

FINANCIAL STATEMENTS

The following pages present the financial projections of the Council for 2009/2019, in indicative terms for the two following years and in forecast terms for the following seven years. In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- the sources of income and where it is planned to be spent
- the effect of the planned income and expenditure on the overall net worth of the Council
- what the Council owes and owns
- the forecast cash payments and receipts for each year
- additional supporting information.

The *Statement of Financial Position* includes the estimated financial position as at 1 July 2009. These figures differ from the estimated financial position as at 30 June 2009 included in the *2008/2009 Annual Plan*.

The forecast prospective financial information presented is based upon best-estimate assumptions. Whilst every care has been taken in the preparation of the forecast prospective financial information, the actual results are likely to differ. These differences may be material.

The forecasts are based upon assumptions and information available to the Taranaki Regional Council as at June 2009. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective financial position as at 1 July 2009. There is no intention to update the forecast prospective financial information prior to the finalisation of this *Plan*.

The forecast financial information on pages 26 to 94 has been prepared in accordance with the Council's current accounting policies as specified on pages 89 to 93.

The forecast financial information presented in this *Plan* has been prepared in compliance with *Financial Reporting Standard No. 42: Prospective Financial Statements*.

The summing of each *Indicative costs and sources of funds* statement with each group of activities equates to the figures included in the *Statement of Financial Performance*.

The Council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

Prior to 1996/1997, the Council used dividends received from Port Taranaki Ltd to repay debt that the Council inherited upon the corporatisation of the new port company. Since then the Council has used the dividend returns to reduce the general rate requirement. In most years, the Council has received more dividend returns than it budgeted for. These extra dividends have accumulated in the Dividend Equalisation Reserve and contributed to a substantial unbudgeted improvement in the Council's financial situation. In some years the Council has received less dividends than it budgeted for. In these cases the Council has used the Dividend Equalisation Reserve to smooth the impact on the general rate requirement.

