | | | |
|-----------------------------|--------|--------------|-------|----------|---------|
| Capital Value (CV): | | | | | |
| Rate | Factor | Differential | Value | Rate | Amount |
| General | CV | | | 0.000195 | |
| UAGC | | | 1 | \$60.95 | \$60.95 |
| Transport | CV | | | 0.000003 | |
| Total rates | | | | | |