

Definitions

Activity: services provided by the Council.

Annual Plan: a document produced annually by an organisation to inform stakeholders of its objectives, major policies, intended activities, performance, income and expenditure required for a period of one financial year.

Annual Report: a document produced annually that reports performance against the Annual Plan or Long-term Plan, including significant differences from what was planned.

Asset: an item of value, usually of a physical nature, that the Council owns on behalf of the people of Porirua – that has a useful life of more than 12 months and creates future economic benefits over a period of time, such as roads, drains, parks and buildings. See both vested and infrastructure assets.

Asset Management Plan (AMP): a plan developed for the management of one or more infrastructure assets that combines multidisciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specified level of service. A significant component of the plan is a long-term cash flow projection for the activities.

Capital Costs: transactions that have an effect on the longer term (i.e. greater than 12 months) financial position of the Council. Items include the repayment of loan principal, transfer of funds to reserve accounts and the purchase or construction of assets.

Capital Financing: transactions that have an effect on the longer term financial position of the Council. Items include the raising of loan funds and transfers from reserve accounts.

Central Business District (CBD): the Porirua CBD is the city's commercial centre, roughly bounded by the Mungavin roundabout, Porirua Stream, Whitireia Community Polytechnic and Titahi Bay Road.

Current Assets: assets that can be readily converted to cash, or will be used up during the year. These include cash, stock, debtors and operational investments.

Current Liabilities: creditors and other liabilities due for payment within the financial year. Public Debt to be refinanced within the financial year is excluded.

Debt: the value of outstanding obligations owed by the Council to external third parties.

Depreciation: assets lose their value over time as a result of wear and tear, age, or obsolescence (in other words, they depreciate), and must be replaced once the end of their useful life is reached. Depreciation is an accounting method to spread the replacement cost of items such as property, plant and equipment over their useful lives as an operating expense.

Development Contributions: contributions from developers, collected to help fund new infrastructural assets required by growth, as set out in the Local Government Act 2002.

District Plan: a plan under the Resource Management Act 1991 that manages, through objectives, policies and rules, the adverse impact of land uses on the environment of the city. The current Porirua City District Plan became operative on 1 November 1999.

Expenditure: the outflow of resources (usually cash) in return for goods and/or services.

Financial Contributions: contributions from developers collected under the District Plan for developing public facilities, including open spaces and parks. Contributions might be in cash or in the form of land.

General Rate: a levy by the Council to fund its general services, but not services funded by targeted rates, fees or charges.

Greater Wellington Regional Council (GWRC): the authority responsible for protecting the Wellington region's air, soil and water resources from pollution and ensuring their sustainable use. It also manages the demands on the region's transport systems and supports public transport services.

Gross: total without deductions, as opposed to net.

Group of Activities: Council groups all its services into 17 main categories of activities (which equate to 'groups of activities' in the Local Government Act 2002).

i.d. Community Profile: demographic change across New Zealand is recorded by Statistics New Zealand in the Census collections every five years. We then analyse and convert these raw figures into stories of place to inform Council staff, community groups, investors, business, students and the general public. The Porirua City Community Profile provides demographic analysis for the city and its suburbs based on results from the 2013, 2006 and 2001 Censuses of Population and Housing. The profile is updated with population estimates when Statistics New Zealand releases new figures such as the annual Estimated Resident Population (ERP). Results for the Porirua city include population, age structure, ethnicity, religion, income, qualifications, field of qualifications,

smoking behaviour, occupations, employment, unemployment, disability, disadvantage, unpaid work, family structure, household structure, housing tenure, mortgage and rental payments, and the size and type of the dwellings people live in.

Infrastructure Assets: Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components. The network may include normally recognised ordinary assets as components.

Interest: interest payable on bank overdrafts and debt.

Loan Funding: paying for capital costs by raising loans.

Local Government: comprises two types of local authority – regional councils and territorial authorities. These are autonomous and are accountable to the communities that they serve. They provide a vast range of services funded largely by rates and regulated by a series of local government acts. Territorial authorities such as Porirua City Council deal with day-to-day issues that contribute to the well-being of the people that live in their community, such as:

- community well-being and development
- environmental health and safety (including building control, civil defence, and environmental health matters)
- infrastructural services (roading and transport, sewerage, water/stormwater)
- recreation and culture
- resource management, including land-use planning and development control.