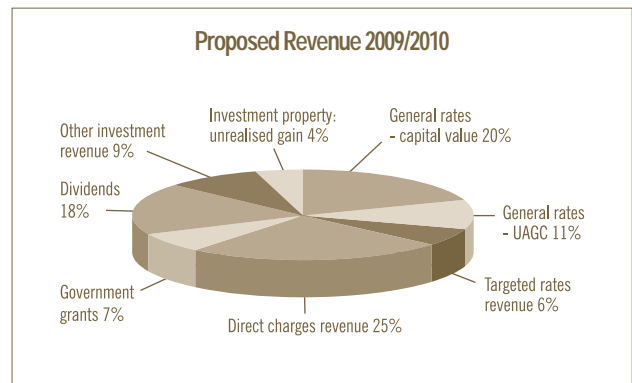
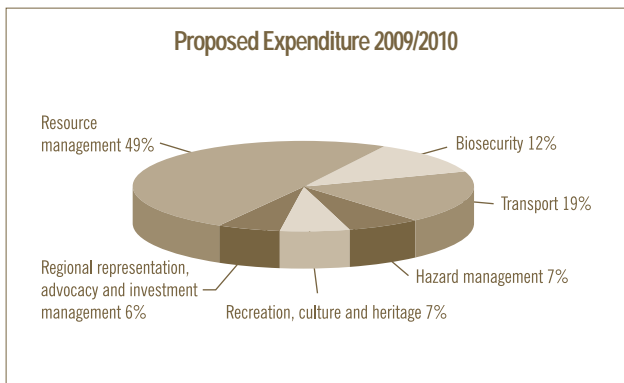
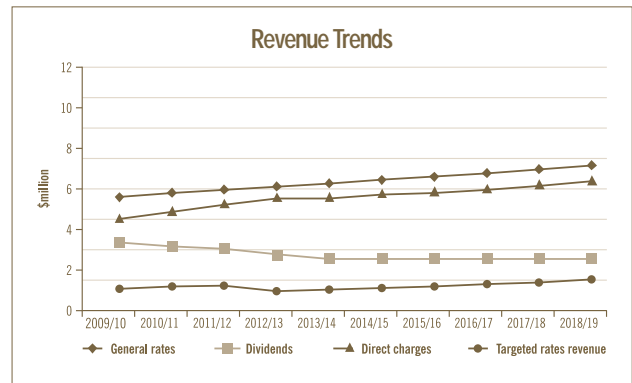
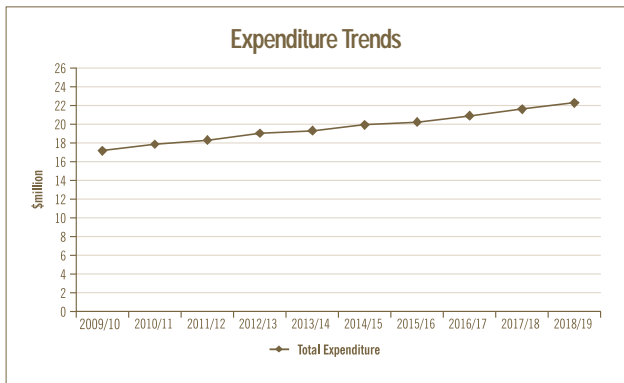
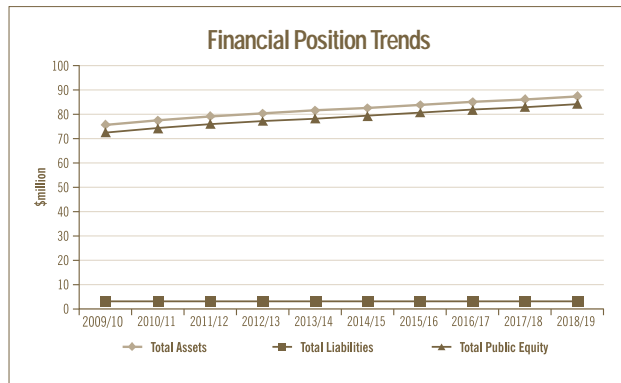
As previously noted (refer to the *Forecasting assumptions and critical estimations in applying Council's accounting policies* section) the returns from Port Taranaki Ltd have the potential to fluctuate significantly. The Council uses the Dividend Equalisation Reserve to smooth fluctuations in dividend returns from Port Taranaki Ltd and, consequently, smooth the impact on general rate changes. Technically the use of the Dividend Equalisation Reserve results in unbalanced budgets where in some years the Council has surpluses and in others deficits. Over the next ten years the Council is forecasting the following surpluses and deficits:

Year	Transfer from/(to) dividend equalisation reserve
2009/2010	(\$28,834)
2010/2011	\$154,794
2011/2012	\$58,847
2012/2013	(\$102,961)
2013/2014	\$9,816
2014/2015	\$41,738
2015/2016	(\$116,282)
2016/2017	\$8,875
2017/2018	\$112,164
2018/2019	\$92,209

As a result of this decision:

- an operating surplus will have the effect of increasing the Dividend Equalisation Reserve and cash balances by a similar amount
- an operating deficit will have the effect of reducing the Dividend Equalisation Reserve and cash balances by a similar amount
- there will be no adverse effect on the levels of service provided by the Council or the service capacity and integrity of the Council's assets
- there is sufficient revenue to fund the maintenance of service levels and the capacity and integrity of the Council's assets
- there is no impact on the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life
- there is consistency with the Council's funding and financial policies
- there will be negligible impact on the current and future social, economic, environmental and cultural well-being of the community.

FINANCIAL TRENDS



FINANCIAL STRATEGY

There are a number of strategies and policies that address and manage various facets of the financial operations of the Council. The objective of these various strategies and policies is to prudently manage the Council's finances in such a manner as to protect the public's investment and to minimise the exposure to risk. This acknowledges that at all times the Council is managing finances that belong to the Taranaki community.

The purpose of this section is to outline these various policies and strategies in one location.

The Council looks to operate a balanced budget whereby in each year the operating expenditure is covered by sufficient operating revenue.

