

FINANCIAL STATEMENTS

The following pages present the financial projections of the Council for 2007/2008. 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 2007. These figures differ from the estimated financial position as at 30 June 2006 included in the *2006/2016 Long-Term Council Community 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 February 2007. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective financial position as at 1 July 2007. There is no intention to update the forecast prospective financial information prior to the finalisation of this *Annual Plan*.

The forecast financial information on pages 10 to 38 has been prepared in accordance with the council's current accounting policies as specified on pages 24 to 26.

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. For 2007/2008 the Council's projected operating revenues are not sufficient to cover projected operating expenses.

Operating surplus	\$188,219
Less asset revaluations	(\$714,262)
Plus river and flood control reserve transfers	\$86,179
Less interest transfers to reserves	(\$24,878)
Less multi-events stadium rates (combination of targeted rates and UAGC)	(\$876,000)
Deficit	\$1,340,743

For 2007/2008 the Council has decided to fund the deficit by a transfer from the Dividend Equalisation Reserve.

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.

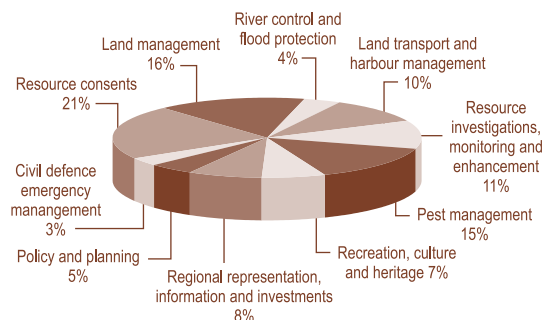
Port Taranaki's current strategic planning indicates that, in the short term (expected to be one to two years), dividend flows may not be sustainable at the levels achieved in recent years. However, in the medium term the planning indicates that dividend levels will return to previous levels.

As a result of this decision:

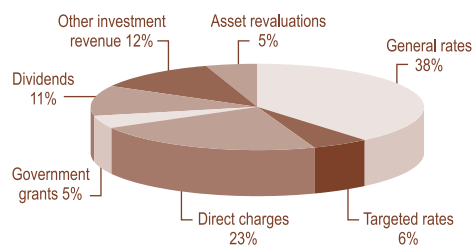
- In 2007/2008 the Council will have an operating deficit of \$1,340,743 that will have the effect of reducing the Dividend Equalisation Reserve and cash balances by a similar amount
- There will be no adverse effect on the levels of service provided by the Council or the service capacity and integrity 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.

The use of the Dividend Equalisation Reserve will be revisited annually in light of Port Taranaki Ltd's performance and subsequent dividend flows.

Proposed Expenditure 2007/2008



Proposed Revenue 2007/2008



STATEMENT OF ACCOUNTING POLICIES

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 Regional Council and its 100% owned subsidiary, Port Taranaki Ltd. The prospective financial statements have been prepared in terms of section 111 of the Local Government Act 2002 and New Zealand International Financial Reporting Standards (NZIFRS).

Under NZ IFRS, Taranaki Regional Council is a public benefit entity (PBE) and will be subject to policies and exemptions that may not apply to other entities within the group. Where PBE treatment of specific issues differs from the usual treatment, this fact is noted in each policy.

The Council has adopted the New Zealand equivalents to the International Financial Reporting Standards commencing from the 1 July 2006 financial year.

ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of results and financial position, have been applied consistently to all years presented from 1 July 2006, unless otherwise stated.

BUDGET FIGURES

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

CONSOLIDATION

Consolidated prospective financial statements have not been prepared for the purposes of the *Plan*. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the *Long-Term Council Community Plan* is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

GOODS AND SERVICES TAX

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 as income when conditions of entitlement have been met. Dividends are recognised in the period that they are authorized and approved. Interest income is recognised in the *Statement of Financial Performance* as it accrues, using the effective interest method.

OVERHEAD ALLOCATION

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

INCOME TAX

The Taranaki Regional Council is not liable to pay tax as it is tax exempt, except for income received from Port Taranaki Ltd.

INVESTMENT PROPERTIES

Investment properties which are held to earn rental income and/or for capital appreciation are stated at fair value. An external, independent valuer revalues investment property portfolio on an annual basis. Any gain or loss arising from a change in the fair value of investment property is recognized in profit or loss for the period in which it arises. There is no depreciation on investment properties.

