

Reporting entity

The Taranaki Regional Council (the Council) is a regional local authority governed by the Local Government Act 2002. The group consists of the Council and its 100% owned subsidiary, Westgate Transport Ltd. The financial statements have been prepared in terms of sections 281 and 111 of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice.

Measurement base

The measurement base adopted is that of historical cost, modified by the revaluation of certain non-current assets.

Accounting policies

Budget figures

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Consolidation

Consolidated financial results have not been prepared for the purposes of this plan.

Goods and services tax

All items are exclusive of goods and services tax (GST), excluding accounts receivable and payable, which are recorded inclusive of GST in the *Statement of Financial Position*.

Revenue

Rates and other revenue excluding grants are recognised when rates are struck and/or invoices have been issued. Grant revenue is recognised at the same time as the related expenditure is recognised and as the income is received from the grantor agency. Dividends are recognised in the period that they are authorised and approved.

Overhead allocation

Overheads have been allocated against activity centres based on staff numbers. However, in the case of Councillors (Representation), they have been allocated on a 0.5:1 ratio.

Taxation

Income tax expense is charged in the *Statement of Financial Performance* in respect of the current year's surplus after allowing for permanent differences. The liability method of accounting for deferred taxation has been used and this has been applied on a comprehensive basis. Future taxation benefits attributable to tax losses or timing differences are recognised only when there is virtual certainty of realisation.

Investment properties

Investment properties are valued annually by Telfer Young (Taranaki) Ltd, registered valuers, at net current value based on an existing use valuation basis. Any revaluation gain is taken to the investment property revaluation reserve. There is no depreciation on investment properties.

Investments

Bank investments and shares in Westgate Transport Ltd and the New Zealand Local Government Insurance Corporation Ltd are stated at the lower of cost and net realisable value.

Accounts receivable

Accounts receivable are stated at estimated realisable value after providing for debts where collection is doubtful.

Fixed assets

Fixed assets are stated at historic cost except for the following:

- The Waitara River Flood Protection Scheme assets and the Waiwhakaiho River Flood Protection Scheme assets are independently valued annually at replacement cost, by Mr Gary Williams (registered Engineer and member of Institution of Professional Engineers New Zealand, B.E. (Hons), B.Sc., M Com. (Hons)) of G and E Williams Consultants Ltd.
- Infrastructure restricted asset Waitara – this land has been included in the financial statements at the government valuation as at 30 June 1995.
- When a fixed asset is revalued the resulting increase or decrease in value is recognised in the *Statement of Movements in Equity*. If the revaluation of a fixed asset results in a revaluation deficit for that class of fixed asset then the revaluation deficit is recognised in the *Statement of Financial Performance*. To the extent that the revaluation of a fixed asset reverses a previous revaluation deficit for that class of fixed asset and the deficit was recognised in the *Statement of Financial Performance*, the revaluation increase is recognised in the *Statement of Financial performance*.

STATEMENT OF ACCOUNTING POLICIES

Depreciation

Depreciation is fully funded on a straight-line basis, which writes off the value of the assets over their expected remaining lives after allowing for residual values where applicable. The depreciation rates are as follows:

Buildings	5 to 40 years	2.50% to 20%
Motor vehicles	5 years	20%
Plant and equipment	2.5 to 25 years	4% to 40%
Office furniture and fittings	5 to 10 years	10% to 20%
Computer equipment	3 to 5 years	20% to 33%

Flood scheme assets—the nature of these assets is equivalent to land improvements and, as such, they do not incur a loss of service potential over time. Land and flood scheme assets are not depreciated.

Employee entitlements

Provision is made in respect of the Council's liability for annual leave, long service leave, gratuities and payroll accruals. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Gratuities and long service leave have been calculated on an actuarial basis at current rates of pay.

Financial instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors and creditors. All of these are recognised in the *Statement of Financial Position* at fair value unless otherwise stated. Revenues and expenses in relation to financial instruments are recognised in the *Statement of Financial Performance*.