Levels of service and operating programmes are established in the variety of policies, plans and strategies that the Council has prepared and adopted pursuant to a number of pieces of legislation. These key planning documents include the *Regional Policy Statement*, regional plans for the coast, air, soil and fresh water, biosecurity strategies for plant and animal pests, land transport plans and strategies, civil defence emergency management plans and the asset management plans for the regional gardens and flood control assets.

Expenditure budgets are set to deliver upon those levels of service and operating programmes.

The funding of the expenditure budgets and operating programmes is based upon a number of principles. The application of these principles is outlined in the *Revenue and Financing Policy*. First is the principle of beneficiary or exacerbator pays. Where a party directly benefits from the service provided by the Council or causes the Council to provide a service or incur expenditure then that party directly pays for that service.

Second, where the Council is providing services that are part of national programmes or the government provides subsidies to the Council to provide certain services then the Council will claim for those government grants/subsidies.

Third, where the Council provides services to a specific area or group within the regional community but there is no mechanism to direct charge those beneficiaries or exacerbators then the Council will use targeted rates to match the costs and benefits of those services.

The balance of the Council's funding requirements will be funded by general rates.

General rates are reduced by investment returns. The Council receives investment returns from its treasury, equity and land investments. By using these investment returns to reduce the general rates the Council is effectively providing these returns back to the regional community.

Many of the services that the Council supplies are used equally by all members of the regional community and have no correlation with property ownership or valuation. (e.g., community representation and democracy). In these instances the Council looks to use uniform annual general charges (UAGCs) to match costs and benefits. There is a statutory limit to the level of UAGCs that the Council can impose. Once this limit is reached the rest of these services need to be funded by property value general rates.

The remainder of the Council's general rates are set on the capital value system of rating. The Council has adopted a number of postponement and remission policies to achieve certain objectives.

All of the Council's rates are collected by three Taranaki-based district councils. This is fiscally and operationally the most effective and efficient collection system.

Dividends from Port Taranaki Ltd are variable and subject to fluctuations. To accommodate these fluctuations the Council uses a dividend equalisation reserve. Since 1996/1997, when the debt the Council inherited from corporatisation of the port was fully repaid, the level of dividends received has generally exceeded the budget. These surpluses have been accumulated in the dividend equalisation reserve. Where the port is unable to return dividends at the levels budgeted for then the dividend equalisation reserve is used to subsidise the need to increase general rates.

In 2001/2002 the Council provided funding for the construction of new grandstands at Yarrow Stadium. The adopted funding policy for this activity was the repayment of two-thirds of the funding by means of rates over a ten-year period. Until such time as the rates are no longer in place the Council will operate a surplus of revenue over expenditure to the extent of the Yarrow Stadium rates.

In terms of assets and investments the Council's strategy is to maintain, in real terms, the value of the Council's assets and investments. The Council maintains its infrastructure assets in an "as new" condition and the regional gardens to the standards set in their asset management plans.

The Council holds treasury, equity and land investments on behalf of the regional community. In real terms the Council intends to maintain the value of these investments in the long-term. The Council intends to hold these investments for strategic reasons on behalf of the regional community.

The Council will use public debt to construct infrastructure assets or to finance investments where the benefits of the expenditure spreads over a number of years. The use of public debt matches the costs of the expenditure with the Financial strategy benefits. At this stage the Council does not have, nor does it plan to have, any public debt.

The Council holds a number of reserves to provide cover for specific events or to address statutory or other obligations. The Council intends to maintain the minimum level and number of reserves.

The net financial value of the Council is to be maintained, in real terms in the long-term. The Council is not intending to significantly increase or decrease the community's net ownership of the Council.

