

Annual Plans and Long-term Plans

Q. What is an annual plan?

A. An annual plan is a slice of the Long-term Plan (LTP) and covers the years between the creation of each LTP. The 2017/18 annual plan is year three of the current (2015-25) LTP.

Q. Why do we produce an annual plan if we have a Long-term Plan?

A. We produce an annual plan to state clearly what the priorities for the financial year in question are and how much it will cost to deliver those priorities and council services.

Development of the annual plan also provides an opportunity to re-check the building blocks of the LTP and to adjust/amend priorities if any factors (community, environmental, financial) that may impact on the direction set have changed.

Q What is a Long-term Plan?

A. It is council's contract with the community, setting out what it will provide for residents based on the needs of the community and providing the direction for the district to grow and prosper.

Q. How often does the council produce a Long-term Plan?

A. Every three years council considers the next 10 years when developing project programmes and budgets to deliver the district's vision.

Council adopted its current plan in July 2015 and the next LTP will cover the years 2018 to 2028. Work on development of that plan will begin later this year [2017].

Q. What was in the 2015-2025 Long-term Plan?

A. The plan picked up on conversations council staff had with the community from December 2014 to May 2015. From that, the council identified five key challenges that illustrated what the district would face during the next 10 years and what projects, programmes, and prudent financial management would contribute to help resolve these challenges.

The key challenges identified were funding of services and building financial sustainability; developing effective and environmentally responsible wastewater services; delivery of a district waste strategy to reduce and minimise waste; maintaining and future-proofing council and community infrastructure; progressing the priorities of the 2030 vision and goals.

You can view the current Long-term Plan [HERE](#)

Q. What can I expect my rates to increase by in 2017/18?

A. An across-the-district average rates increase of 3.8% was approved to help Council deliver its 2017/18 annual plan.

You can get an indication of what your rates increase will be by using the rates calculator on Council's website. The calculator will be updated for 2017/18 rates by 10 July 2017.

Q. How are rates set?

Each year councils across the country use an independent company to provide updates on the cost of inflation. This is then used to check the inflation assumptions used. The company is called BERL (Business and Economic Research Limited).

It states the inflation for councils which then review and adjust their expenses and revenue assumptions to calculate an average rates increase. Inflation for councils differs from that of households.

Q. Why is council inflation different to household inflation?

A. Council's costs are dictated by factors that don't generally affect the average householder. For example, a household buys fruit and vegetables, clothes, furniture, etc. and services like electricity, Sky, internet, etc. Many of these costs are largely impacted by the lower cost of oil.

Council costs are derived from increases in asphalt for roads, building materials such as iron, steel and concrete for building construction, pipes and pumps for water and sewerage reticulation. These items and their costs are driven by completely different supply and demand pressures than household items so the level of price increases or decreases over the year can be quite different from general household items.

Q. What is a rating differential?

A. A rating differential is a factor that is put onto the general rate in the dollar to reflect either the benefit a certain ratepayer category receives or a rate payer category that does not receive the same services/benefits as other rating categories.

A commitment was made that in the first three years of the current Long-term Plan Council would work towards all rating categories moving to a one to one ratio so everyone would be on the same level for generally rated services.

Q. What is a targeted rate?

A. A targeted rate is a rate charge for services delivered for a specific group – only those receiving the service are charged the rate.

Examples of targeted rates include the water, sewerage and refuse rate. You are charged this rate if you are on a council-supplied water system, connected to a council-supplied sewerage scheme or in a zone where council provides refuse collection.