Statement of cash flows

The following is the definition of terms used in the *Statement of Cash Flows*:

- Cash means deposits with banks
- Investing activities comprise the purchase and sale of fixed assets, investment properties and investments
- Financing activities comprise the change in equity and debt structures
- Operating activities include all transactions and events that are not investing or financial activities.

Changes in accounting policies

There have been no changes in accounting policies. Policies have been applied on basis consistent with prior years.

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

2002/03 \$ Estimate		2003/04 \$ Estimate	2004/05 \$ Indicative	2005/06 \$ Indicative	2006/07 \$ Forecast	2007/08 \$ Forecast	2008/09 \$ Forecast	2009/10 \$ Forecast	2010/11 \$ Forecast
Cost of services									
768,829	Policy and planning	945,565	896,988	912,637	928,756	945,359	962,460	980,074	998,217
431,847	Civil defence emergency management	445,656	448,215	455,240	462,476	469,929	477,605	485,511	493,655
2,269,850	Resource consents	2,362,456	2,415,606	2,461,161	2,508,084	2,556,415	2,606,195	2,657,469	2,710,281
1,307,412	Land management	1,466,328	1,491,598	1,511,938	1,532,889	1,554,468	1,576,694	1,599,587	1,623,167
325,425	River control and flood protection	322,659	310,527	262,914	265,371	267,903	270,510	273,196	275,962
574,921	Land transport and harbour management	462,616	429,736	430,418	431,121	431,846	432,592	433,360	434,151
1,026,957	Resource investigations and monitoring	1,145,818	1,170,699	1,190,979	1,211,868	1,233,384	1,255,545	1,278,871	1,301,882
1,266,524	Pest animal management	1,331,014	1,357,633	1,378,795	1,400,592	1,423,043	1,446,168	1,469,986	1,494,519
362,020	Pest plant management	374,877	383,561	390,629	397,908	405,406	413,129	421,084	429,277
15,000	Investments	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
389,316	Recreation, culture and heritage	392,922	398,838	403,510	408,322	413,278	418,383	423,641	429,057
600,237	Representation	613,170	628,720	641,893	655,461	669,436	683,831	698,657	713,928
9,338,339	Total expenditure	9,875,581	9,944,621	10,052,613	10,215,348	10,382,966	10,555,611	10,733,436	10,916,596
Revenue									
3,119,812	General rates	3,190,653	3,190,653	3,190,653	3,190,653	3,190,653	3,190,653	3,190,653	3,190,653
1,104,500	Targeted rates	1,104,500	1,104,500	1,022,000	1,022,000	1,022,000	1,022,000	1,022,000	1,022,000
1,730,495	Direct charges	2,120,253	2,060,253	2,060,253	2,060,253	2,060,253	2,060,253	2,060,253	2,060,253
311,430	Government grants	192,064	192,064	192,064	192,064	192,064	192,064	192,064	192,064
2,650,000	Dividends	2,750,000	2,850,000	2,950,000	3,050,000	3,150,000	3,250,000	3,350,000	3,450,000
1,297,194	Other investment revenue	1,395,161	1,491,470	1,544,030	1,596,590	1,649,150	1,701,710	1,754,270	1,806,830
10,213,431	Total revenue	10,752,631	10,888,940	10,959,000	11,111,560	11,264,120	11,416,680	11,569,240	11,721,800
875,092	Operating surplus/(deficit)	877,050	944,319	906,387	896,212	881,154	861,069	835,804	805,204
Funded by:									
19,443	Transfer from reserves	18,613	4,473	37,689	38,426	39,186	39,968	40,774	41,604
(23,135)	Transfer to reserves	(19,662)	(20,403)	(21,359)	(20,380)	(19,297)	(18,103)	(16,791)	(15,353)
871,400	Net operating surplus/(deficit)	876,000	928,389	922,717	914,259	901,044	882,933	859,786	831,455

These statements should be read in conjunction with the *Statement of Accounting Policies* and the *Explanatory Notes*.

