

APPENDIX 1: GLOSSARY

To further assist readers, the following definitions of other terms used in the document are set out below.

ANNUAL PLAN

A plan required by the Local Government Act 2002 to be produced by Council in the two intervening years between each three-yearly Long Term Plan (LTP). The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base LTP.

ANNUAL REPORT

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

ANNUAL RESIDENTS' SURVEY

The Annual Residents' Survey is the survey of residents' opinions that Council has undertaken annually by an independent research agency.

ACTIVITY MANAGEMENT PLANS

Activity Management Plans (AMPs) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of communities over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

ASSOCIATE

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

ASSUMPTIONS

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

CAPITAL COST

The cost of creating or acquiring new physical assets or to increase the capacity of existing assets beyond their most recently assessed design capacity or service potential.

CAPITAL EXPENDITURE

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

CAPITAL VALUE

Capital value is the value of the property including both the value of the land and any improvements (e.g. buildings) on the land.

COMMUNITY

Community means everyone in Tasman District: individuals, businesses, local and central government, groups and organisations, iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

COMMUNITY OUTCOMES

Community outcomes are the priorities and aspirations identified by Council that it aims to achieve to promote the present and future social, economic, environmental and cultural well-being of the community.

APPENDIX 1: GLOSSARY

CONSULTATION

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

COUNCIL-CONTROLLED ORGANISATION

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- Shareholding of 50 percent or more;
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

DEPRECIATION

Depreciation is an estimate of the wearing out, consumption or loss of value of an asset over time.

EQUITY INVESTMENT

An equity investment generally refers to the buying and holding of shares in anticipation of income from dividends and capital gains, as the value of the stock rises. Council can also hold equity investments for strategic purposes.

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FINANCIAL YEAR

Council's financial year runs from 1 July to 30 June the following year.

GENERAL RATES

The general rate funds activities which are deemed to provide a general benefit across the entire District or which are not economic to fund separately. It is charged to every rateable property in the District.

GROUPS OF ACTIVITIES

Groups of activities are the services, projects or goods produced by Council. These are 13 broad groups of all of Council's services and facilities, each with common elements. For example, Community Facilities and Parks is a group of activities and includes services such as reserves, libraries and community halls.

INCOME

Revenue received from external sources both cash and non-cash in nature.

INFRASTRUCTURE

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

INFRASTRUCTURE ASSETS

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

LEVELS OF SERVICE

This term describes what Council will deliver. Performance measures are specific indicators used to demonstrate how Council is doing regarding delivery of services. The measures are described in each Activity Management Plans. Council reports on the levels of service it delivered and, on the performance measures each year through the Annual Report.

LONG TERM PLAN (LTP)

The Local Government Act 2002 requires Council to adopt a LTP. The LTP outlines Council's intentions over a 10 year period. The LTP requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms. The LTP was previously called the Long Term Council Community Plan.

NET EXTERNAL DEBT (NET DEBT)

Net external debt means total external debt less liquid financial assets and investments.

APPENDIX 1: GLOSSARY

NET INTEREST

Net interest is interest paid less interest income received.

OPERATING COSTS (OR OPERATING EXPENDITURE)

These expenses, which are included in the Prospective Income Statement, are the regular costs of providing ongoing services and include salaries, maintaining assets, depreciation and interest. The benefit of the cost is received entirely in the year of expenditure.

PERFORMANCE TARGETS

These are the measures that will be used to assess whether the performance has been achieved.

PRIMARY NETWORK

The network of pipes and open drains that manage stormwater for most rainfall events.

RATES INCOME

Income derived from setting and assessing general or targeted rates.

RENEWALS

The replacement of an asset or its component that has reached the end of its life, so as to provide a similar level of service or agreed alternative.

RETURN ON INVESTMENT

Investments are managed to cover costs as well as return a surplus to Council. Investments with a higher return are favoured over those with a lower return.

SOLID WASTE

Waste products of non-liquid or gaseous nature (for example, building materials, used packaging, household rubbish).

STORMWATER

Water that is discharged during rain and run-off from hard surfaces such as roads.

TARGETED RATES

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways (e.g. based on capital value, as a fixed amount per rateable property etc.).

UNCALLED CAPITAL

Capital that a company has raised by issuing shares or bonds but that the company has not collected because it has not requested payment.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

UNITARY AUTHORITY

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority (see page 10).

URBAN WATER CLUB

Includes all those Council-owned urban reticulated water supplies (except Motueka). They are grouped together for the purpose of allocating the costs of urban water supplies. The charge is consistent across all members of the urban water club.

WASTEWATER

Wastewater is the liquid waste from homes (including toilet, bathroom and kitchen wastewater products) and businesses.

ZONE OF BENEFIT

The area which receives a more direct benefit from water augmenting the Waimea River and its aquifers through the construction and operation of the Waimea Community Dam.