

# DEFINITIONS OF TERMS

As many of Council's policies and documents are prepared to comply with legislation, they can end up with a lot of uncommon technical terms or jargon in them. If you don't understand what is being talked about in this document, please contact us for an explanation. Some of the terms used in the plan are explained below.

## Activity

A service provided by or on behalf of Council, something we do.

## Annual Plan

The Annual Plan is an action plan produced each year that sets out how Council has prioritised LTCCP activities and allocated budgets for that particular year. Annual Plans are produced in the intervening years when the LTCCP is not reviewed.

## Annual Report

The purpose of the annual report is to compare Council's actual performance for the year with that which was projected in the LTCCP and Annual Plan for the same period. The report has an accountability and informative role. The relative importance of these roles may vary for different users. Accountability is the requirement for Council to account to ratepayers, residents and other interested parties for its performance over the last year. This requires financial reports that:

- Identify objectives and targets established by formal process.
- Measures actual achievements against those objectives and targets.

Such objectives and targets are both financial and non-financial. The Annual Report is therefore an important link in Council's planning process and annual communication cycle. The diagram below shows how the various other public documents integrate with this Annual Report. The following describe the purpose of each document in the diagram. It is hoped that this will aid in understanding the role of this Annual Report.

## Asset Management Plans

These documents are prepared to describe how Council proposes to manage major assets i.e. infrastructural assets in order to achieve various goals and objectives and include the levels of service against which performance will be measured; life cycle management plans; policies procedures and timetables for cost effect acquisition, maintenance, operation and disposal of assets to meet agreed levels of service; and cashflows.

## Capital Expenditure

The cost of providing assets that will be used over a number of years to help provide council services. These assets cover a wide range of things, examples include new computers, vehicles, pipelines, sewerage treatment plants, roads and reserves.

## Community Outcomes

By law, Council must work with other organisations and the community to identify the long term aspirations that people have for the district. These community outcomes then help to ensure resources are prioritised and used effectively. Council also has to monitor progress towards outcomes and report this back to the community at least every 3 years. We call this programme "Bright Future Rotorua".

## Depreciation

This is a financial provision made each year based on the diminishing value of assets and how long they should last, so that when they wear out they can be renewed.

## District Plan

This document deals with environmental management and significant resource management issues of the District.

## Group/Activity Group

Activities that are similar in nature, or that contribute to similar or the same community outcomes, are grouped together in the plan to make it clearer how Council is prioritising and allocating resources.

## Key Strategic Decisions

Where there is a proposed major change in an activity group, either in terms of what we do or in relation to the money for doing it, important decisions have been or will need to be made. It is useful to be aware of these decisions as they reflect Council's priorities.

## Levels of Service and Targets

This is a way of measuring the delivery of services. In terms of accountability they are used to monitor our performance and we report back to the community each year in our Annual Report on whether or not we have met the targets. In addition they allow the community to tell us if they think Council is providing the right level of service with its activities.

## Long Term Council Community Plan (LTCCP or Ten Year Plan)

This is Council's key strategic planning document and is required to be produced by law. It sets out what Council will do over the next 10 years and how this will promote community outcomes. As well as describing Council's activities, the plan outlines how they will be funded. Also included are key policies and matters for consultation with the community. Before the Plan is reviewed and finalised every three years, a draft is produced along with a summary and the public is encouraged to make a submission providing views on what is proposed in the draft plan.

## Operating Expenses

These are the costs needed to run the day to day operations of council activities. Operating costs include power, telephone, interest costs and grants and depreciation.

## Renewal

Means to replace an asset that already exists. For example, replacing a length of pipeline because it has worn out, is renewal.

## Treasury Policy

This document is Council's response to the liberalisation of borrowing powers in the Amendment Act which, in return for increased autonomy, requires policies for "borrowing" and "investments" to be promulgated, and because the two issues are so closely interlinked a single comprehensive Treasury Management Policy has been prepared.

## Year

For Council a year does not refer to a normal calendar year but to our financial year. Therefore a year starts on 1 July and finishes on 30 June the next calendar year. The 2004/2005 year would mean the period from 1 July 2004 to 30 June 2005.