FORECAST STATEMENT OF MOVEMENTS IN EQUITY

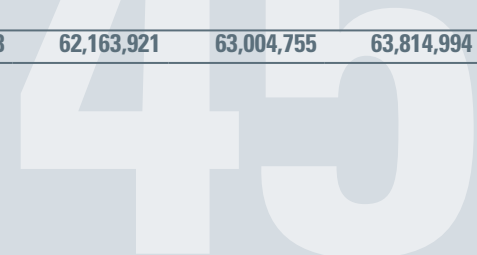
2002/03		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
\$		\$	\$	\$	\$	\$	\$	\$	\$
Estimate		Estimate	Indicative	Indicative	Forecast	Forecast	Forecast	Forecast	Forecast
54,037,773	Equity at the start of the period	54,917,655	55,799,705	56,749,029	57,660,426	58,561,653	59,447,828	60,313,921	61,154,755
875,092	Operating surplus/(deficit)	877,050	944,319	906,387	896,212	881,154	861,069	835,804	805,204
4,790	Increase in asset revaluation reserve	5,000	5,005	5,010	5,015	5,020	5,025	5,030	5,035
879,882	Comprehensive income/expenditure	882,050	949,324	911,397	901,227	886,174	866,094	840,834	810,239
54,917,655	Equity at the end of the period	55,799,705	56,749,029	57,660,426	58,561,653	59,447,828	60,313,921	61,154,755	61,964,994

These statements should be read in conjunction with the *Statement of Accounting Policies* and the *Explanatory Notes*.

FORECAST STATEMENT OF FINANCIAL POSITION

2002/03		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
\$		\$	\$	\$	\$	\$	\$	\$	\$
Estimate		Estimate	Indicative	Indicative	Forecast	Forecast	Forecast	Forecast	Forecast
Current assets									
579,007	Bank and call deposits	358,786	563,311	384,004	480,822	562,583	624,257	660,667	666,477
640,000	Accounts receivable	640,000	640,000	640,000	640,000	640,000	640,000	640,000	640,000
80,000	Prepayments	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
1,299,007	Total current assets	1,078,786	1,283,311	1,104,004	1,200,822	1,282,583	1,344,257	1,380,667	1,386,477
Non current assets									
42,601,000	Investments	43,577,000	44,453,000	45,329,000	46,205,000	47,081,000	47,957,000	48,833,000	49,709,000
5,000,000	Investment properties	5,005,000	5,010,005	5,015,015	5,020,030	5,025,050	5,030,075	5,035,105	5,040,140
7,867,648	Fixed assets	7,988,919	7,852,713	8,062,407	7,985,801	7,909,195	7,832,589	7,755,938	7,679,377
55,468,648	Total non current assets	56,570,919	57,315,718	58,406,422	59,210,831	60,015,245	60,819,664	61,624,088	62,428,517
56,767,655	Total assets	57,649,705	58,599,029	59,510,426	60,411,653	61,297,828	62,163,921	63,004,755	63,814,994
Current liabilities									
1,000,000	Accounts payable	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
400,000	Employee entitlements	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
1,400,000	Total current liabilities	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Non current liabilities									
450,000	Employee entitlements	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
450,000	Total non current liabilities	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
1,850,000	Total liabilities	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
Public equity									
52,516,881	Retained earnings	53,393,451	54,321,840	55,244,557	56,158,815	57,059,859	57,942,792	58,802,578	59,634,033
1,425,578	Reserves	1,426,058	1,441,988	1,425,659	1,407,612	1,387,723	1,365,858	1,341,876	1,315,625
975,196	Asset revaluation reserves	980,196	985,201	990,211	995,226	1,000,246	1,005,271	1,010,301	1,015,336
54,917,655	Total public equity	55,799,705	56,749,029	57,660,426	58,561,653	59,447,828	60,313,921	61,154,755	61,964,994
56,767,655	Total liabilities and equity	57,649,705	58,599,029	59,510,426	60,411,653	61,297,828	62,163,921	63,004,755	63,814,994

These statements should be read in conjunction with the *Statement of Accounting Policies* and the *Explanatory Notes*.