PROPERTY, PLANT AND EQUIPMENT

These assets consist of:

- Operational assets. These include land, buildings, motor vehicles, plant & equipment, office furniture, computer equipment and improvements.
- Infrastructure assets. These are fixed utility systems owned by the Regional Council such as the Waitara and Waiwhakaiho River Flood Protection Scheme assets. Each asset type includes all items that are required for the network to function.

Valuation. Unless stated valuations are carried out or reviewed by independent qualified valuers and are carried at least on three yearly cycles. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, plant and equipment within a class has a carrying value that is materially different from its fair value.

Public Benefit Entity Revaluation. Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset. Where the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited to the revaluation reserve. The net revaluation increase shall be recognised in the *Statement of Financial Performance* to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the *Statement of Financial Performance*. A net revaluation decrease for a class of assets is recognised in the *Statement of Financial Performance*, except to the extent that it reverses a revaluation increase previously recognised in the revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of the same class of asset.

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:

STATEMENT OF ACCOUNTING POLICIES

Buildings	5 to 50 yrs	2 to 20%
Motor vehicles	5 yrs	20%
Plant and equipment	2.5 to 25 yrs	4 to 40%
Office furniture and fittings	5 to 10 yrs	10 to 20%
Computer equipment	3 to 5 yrs	20% to 33%

Rates are based on the assumption that no catastrophic events will occur that will materially affect the useful lives of the assets

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.

IMPAIRMENT

The carrying amount of the Council's assets, other than investment property are reviewed at each *Statement of Financial Position* date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependant on the asset's ability to generate net cash flows, and where the Council, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Where the Council accounts for revaluations of property, plant and equipment on a class of asset basis, an impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Where the Council accounts for revaluations of property, plant and equipment on a class of asset basis, a reversal of an impairment loss on a revalued asset is credited directly to the revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the *Statement of Financial Performance*.

EMPLOYEE ENTITLEMENTS

Provision is made in respect of the liability for annual leave, long service leave, retirement gratuities and short-term compensated absences.

The provision for annual leave has been calculated on an actual entitlement basis at current rates of pay.

The provision for long service leave and retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future in respect of service that employees have accumulated up until twelve months after balance sheet date.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the Council's *Statement of Financial Position* when the Council becomes a party to the contractual provisions of the instrument.

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

Loans and Receivables. Loans and receivables, such as general loans and deposits, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at initial recognition, at fair value, and subsequently carried at amortised cost less impairment losses.

Held-to-maturity investments. Held-to-maturity investments, such as corporate bonds, are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. They are measured at initial recognition at fair value, and subsequently carried at amortised cost less impairment losses.

Other investments. Investments other than held-to-maturity are classed as either investments held-for-trading or as available-for-sale and are stated at cost, such as shares in Port Taranaki Ltd and NZ Local Government Insurance Corporation Limited which are equity instruments. For assets designated as held-for-trading, any resultant gain or loss from changes in the fair value are recognised in the *Statement of Financial Performance*. For assets designated as available-for-sale, any resultant gain or loss from changes in the fair value is recognised in equity.

Cash and cash equivalents. Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Council after deducting all of its liabilities.

Bank borrowings. Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables. Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

STATEMENT OF ACCOUNTING POLICIES

PUBLIC EQUITY

Retained earnings comprise accumulated surpluses over the years.

Asset revaluation reserves comprise accumulated revaluation increments/ decrements.

Reserves are formally imposed designations of public equity that indicate Council's intention to use a certain level of resources for a special purpose.

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 property, plant and equipment, 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.

CRITICAL JUDGEMENTS AND ESTIMATIONS IN APPLYING THE COUNCIL'S ACCOUNTING POLICIES

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affect both current and future periods.

CHANGES IN ACCOUNTING POLICIES

The group has changed its accounting policies to comply with NZIFRS for periods on or after 1 July 2006.

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

2006/07 Estimate \$		2007/08 Estimate \$	2007/08 LTCCP \$
Cost of services			
643,459	Policy and planning	665,402	661,242
432,903	Civil defence emergency management	430,275	433,061
2,805,269	Resource consents	3,032,228	2,884,543
2,131,950	Land management	2,156,120	2,260,866
454,845	River control and flood protection	518,096	389,267
1,051,410	Land transport and harbour management	1,404,470	1,059,959
1,459,463	Resource investigations, monitoring and enhancement	1,562,939	1,500,716
1,916,370	Pest management	2,009,298	1,961,793
863,892	Recreation, culture and heritage	897,467	883,850
1,014,127	Regional representation, information and investments	1,068,428	1,037,192
12,773,688	Total expenditure	13,744,731	13,072,489
Revenue			
5,273,975	General rates	5,405,824	5,405,824
746,160	Targeted rates	773,229	748,824
3,056,085	Direct charges	3,164,859	3,207,730
456,800	Government grants	648,750	458,496
800,000	Dividends	1,600,000	1,200,000
1,659,687	Other investment revenue	1,626,026	1,676,326
680,250	Asset revaluations	714,262	714,262
12,672,957	Total revenue	13,932,950	13,411,462
(100,731)	Operating surplus/(deficit)	188,219	338,973

