

Glossary

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Non-Financial

Local Government Act (LGA02)

The Local Government Act 2002 provides the general framework and powers under which New Zealand's 78 democratically elected and accountable local authorities operate

Long-term plan (LTP)

The LTP is a document required under the Local Government Act 2002 that sets out a local authority's priorities in the medium to long term

Annual Plan (AP)

The annual plan is produced for each year in between long-term plans and provides an opportunity to refresh the information for the coming year and consult with the community on any changes that are proposed

Annual Report (AR)

The purpose of the annual report is to compare activities performed with those intended in the annual plan

Consultation Document

The consultation document is the basis of discussions between Council and its communities about the issues facing the district/area and how council is proposing to address those issues

Infrastructure Strategy

This document covers significant infrastructure issues across the 5 mandatory groups of activity and contains 30 years' forecasted capital and operational expenditure figures. Included in this document will be assets' useful lives, growth/demand assumptions and assumed levels of service

Service plans

Council produces detailed service plans for all asset classes under its stewardship. These provide a picture of the level of service derived from each asset and asset specific risk are discussed in the service plans. Service plans show the actual operation of the Council's assets and delivery of its services

Asset management plans (AMPs)

AMPs reflect a council's infrastructure and asset base in terms of future maintenance, renewal and replacement needs

Levels of Service (LoS)

Service Delivery Indicators. How efficient and effective do council deliver its services to the community

Community Outcomes

Means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions

Growth Assumptions

These are growth forecasts based on a variety of trends which enable Council to predict future growth in the city. In order for Council to plan its infrastructure and asset needs in advance, Council needs to estimate the levels of infrastructure future generations will need

Financial

Associates

Entities that the Council owns a share of but does not control. Our share of the associates' surplus/deficit and net assets is recorded in the Group financial statements. The Council's associates are Basin Reserve Trust (50%), Wellington Water (50%), Chafers Marina Holding Limited (11%), Wellington International Airport Limited (34%) and Wellington Regional Stadium Trust (50%)

Cash and cash equivalents

Cashflow and deposits which mature in three months or less

External funding for capital expenditure

Funding received from external parties which is recorded as income but used to fund capital expenditure projects

Capital expenditure (Capex)

Expenditure that results in the creation of a new asset, or increases the life or capacity provided by an existing asset

Operating expenditure

Expenditure related to providing Council Services. This excludes capital expenditure.

Net borrowings

Net borrowings is total borrowings less any funds held on deposits

Net surplus/(deficit)

Net surplus/deficit is the difference between total income and total expenses. It includes both operating revenue and operating expenditure as well as other non-funded items of revenue and expenditure such as capital funding , vested asset income and fair value movements

Depreciation

An expense charged each year to reflect the estimated cost of using our assets over their lives.

Amortisation

Amortisation relates to 'intangible' assets such as software (as distinct from physical assets, which are covered by the term depreciation)

Unfunded depreciation

The amount of depreciation that is not funded by rates. An example of this is our roading assets that are funded by NZTA and sewerage treatment assets where the operator has responsibility for asset renewal

Fair value

Essentially reflects the market value of assets or liabilities

Investment properties

Investment properties are properties that are primarily held by the Council to earn rental income

Prudential limits

Prudential limits are limits applied to the level of borrowings to ensure we are managing the Council's assets and liabilities prudently. These limits are outlined in the Investment and Liability Policy and Financial Strategy in the Long Term Plan

Renewal

Renewal is capital expenditure that relates to the replacement of existing assets

Ring-fenced

Ring-fenced are funds that can only be used for a specific purpose

Upgrade Capital Expenditure

Capital expenditure that improves the level of service or meets additional demand for a service

Funding impact statements (FIS)

FIS sets out the sources of both the operating and capital funding for everything that council does

Forecast financial statements (FFS)

FFS is a tool that allows councils to use its resources where they are most needed. It summarises the expected performance of a council for the near future

Vested assets

Assets that are created by others and passed into Council ownership (e.g. roads built by a developer as part of a subdivision)