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

2008/2009		2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Estimate \$		Estimate \$	Indicative \$	Indicative \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$
Cost of services											
7,840,647	Resource management	8,488,373	8,811,970	9,181,324	9,546,194	9,621,512	9,858,347	9,957,874	10,183,225	10,533,558	10,805,440
2,132,208	Biosecurity	2,077,059	2,107,960	2,050,715	2,092,886	2,116,697	2,172,280	2,198,888	2,251,027	2,324,902	2,374,827
2,419,268	Transport	3,399,208	3,807,274	3,970,735	4,197,252	4,383,127	4,616,277	4,843,823	5,078,490	5,338,201	5,676,159
1,099,409	Hazard management	1,171,246	1,198,382	1,191,917	1,213,003	1,213,637	1,241,056	1,289,134	1,310,934	1,345,613	1,375,868
1,022,835	Recreation, culture and heritage	1,185,580	1,175,140	1,206,564	1,278,955	1,226,301	1,344,368	1,268,225	1,309,913	1,399,011	1,374,880
	Regional representation, advocacy										
1,037,394	& investment management	1,057,147	1,161,367	1,113,220	1,141,746	1,234,989	1,186,834	1,199,591	1,321,263	1,279,147	1,312,981
15,551,761	Total operating expenditure	17,378,613	18,262,094	18,714,476	19,470,037	19,796,262	20,419,163	20,757,535	21,454,851	22,220,430	22,920,156
Income											
5,535,564	General rates revenue	5,720,560	5,943,662	6,116,028	6,287,277	6,463,321	6,644,294	6,830,334	7,021,583	7,218,187	7,420,297
1,042,339	Targeted rates revenue	1,305,643	1,480,831	1,522,325	1,265,350	1,327,560	1,392,188	1,452,496	1,533,657	1,605,794	1,715,876
4,226,192	Direct charges revenue	4,650,195	4,990,881	5,335,353	5,682,599	5,745,548	5,980,992	6,116,307	6,304,307	6,577,002	6,826,443
1,023,942	Government grants	1,449,267	1,573,602	1,632,830	1,716,619	1,793,487	1,874,233	1,954,161	2,052,492	2,141,751	2,270,359
2,600,000	Dividends	3,500,000	3,300,000	3,200,000	2,900,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
1,714,762	Other investment revenue	1,688,853	1,719,567	1,740,330	1,740,274	1,776,894	1,807,406	1,843,617	1,858,536	1,891,730	1,922,874
736,838	Investment property: unrealised gain	841,500	883,575	927,754	974,141	1,022,849	1,073,991	1,127,690	1,184,075	1,243,279	1,305,443
16,879,637	Total income	19,156,018	19,892,118	20,474,620	20,566,261	20,829,659	21,473,104	22,024,606	22,654,650	23,377,743	24,161,290
1,327,876	Operating surplus/(deficit)	1,777,406	1,630,025	1,760,144	1,096,224	1,033,397	1,053,941	1,267,071	1,199,799	1,157,313	1,241,134

FORECAST STATEMENT OF MOVEMENTS IN EQUITY

2008/2009		2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Estimate \$		Estimate \$	Indicative \$	Indicative \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$
69,468,512	Public equity as at 1 July	70,796,388	72,573,794	74,203,818	75,963,962	77,060,187	78,093,583	79,147,524	80,414,594	81,614,394	82,771,707
1,327,876	Operating surplus/(deficit)	1,777,406	1,630,025	1,760,144	1,096,224	1,033,397	1,053,941	1,267,071	1,199,799	1,157,313	1,241,134
	- Increase in asset revaluation reserves										
1,327,876	Total recognised revenue & expenses	1,777,406	1,630,025	1,760,144	1,096,224	1,033,397	1,053,941	1,267,071	1,199,799	1,157,313	1,241,134
70,796,388	Public equity as at 30 June	72,573,794	74,203,818	75,963,962	77,060,187	78,093,583	79,147,524	80,414,594	81,614,394	82,771,707	84,012,841

These statements should be read in conjunction with the *Summary of accounting policies* and the *Explanatory notes to the financial statements*.