FORECAST STATEMENT OF CASH FLOWS

2002/03 \$ Estimate		2003/04 \$ Estimate	2004/05 \$ Indicative	2005/06 \$ Indicative	2006/07 \$ Forecast	2007/08 \$ Forecast	2008/09 \$ Forecast	2009/10 \$ Forecast	2010/11 \$ Forecast
Cash flows from operating activities									
Cash was provided from:									
2,406,575	Customers	2,686,667	2,626,667	2,626,667	2,626,667	2,626,667	2,626,667	2,626,667	2,626,667
4,224,312	Rates	4,295,153	4,295,153	4,212,653	4,212,653	4,212,653	4,212,653	4,212,653	4,212,653
932,544	Interest	1,020,811	1,117,120	1,169,680	1,222,240	1,274,800	1,327,360	1,379,920	1,432,480
2,650,000	Dividends	2,750,000	2,850,000	2,950,000	3,050,000	3,150,000	3,250,000	3,350,000	3,450,000
10,213,431		10,752,631	10,888,940	10,959,000	11,111,560	11,264,120	11,416,680	11,569,240	11,721,800
Cash was applied to:									
8,342,771	Employees and suppliers	8,855,275	8,924,315	9,032,307	9,195,042	9,362,660	9,535,305	9,713,130	9,896,290
320,000	Goods and services tax	320,000	320,000	320,000	320,000	320,000	320,000	320,000	320,000
8,662,771		9,175,275	9,244,315	9,352,307	9,515,042	9,682,660	9,855,305	10,033,130	10,216,290
1,550,660	Net cash flows from operating activities	1,577,356	1,644,625	1,606,693	1,596,518	1,581,460	1,561,375	1,536,110	1,505,510
Cash flows from investing activities									
Cash was provided from:									
100,500	Fixed assets	136,500	69,000	69,000	69,000	69,000	69,000	69,000	69,000
100,500		136,500	69,000	69,000	69,000	69,000	69,000	69,000	69,000
Cash was applied to:									
2,150,000	Investments	976,000	876,000	876,000	876,000	876,000	876,000	876,000	876,000
823,716	Fixed assets	958,077	633,100	979,000	692,700	692,700	692,700	692,700	692,700
2,973,716		1,934,077	1,509,100	1,855,000	1,568,700	1,568,700	1,568,700	1,568,700	1,568,700
(2,873,216)	Net cash flows from investing activities	(1,797,577)	(1,440,100)	(1,786,000)	(1,499,700)	(1,499,700)	(1,499,700)	(1,499,700)	(1,499,700)
(1,322,556)	Net increase/(decrease) in cash	(220,221)	204,525	(179,307)	96,818	81,760	61,675	36,410	5,810
1,901,563	Opening cash balance	579,007	358,786	563,311	384,004	480,822	562,583	624,257	660,667
579,007	Closing cash balance	358,786	563,311	384,004	480,822	562,583	624,257	660,667	666,477

These statements should be read in conjunction with the *Statement of Accounting Policies* and the *Explanatory Notes*.

The total estimated expenditure for the Taranaki Regional Council for 2003/2004 is \$9,875,581. This expenditure will be funded from the following sources. These funding/financing sources are consistent with those adopted by the Council in its May 2001 *Long-Term Financial Strategy*.