FORECAST STATEMENT OF MOVEMENTS IN EQUITY

2006/07 Estimate \$		2007/08 Estimate \$	2007/08 LTCCP \$
65,008,155	Equity at the start of the period	64,907,424	64,907,424
(100,731)	Operating surplus/(deficit)	188,219	338,973
(100,731)	Comprehensive income/expenditure	188,219	338,973
64,907,424	Equity at the end of the period	65,095,643	65,246,397

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

FORECAST STATEMENT OF FINANCIAL POSITION

2006/07 Estimate \$		2007/08 Estimate \$	2007/08 LTCCP \$
Current assets			
633,957	Bank and call deposits	157,963	151,769
1,200,000	Accounts receivable	1,000,000	1,200,000
-	Work in progress	200,000	-
100,000	Prepayments	100,000	100,000
1,933,957	Total current assets	1,457,963	1,451,769
Non current assets			
40,481,093	Investments	40,721,093	41,141,093
14,285,245	Investment properties	14,999,507	14,999,507
10,357,129	Property, plant and equipment	10,067,079	9,804,028
65,123,467	Total non current assets	65,787,679	65,944,628
67,057,424	Total assets	67,245,643	67,396,397
Current liabilities			
1,000,000	Accounts Payable	1,000,000	1,000,000
700,000	Employee entitlement	700,000	700,000
1,700,000	Total current liabilities	1,700,000	1,700,000
Non current assets			
450,000	Employee entitlement	450,000	450,000
450,000	Total non current liabilities	450,000	450,000
2,150,000	Total liabilities	2,150,000	2,150,000
Public equity			
52,987,735	Retained earnings	54,577,997	54,577,997
9,877,888	Reserves	8,475,845	8,626,599
2,041,801	Asset revaluation reserves	2,041,801	2,041,801
64,907,424	Total public equity	65,095,643	65,246,397
67,057,424	Total liabilities and equity	67,245,643	67,396,367

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

FORECAST STATEMENT OF CASHFLOWS

2006/07 Estimate \$		2007/08 Estimate \$	2007/08 LTCCP \$
Cash flows from operating activities			
Cash was provided from:			
4,055,785	Customers	4,376,609	4,250,126
6,020,135	Rates	6,179,053	6,154,648
1,116,787	Interest	1,063,026	1,092,426
800,000	Dividends	1,600,000	1,200,000
11,992,707		13,218,687	12,697,200
Cash was applied to:			
11,414,362	Employees and suppliers	12,385,296	11,712,003
320,000	Goods and services tax	320,000	320,000
11,734,362		12,705,296	12,032,003
258,345	Net cash flows from operating activities	513,391	665,197
Cash flows from investing activities			
Cash was provided from:			
-	Investments	-	-
187,500	Property, plant and equipment	73,500	73,500
187,500		73,500	73,500
Cash was applied to:			
-	Investments	240,000	320,000
1,686,500	Property, plant and equipment	822,885	560,885
1,686,500		1,062,885	1,220,885
(1,499,000)	Net cash flows from investing activities	(989,385)	(1,147,385)
(1,240,655)	Net increase/(decrease) in cash	(475,994)	(482,188)
1,874,612	Opening cash balance	633,957	633,957
633,957	Closing cash balance	157,963	151,769

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

FUNDING IMPACT STATEMENT

The total estimated expenditure for the Taranaki Regional Council for 2007/2008 is \$13,744,731. This expenditure will be funded from the following sources (GST exclusive). These funding/financing sources are consistent with the *Revenue and Financing Policy*.