FORECAST STATEMENT OF FINANCIAL POSITION

2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Estimate \$	Estimate \$	Indicative \$	Indicative \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$
Current assets										
147,893	169,412	165,384	167,132	166,794	156,286	164,439	165,363	151,403	155,072	152,020
1,045,025	696,164	0	0	0	0	0	0	0	0	0
1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
3,242,918	2,915,576	2,215,384	2,217,132	2,216,794	2,206,286	2,214,439	2,215,363	2,201,403	2,205,072	2,202,020
Non current assets										
42,492,950	43,402,950	44,434,114	44,629,114	44,429,114	44,844,114	45,144,114	45,534,114	45,564,114	45,884,114	46,164,114
16,830,000	17,671,500	18,555,075	19,482,829	20,456,970	21,479,819	22,553,810	23,681,500	24,865,575	26,108,854	27,414,297
669,604	736,027	883,718	1,350,656	1,310,094	1,305,194	1,322,794	1,340,394	1,657,994	1,675,594	1,693,194
10,760,916	11,047,740	11,315,528	11,484,231	11,847,215	11,458,171	11,112,368	10,843,224	10,525,308	10,098,073	9,739,217
70,753,470	72,858,217	75,188,435	76,946,830	78,043,393	79,087,298	80,133,085	81,399,232	82,612,991	83,766,634	85,010,821
73,996,388	75,773,794	77,403,818	79,163,962	80,260,187	81,293,583	82,347,524	83,614,595	84,814,394	85,971,707	87,212,841
Current liabilities										
1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
Non current liabilities										
450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Public equity										
60,640,704	62,608,204	64,867,778	67,171,531	68,395,673	69,418,521	70,492,512	71,620,203	72,804,278	74,047,557	75,352,999
9,245,684	9,055,590	8,426,040	7,882,431	7,754,513	7,765,062	7,745,011	7,884,391	7,900,116	7,814,150	7,749,842
910,000	910,000	910,000	910,000	910,000	910,000	910,000	910,000	910,000	910,000	910,000
70,796,388	72,573,794	74,203,818	75,963,962	77,060,187	78,093,583	79,147,524	80,414,594	81,614,394	82,771,707	84,012,841
73,996,388	75,773,794	77,403,818	79,163,962	80,260,187	81,293,583	82,347,524	83,614,594	84,814,394	85,971,707	87,212,841

This statement should be read in conjunction with the *Summary of accounting policies* and the *Explanatory notes to the financial statements*.