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
	\$	\$	\$	\$	\$	\$	\$	\$
	Estimate	Indicative	Indicative	Forecast	Forecast	Forecast	Forecast	Forecast
General rates	3,190,653	3,190,653	3,190,653	3,190,653	3,190,653	3,190,653	3,190,653	3,190,653
Targeted rates	1,104,500	1,104,500	1,022,000	1,022,000	1,022,000	1,022,000	1,022,000	1,022,000
Direct charges	2,120,253	2,060,253	2,060,253	2,060,253	2,060,253	2,060,253	2,060,253	2,060,253
Government grants	192,064	192,064	192,064	192,064	192,064	192,064	192,064	192,064
Dividends	2,750,000	2,850,000	2,950,000	3,050,000	3,150,000	3,250,000	3,350,000	3,450,000
Other investment revenue	1,395,161	1,491,470	1,544,030	1,596,590	1,649,150	1,701,710	1,754,270	1,806,830
Total revenue	10,752,631	10,888,940	10,959,000	11,111,560	11,264,120	11,416,680	11,569,240	11,721,800

General rate

The Council proposes a general rate on the capital value of each rating unit in the region. The estimated general rate (in cents in the dollar of capital value) for 2003/2004 is 0.030534 (GST inclusive). The Council proposes no differentials on the general rate. Similarly the Council proposes no uniform annual general charges. The general rate will be equalised between the three districts in the Taranaki region (see page 48).

The rates to be collected from each district are:

- New Plymouth – \$1,926,233 or 0.035228 cents in the dollar (GST inclusive) on the capital value of every property in the New Plymouth and North Taranaki constituencies.
- Stratford – \$338,002 or 0.031110 cents in the dollar (GST inclusive) on the capital value of every property in the Stratford constituency.
- South Taranaki – \$1,325,250 or 0.039085 cents in the dollar (GST inclusive) on the capital value of every property in the South Taranaki constituency.

Targeted rates

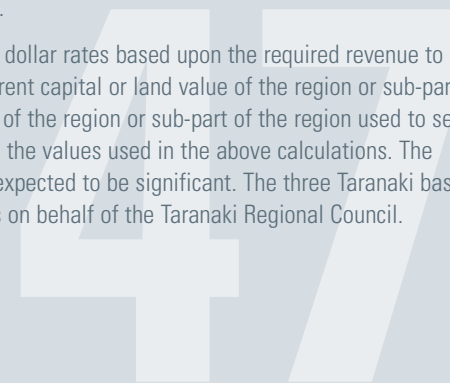
The Council proposes the following targeted rates for 2003/2004:

- A targeted rate for flood and river control works on the capital value of 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 2003/2004 is 0.003673 GST inclusive.
- A targeted rate for paratransit passenger transport services on the capital value of 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 2003/2004 is 0.0010287 GST inclusive.

- A targeted rate for the multi-events stadium based on a charge on each rating unit in the region. The estimated targeted rate for 2003/2004 is \$12.38 (GST inclusive) per rating unit.
- A differential targeted rate for the multi-events stadium on the land value of 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 2003/2004 for each differential category is:
 - Group 1 Commercial and Industrial to produce \$172,470 at a rate of 0.081971 cents in the dollar of land value GST inclusive
 - Group 2 Residential to produce \$224,603 at a rate of 0.025515 cents in the dollar of land value GST inclusive
 - Group 3 Small holdings to produce \$9,873 at a rate of 0.010008 cents in the dollar of land value GST inclusive
 - Group 4 Farmland to produce \$25,057 at a rate of 0.002834 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 2003) 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. The three Taranaki based district councils collect regional council rates on behalf of the Taranaki Regional Council.



FUNDING IMPACT STATEMENT

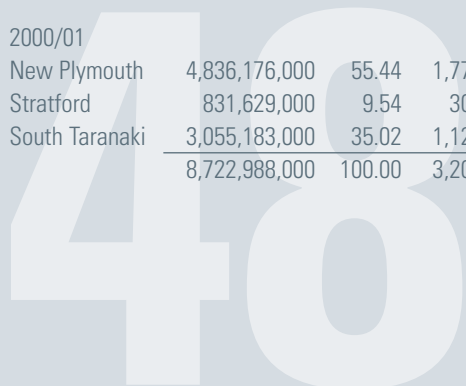
The projected apportionment of general rates between districts is as follows:

District	Capital Value Equalised \$	%	Estimated Rate Revenue \$	GST \$	GST inclusive Rate Revenue \$	Rate in the \$ excluding GST
1996/97						
New Plymouth	5,097,756,000	50.58	1,906,703	238,338	2,145,041	
Stratford	944,250,000	9.40	354,350	44,294	398,644	
South Taranaki	4,019,805,000	40.02	1,508,625	188,578	1,697,203	
	10,043,811,000	100.00	3,769,678	478,210	4,240,888	0.0375323
1997/98						
New Plymouth	5,141,310,000	52.16	1,834,105	229,263	2,063,368	
Stratford	901,156,000	9.14	321,390	40,174	361,564	
South Taranaki	3,815,108,000	38.70	1,360,810	170,101	1,530,911	
	9,857,574,000	100.00	3,516,305	439,538	3,955,843	0.0356711
1998/99						
New Plymouth	4,908,698,000	54.83	1,845,725	230,716	2,076,441	
Stratford	834,138,000	9.32	313,736	39,217	352,953	
South Taranaki	3,209,657,000	35.85	1,206,807	150,851	1,357,658	
	8,952,493,000	100.00	3,366,268	420,784	3,787,052	0.0376015
1999/2000						
New Plymouth	4,872,820,000	54.60	1,819,604	227,450	2,047,054	
Stratford	792,825,000	8.88	295,936	36,992	332,928	
South Taranaki	3,259,198,000	36.52	1,217,068	152,134	1,369,202	
	8,924,843,000	100.00	3,332,608	416,576	3,749,184	0.0373408
2000/01						
New Plymouth	4,836,176,000	55.44	1,775,581	221,948	1,997,529	
Stratford	831,629,000	9.54	305,538	38,192	343,730	
South Taranaki	3,055,183,000	35.02	1,121,588	140,199	1,261,787	
	8,722,988,000	100.00	3,202,707	400,339	3,603,046	0.0367157

District	Capital Value Equalised \$	%	Estimated Rate Revenue \$	GST \$	GST inclusive Rate Revenue \$	Rate in the \$ excluding GST
2001/02						
New Plymouth	4,780,929,466	54.35	1,695,618	211,952	1,907,570	
Stratford	816,755,275	9.29	289,831	36,229	326,060	
South Taranaki	3,198,394,600	36.36	1,134,363	141,795	1,276,158	
	8,796,079,341	100.00	3,119,812	389,976	3,509,788	0.0354682
2002/03						
New Plymouth	5,301,290,000	52.20	1,682,542	205,568	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
2003/04						
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

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

Policy and planning	12 cents
Emergency management	3 cents
Resource consents	14 cents
Land management	16 cents
River control and flood protection	2 cents
Land transport and harbour management	4 cents
Resource investigations and monitoring	15 cents
Pest animal management	17 cents
Pest plant management	5 cents
Investments	0 cents
Recreation, culture and heritage	5 cents
Representation	8 cents



The following are examples of the level of total rates that different groups of ratepayers will incur 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, land value targeted rates and uniform 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 \$100,000 and a land value of \$50,000 will pay **\$53.66** in total regional council rates (see highlighted example below).

Commercial and industrial property

Capital value of property:	\$50,000	\$100,000	\$250,000	\$500,000	\$1,000,000
Land value of property:					
\$20,000	\$41.23	\$56.89	\$103.87	\$182.17	\$338.77
\$50,000	\$63.09	\$78.75	\$125.73	\$204.03	\$360.63
\$100,000	\$99.52	\$115.18	\$162.16	\$240.46	\$397.06
\$200,000	\$172.39	\$188.05	\$235.03	\$313.32	\$469.92
\$500,000	\$390.98	\$406.64	\$453.61	\$531.91	\$688.51

Residential property

Capital value of property:	\$50,000	\$100,000	\$250,000	\$500,000	\$1,000,000
Land value of property:					
\$20,000	\$31.20	\$46.86	\$93.83	\$172.13	\$328.73
\$50,000	\$38.00	\$53.66	\$100.64	\$178.94	\$335.54
\$100,000	\$49.34	\$65.00	\$111.98	\$190.28	\$346.88
\$200,000	\$72.02	\$87.68	\$134.66	\$212.96	\$369.56