	2007/08 Estimate \$	2007/08 LTCCP \$
General rates	5,405,824	5,405,824
Targeted rates	773,229	748,824
Direct charges	3,164,859	3,207,730
Government grants	648,750	458,496
Dividends	1,600,000	1,200,000
Other investment revenue	1,626,026	1,676,326
Transfer from reserves	1,426,922	1,276,167
Transfer to reserves	(24,878)	(24,878)
Total funding	14,620,731	13,948,489

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 2007/2008 is 0.017499 (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 31). The rates to be collected from each district are:

- New Plymouth and North Taranaki constituencies—to produce \$2,458,786 at a rate of 0.024882 cents in the dollar of capital value GST inclusive
- Stratford constituency—to produce \$343,923 at a rate of 0.019786 cents in the dollar of capital value GST inclusive
- South Taranaki constituency—to produce \$1,238,688 at a rate of 0.017627 cents in the dollar of capital value GST inclusive

UNIFORM ANNUAL GENERAL CHARGE

The Council proposes a uniform annual general charge of \$43.03 (GST inclusive) on all separately used or inhabited parts of a rating unit in the region to produce \$2,040,155 (GST inclusive).

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

For a residential rating unit 'separately used or inhabited' includes a building or part of a building that is, or is 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 2007/2008:

- 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 2007/2008 is 0.002032 GST inclusive to produce \$200,813 (GST inclusive).
- A targeted rate for paratransit 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 2007/2008 is 0.002735 GST inclusive to produce \$270,281 (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 2007/2008 for each differential category is:
 - Group 1 Commercial and Industrial to produce \$171,542 at a rate of cents in the 0.037435 dollar of land value GST inclusive
 - Group 2 Residential to produce \$196,698 at a rate of 0.008839 cents in the dollar of land value GST inclusive
 - Group 3 Small holdings to produce \$9,346 at a rate of 0.004390 cents in the dollar of land value GST inclusive
 - Group 4 Farmland to produce \$21,203 at a rate of 0.001259 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 2007) 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:

Policy and planning	7.1 cents (7.4 cents 2006/2007)
Civil defence emergency management	2.1 cents (2.3)
Resource consents	11.3 cents (11.6)
Land management	14.5 cents (13.8)
River control and flood protection	2.2 cents (2.2)
Land transport and harbour management	5.6 cents (4.6)
Resource investigations, monitoring and enhancement	16.1 cents (16.0)
Pest management	20.5 cents (20.8)
Recreation, culture and heritage	9.5 cents (9.8)
Regional representation, information and investments	11.3 cents (11.5)

FUNDING IMPACT STATEMENT

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

District	Capital Value Equalised \$	%	Estimated Rate Revenue \$	GST \$	GST incl rate revenue \$	Rate in the \$ exc GST
2001/2002						
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	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
2003/04						
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
2004/05						
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
2005/06						
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
2006/07						
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
2007/08						
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

FUNDING IMPACT STATEMENT

The following are examples of the level of total rates that different groups of ratepayers will incur in 2007/2008 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, 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 **\$71.30** 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	59.46	74.02	117.70	190.50	336.10
\$50,000	69.45	84.01	127.69	200.49	346.08
\$100,000	86.09	100.65	144.32	217.12	362.72
\$200,000	119.36	133.92	177.60	250.40	396.00
\$500,000	219.19	233.75	277.43	350.23	495.82

Residential property

Capital Value of property	\$50,000	100,000	250,000	500,000	1,000,000
Land Value of property					
\$20,000	54.38	68.94	112.62	185.45	331.02
\$50,000	56.74	71.30	114.98	187.78	333.37
\$100,000	60.67	75.23	118.91	191.70	337.30
\$200,000	68.52	83.08	126.76	199.56	345.16

Small holdings property

Capital Value of property	\$50,000	100,000	250,000	500,000	1,000,000
Land Value of property					
\$20,000	53.59	68.15	111.83	184.63	330.23
\$50,000	54.76	69.32	113.00	185.80	331.40
\$100,000	56.71	71.27	114.95	187.75	333.35
\$200,000	60.61	75.17	118.85	191.65	337.25

Farm land property

Capital Value of property	\$50,000	100,000	250,000	500,000	1,000,000
Land Value of property					
\$50,000	53.37	67.93	111.61	184.41	330.01
\$100,000	53.93	68.49	112.17	184.97	330.56
\$200,000	55.05	69.61	113.29	186.09	331.68
\$500,000	58.40	72.96	116.64	189.44	335.04
\$1,000,000	64.00	78.56	122.24	195.04	340.64

RATEPAYERS IN THE STRATFORD AND SOUTH TARANAKI CONSTITUENCIES:

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

Stratford constituency

Capital Value of property	\$50,000	100,000	250,000	500,000	1,000,000
Total Rates	48.14	58.04	87.72	137.18	236.11

South Taranaki constituency

Capital Value of property	\$50,000	100,000	250,000	500,000	1,000,000
Total Rates	47.06	55.88	82.32	126.39	214.52