FORECAST STATEMENT OF CASH FLOWS

2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Estimate \$	Estimate \$	Indicative \$	Indicative \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$
Cash flows from operating activities										
Cash was provided from:										
5,792,896	6,685,462	7,166,464	7,581,826	8,024,806	8,176,343	8,505,045	8,733,099	9,032,548	9,408,497	9,800,888
Customers										
6,577,903	7,026,203	7,424,492	7,638,353	7,552,627	7,790,881	8,036,481	8,282,830	8,555,240	8,823,981	9,136,172
Rates										
1,172,000	1,102,853	1,117,587	1,126,687	1,114,687	1,139,587	1,157,587	1,180,987	1,182,787	1,201,987	1,218,787
Interest										
2,600,000	3,500,000	3,300,000	3,200,000	2,900,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
Dividends										
16,142,799	18,314,518	19,008,543	19,546,866	19,592,120	19,806,811	20,399,113	20,896,915	21,470,575	22,134,465	22,855,848
Cash was applied to:										
14,189,595	15,826,210	16,647,773	17,098,378	17,766,560	18,175,822	18,881,763	19,219,997	19,925,941	20,689,502	21,387,309
Employees and suppliers										
320,000	320,000	319,999	319,999	319,998	319,997	319,996	319,995	319,994	319,993	319,992
Goods and services tax										
14,509,595	16,146,210	16,967,772	17,418,377	18,086,558	18,495,819	19,201,759	19,539,992	20,245,935	21,009,495	21,707,301
1,633,204	2,168,308	2,040,771	2,128,489	1,505,561	1,310,992	1,197,353	1,356,924	1,224,640	1,124,970	1,148,547
Net cash flows from operating activities										
Cash flows from investing activities										
Cash was provided from:										
0	0	0	0	200,000	0	0	0	0	0	0
Investments										
75,000	128,000	168,500	104,000	126,000	154,500	149,500	104,000	144,000	217,500	149,500
Property, plant and equipment										
75,000	128,000	168,500	104,000	326,000	154,500	149,500	104,000	144,000	217,500	149,500
Cash was applied to:										
1,000,000	561,139	335,000	195,000	0	415,000	300,000	390,000	30,000	320,000	280,000
Investments										
718,274	1,713,650	1,878,300	2,035,740	1,831,900	1,061,000	1,038,700	1,070,000	1,352,600	1,018,800	1,021,100
Property, plant and equipment										
1,718,274	2,274,789	2,213,300	2,230,740	1,831,900	1,476,000	1,338,700	1,460,000	1,382,600	1,338,800	1,301,100
(1,643,274)	(2,146,789)	(2,044,800)	(2,126,740)	(1,505,900)	(1,321,500)	(1,189,200)	(1,356,000)	(1,238,600)	(1,121,300)	(1,151,600)
Net cash flows from investing activities										
Net increase/(decrease) in cash and cash equivalents										
(10,070)	21,519	(4,029)	1,749	(339)	(10,508)	8,153	924	(13,960)	3,670	(3,053)
Opening cash balance										
157,963	147,893	169,412	165,384	167,132	166,794	156,286	164,439	165,363	151,403	155,072
147,893	169,412	165,384	167,132	166,794	156,286	164,439	165,363	151,403	155,072	152,020
Closing cash and cash equivalents										

This statement should be read in conjunction with the *Summary of accounting policies* and the *Explanatory notes to the financial statements*.

FUNDING IMPACT STATEMENT

The total estimated expenditure for the Taranaki Regional Council for 2009/2010 is \$17,378,613. 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	2010/2011	2011/2012	2012/2013	2013/2014
	Estimate \$	Indicative \$	Indicative \$	Forecast \$	Forecast \$
General rates - Capital value	3,667,474	3,810,505	3,921,010	4,030,798	4,143,661
General rates - UAGC	2,053,086	2,133,156	2,195,018	2,256,478	2,319,660
Targeted rates revenue	1,305,638	1,480,822	1,522,316	1,265,341	1,327,552
Direct charges revenue	4,650,195	4,990,881	5,335,353	5,682,599	5,745,548
Government grants	1,449,267	1,573,602	1,632,830	1,716,619	1,793,487
Dividends	3,500,000	3,300,000	3,200,000	2,900,000	2,700,000
Other investment revenue	1,688,853	1,719,567	1,740,330	1,740,274	1,776,894
Transfer from reserves	251,330	654,794	558,847	250,000	9,816
Transfer to reserves	(61,236)	(25,243)	(15,237)	(122,082)	(20,364)
Total funding	18,504,613	19,638,093	20,090,475	19,720,037	19,796,262
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$
General rates - Capital value	4,259,683	4,378,954	4,501,565	4,627,609	4,757,182
General rates - UAGC	2,384,610	2,451,379	2,520,018	2,590,578	2,663,115
Targeted rates revenue	1,392,182	1,452,491	1,533,653	1,605,790	1,715,874
Direct charges revenue	5,980,992	6,116,307	6,304,307	6,577,002	6,826,443
Government grants	1,874,233	1,954,161	2,052,492	2,141,751	2,270,359
Dividends	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
Other investment revenue	1,807,406	1,843,617	1,858,536	1,891,730	1,922,874
Transfer from reserves	41,738	0	8,875	112,164	92,209
Transfer to reserves	(21,688)	(139,380)	(24,599)	(26,198)	(27,901)
Total funding	20,419,163	20,757,536	21,454,851	22,220,430	22,920,156

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 2009/2010 is 0.014581 (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 86). The rates to be collected from each district are:

- New Plymouth and North Taranaki constituencies – to produce \$2,336,502 at a rate of 0.015538 cents in the dollar of capital value GST inclusive
- Stratford constituency – to produce \$431,157 at a rate of 0.016521 cents in the dollar of capital value GST inclusive
- South Taranaki constituency – to produce \$1,358,249 at a rate of 0.019396 cents in the dollar of capital value GST inclusive

UNIFORM ANNUAL GENERAL CHARGE

The Council proposes a uniform annual general charge of \$47.25 (GST inclusive) on all separately used or inhabited parts of a rating unit in the region to produce \$2,309,722 (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 2009/2010:

- 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 2009/2010 is 0.002665 GST inclusive to produce \$400,787 (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 2009/2010 is 0.004411 GST inclusive to produce \$663,301 (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 2009/2010 is 0.000345 GST inclusive to produce \$24,188 (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 2009/2010 for each differential category is:
 - Group 1 Commercial and Industrial to produce \$168,347 at a rate of 0.023008 cents in the dollar of land value GST inclusive
 - Group 2 Residential to produce \$183,006 at a rate of 0.004868 cents in the dollar of land value GST inclusive
 - Group 3 Small holdings to produce \$9,161 at a rate of 0.002559 cents in the dollar of land value GST inclusive
 - Group 4 Farmland to produce \$20,060 at a rate of 0.000687 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

FUNDING IMPACT STATEMENT

capital or land value of the region or sub-part of the region used to set the rates (in July 2009) 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.

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

	2009/10	2008/09
Resource management		
Resource management planning	4.5	5.2
Consent processing and administration	2.8	3.5
Compliance monitoring programmes	3.9	4.5
Pollution incidents and response	2.8	3.2
State of the environment monitoring	9.8	9.5
Resource investigations and projects	3.3	3.3
Waste minimisation	0.8	0.7
Sustainable land management plans & plant supply programme	14.2	14.5
Biodiversity	4.0	0.7
Enhancement grants	2.3	2.1
Biosecurity		
Biosecurity planning	0.5	0.6
Pest animal management	14.7	16.5
Pest plant management	3.8	4.2
Transport		
Regional land transport planning	2.1	1.6
Passenger transport	4.6	3.5
Harbour management	0.3	0.3
Hazard management		
Civil defence emergency management	2.3	2.9
Flood management & general river control	1.7	1.8
River control schemes	0.6	0.3
Recreation, culture and heritage		
Regional gardens	9.8	8.9
Puke Ariki	1.4	1.6
Yarrow Stadium	0.0	0.0
Regional representation, advocacy & investment management		
Investment management	0.1	0.1
Public information	1.5	1.7
Advocacy and response	0.9	1.1
Governance	7.5	7.9

FUNDING IMPACT STATEMENT

The three Taranaki based district councils collect regional general rates on behalf of the Taranaki Regional Council. The projected apportionment of the capital value general rates (excluding uniform annual general charge) between districts is as follows:

District	Capital Value Equalised \$	%	Estimated Rate Revenue \$	GST \$	GST inclusive rate revenue \$	Rate in the \$ excluding GST
2002/2003						
New Plymouth	5,301,290,000	52.20	1,682,542	203,568	1,832,110	
Stratford	970,013,500	9.55	297,942	37,242	335,184	
South Taranaki	3,883,973,500	38.25	1,193,328	149,166	1,342,494	
	10,155,277,000	100.00	3,119,812	389,976	3,509,788	0.0307211
2003/2004						
New Plymouth	6,308,585,000	53.66	1,712,207	214,026	1,926,233	
Stratford	1,106,987,000	9.42	300,446	37,556	338,002	
South Taranaki	4,340,310,000	36.92	1,178,000	147,250	1,325,250	
	11,755,882,000	100.00	3,190,653	398,832	3,589,485	0.0271409
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