Small holdings property

Capital value of property:	\$50,000	\$100,000	\$250,000	\$500,000	\$1,000,000
Land value of property:					
\$20,000	\$28.44	\$44.10	\$90.08	\$169.38	\$325.98
\$50,000	\$31.11	\$46.77	\$93.75	\$172.05	\$328.64
\$100,000	\$35.56	\$51.22	\$98.20	\$176.49	\$333.09
\$200,000	\$44.45	\$60.11	\$107.09	\$185.39	\$341.99

Farmland property

Capital value of property:	\$50,000	\$100,000	\$250,000	\$500,000	\$1,000,000
Land value of property:					
\$50,000	\$27.92	\$43.58	\$90.56	\$168.86	\$325.46
\$100,000	\$29.18	\$44.84	\$91.82	\$170.12	\$326.71
\$200,000	\$31.70	\$47.36	\$94.34	\$172.64	\$329.23
\$500,000	\$39.25	\$54.91	\$101.89	\$180.19	\$336.79
\$1,000,000	\$51.85	\$67.51	\$114.49	\$192.78	\$349.38

Ratepayers in the Stratford and South Taranaki constituencies:

In these constituencies ratepayers incur a mixture of capital value general rates and uniform targeted rates.

Stratford constituency

Capital value of property:	\$50,000	\$100,000	\$250,000	\$500,000	\$1,000,000
Total rates	\$24.57	\$38.14	\$78.85	\$146.70	\$282.41

South Taranaki constituency

Capital value of property:	\$50,000	\$100,000	\$250,000	\$500,000	\$1,000,000
Total rates	\$24.57	\$38.14	\$78.85	\$146.70	\$282.41

Note 1 – Capital expenditure

The estimated capital expenditure for 2003/2004 is:

	2003/2004	2002/2003	2001/2002	2000/2001
	\$	\$	\$	\$
General office	21,000	171,261	76,026	9,828
Plant and equipment	135,450	143,515	75,690	146,700
Information technology	328,000	136,800	231,000	220,000
Building upgrade	12,127	335,000	0	0
Vehicles	461,500			
Less trade in	136,500	325,000	340,500	268,000
Total	821,577	1,155,576	723,216	644,528

The Council is entitled to fund its capital expenditure from the sources identified in the *Revenue and financing policy*. The Council fully finances all of its operating expenditure. This includes depreciation on all of the Council's assets. The Council's policy is to fund capital expenditure from accumulated cash surpluses arising from the full financing of depreciation. If for any capital project those accumulated operating cash surpluses are insufficient then the considerations outlined in the *Revenue and financing policy* will be applied to the project to determine the sources of financing appropriate for that project.

Note 2 – Reserves

Reserve funds are utilised to provide a fund for expenditure on specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserve funds:

Makuri River Control Scheme reserve

The Council strikes a targeted rate, as and when required, based on land values in the Makuri Valley River catchment. Any surplus rates are transferred to this reserve. The reserve can only be spent on construction and maintenance of river control works on the Makuri Valley River.

North Taranaki/Waitara River Control Scheme reserve

The Council strikes a targeted rate, as and when required, based on capital values over the New Plymouth district. Any surplus rates are transferred to this reserve. The reserve can only be spent on the construction and maintenance of flood control or river control works required for flood protection in the New Plymouth district.

Contingency/disaster reserve

This reserve was created to meet the Council's share of the replacement cost of infrastructure assets affected by natural disasters. It also covers the Council's commitments under the National Civil Defence Plan in the event of emergencies. It is available for any other contingency or emergency response purposes, including oil spill response and flood response.

Hollard Garden Endowment reserve

This reserve was established at the bequest of Mr Bernard Hollard. The reserve is to be used specifically and exclusively for the benefit of the Hollard gardens.