Local Government Act (LGA) 2002: the Local Government Act 2002 is the primary legislation governing the Council's operations and actions.

Long-term Plan (LTP): this document is usually a ten-year plan which sets out the Council's response to shared strategic priorities and how the Council will manage its finances and the community's resources. This year, the Council set a 20 year period for their long-term planning. The LTP is a requirement of the Local Government Act 2002.

Mandatory Performance Measures: in 2010, the Local Government Act 2002 was amended to require the Secretary for Local Government to make rules specifying non-financial performance measures for local authorities to use when reporting to their communities. The aim was to help the public to contribute to discussions on future levels of service for their communities and to participate more easily in their local authority's decision-making processes.

Performance measures help provide better information about the levels of service for five groups of activities carried out by local authorities – stormwater drainage, sewerage and the disposal of sewage, flood protection and control works, water supply, and the provision of footpaths and roads. Local authorities are required to use a standard set of performance measures for these five activities when reporting to their communities.

Operating Expenditure: expenditure through the Council's activities on such items as salaries, materials, electricity and plant hire. All these inputs are consumed within the financial year.

Operating Revenue: money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided.

Examples include Transit New Zealand subsidies, rental income, permits and fees.

Operating Surplus (Deficit): the expressions 'operating surplus' and 'operating deficit' are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. It includes non-cash items such as income and expenditure owing but not paid (Debtors and Creditors) and depreciation. It excludes 'capital' items such as the receipt or repayment of loans, the cost of capital works and transfers to and from Reserves.

Output: services the Council provides.

Policy: outlines the approach the Council takes to achieve a strategy.

Porirua City: refers to the geographical area governed by the Porirua City Council.

Porirua City Council: refers to both the elected members and to the organisation.

Rates: a property tax to fund local government activities. The amount of rates varies between properties because of difference in capital values, and differences in services provided for residential, rural and commercial properties. Property valuation changes, which the Council has no control over, will also affect the rates paid. See also Regional Rates.

Rates Differential: where a rate is applied at a different level to different types or categories of property, eg residential, non-residential or rural land.

Rate Funding: paying for capital or operating costs from rates.

Regional Council: the top tier of local government in New Zealand. There are 17 regions of New Zealand. Eleven are governed by an elected regional council, while six are

governed by unitary authorities (ie territorial authorities that also perform the functions of a regional council). Porirua comes under the GWRC.

Regional Rates: Regional rates, charged by the GWRC, are part of the overall rates you pay, and are noted separately on your bill from Porirua City Council.

Renewals: activities required to upgrade, refurbish or replace existing facilities or assets, with facilities or assets of equivalent capability or service potential.

Resources: these are the assets, staff and funds needed to contribute to the activities of the Council including goods, services and policy advice.

Revenue: income received by the Council to fund its services. Revenue sources include rates, and fees and charges for using a particular service, penalties and fines, such as parking fines, and grants and subsidies.

Revenue and Financing Policy: a statutory process that looks at who benefits from a service and who pays for it.

Subcommittee: formed by the elected council or standing committees as needs arise, such as for major projects.

Submitter: a person who puts forward their views in support of, or opposition to, a resource consent or Council proposal.

Territorial Local Authority (TLA): the second tier of local government in New Zealand, below regional councils.

Transport: sometimes referred to as public transport – includes buses, trains and ferries.

Transport Corridor: an area of land the Council has identified as necessary for future passenger transport developments, for example, road widening. The Council identifies and formally designates such corridors and protects them from development.

Unitary Authority: six territorial local authorities (Auckland Council, Nelson City Council, Gisborne, Tasman, and Marlborough district councils and the Chatham Islands council) also perform the functions of a regional council.

Vested Assets: infrastructural assets transferred to the Council by developers at the time of subdivision completion and approval.

Working Capital: the Council's net current assets held in cash, or readily convertible to cash, less liabilities due for payment within a year. This is indicative of the Council's ability to meet its obligations as they become due.