FUNDING IMPACT STATEMENT

The following are examples of the level of total rates that different groups of ratepayers will incur in 2009/2010 under this *Long-Term Council Community 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 **\$111.81** 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	\$95.88	\$117.71	\$161.37	\$215.94	\$270.51
\$100,000	\$106.11	\$127.94	\$171.59	\$226.16	\$280.74
\$150,000	\$116.33	\$138.16	\$181.82	\$236.39	\$290.96
\$300,000	\$147.01	\$168.84	\$212.50	\$267.07	\$321.64
\$500,000	\$187.91	\$209.74	\$253.40	\$307.97	\$362.54

Residential property					
Capital value:	\$200,000	\$300,000	\$500,000	\$750,000	\$1,000,000
Land value:					
\$50,000	\$87.82	\$109.65	\$153.31	\$207.88	\$262.45
\$100,000	\$89.98	\$111.81	\$155.47	\$210.04	\$264.61
\$150,000	\$90.89	\$112.09	\$154.49	\$207.49	\$260.50
\$300,000	\$92.15	\$113.98	\$157.63	\$212.20	\$266.77
\$500,000	\$98.64	\$120.47	\$164.12	\$218.69	\$273.26

Small holdings property					
Capital value:	\$200,000	\$300,000	\$500,000	\$750,000	\$1,000,000
Land value:					
\$50,000	\$86.79	\$108.62	\$152.28	\$206.85	\$261.42
\$100,000	\$87.93	\$109.76	\$153.42	\$207.99	\$262.56
\$150,000	\$89.07	\$110.90	\$154.55	\$209.13	\$263.70
\$300,000	\$92.48	\$114.31	\$157.97	\$212.54	\$267.11

Farmland property					
Capital value:	\$200,000	\$300,000	\$500,000	\$750,000	\$1,000,000
Land value:					
\$100,000	\$86.27	\$108.10	\$151.75	\$206.32	\$260.89
\$150,000	\$86.57	\$108.40	\$152.06	\$206.63	\$261.20
\$300,000	\$87.49	\$109.32	\$152.97	\$207.54	\$262.12
\$500,000	\$88.71	\$110.54	\$154.19	\$208.76	\$263.34
\$1,000,000	\$91.76	\$113.59	\$157.24	\$211.82	\$266.39

RATEPAYERS IN THE STRATFORD CONSTITUENCY:

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

Capital value:	\$200,000	\$300,000	\$500,000	\$750,000	\$1,000,000
Total rates	\$75.04	\$91.56	\$124.61	\$165.91	\$207.21

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:	\$200,000	\$300,000	\$500,000	\$750,000	\$1,000,000
Total rates	\$81.41	\$101.11	\$140.51	\$189.77	\$239.03

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 the 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	0.000155	\$62.15
UAGC			1	\$47.25	\$47.25
River control	CV		\$400,000	0.000027	\$10.66
Transport	CV		\$400,000	0.000044	\$17.64
Yarrow Stadium	LV	Residential	\$120,000	0.000049	\$5.84
	LV	Commercial/industrial		0.000230	N/A
	LV	Farmland		0.000007	N/A
	LV	Small holding		0.000026	N/A
Total rates					\$143.55

To calculate the rates payable on a property fill out one of the following tables based upon the location and type of the property:

New Plymouth and North Taranaki Constituencies					
Capital Value (CV):			Land Value (LV):		
Rate	Factor	Differential	Value	Rate	Amount
General	CV			0.000155	
UAGC			1	\$47.25	\$47.25
River control	CV			0.000027	
Transport	CV			0.000044	
Yarrow Stadium	LV	Residential		0.000049	
	LV	Commercial/industrial		0.000230	
	LV	Farmland		0.000007	
	LV	Small holding		0.000026	
Total rates					

Stratford Constituency					
Capital Value (CV):					
Rate	Factor	Differential	Value	Rate	Amount
General	CV			0.000165	
UAGC			1	\$47.25	\$47.25
Total rates					

South Taranaki Constituency					
Capital Value (CV):					
Rate	Factor	Differential	Value	Rate	Amount
General	CV			0.000194	
UAGC			1	\$47.25	\$47.25
Transport	CV			0.000003	
Total rates					