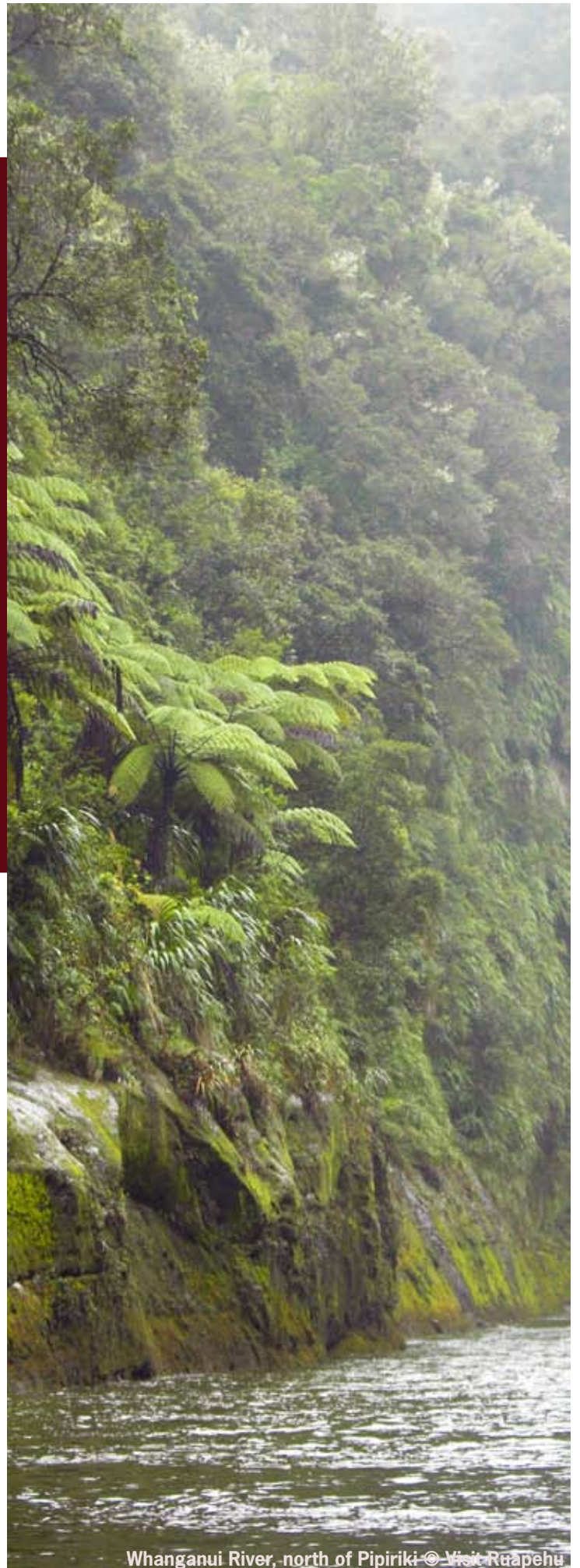


Part 2: Overview



Whanganui River, north of Pipiriki © Visit Ruapehu

What is the Annual Plan?

The purpose of the Annual Plan is to provide the annual budget for the coming year and to discuss any changes to Council's budgets and programmes from what was reported in Council's Long Term Council Community Plan, which is called *Future Ruapehu Long Term Plan 2006-16* (LTP). If, for some reason, Council changes a programme and this is considered to have a significant impact on ratepayers, then the reason for the change is explained. This is called a financial variance.

Council will continue to prepare an Annual Report at the end of each financial year. The Annual Report outlines what was achieved, what was not achieved and the reasons why.

Structure of the Annual Plan?

Part 1 (Preface) includes a statement from the Mayor and Chief Executive, changes made to the Annual Plan as a result of submissions and a list of Elected Members.

Part 2 (Overview) introduces the Plan and the role it plays in the overall planning process of Council.

Part 3 (Council's Response to Community Outcomes) provides an overview of Council's group of activities, including:

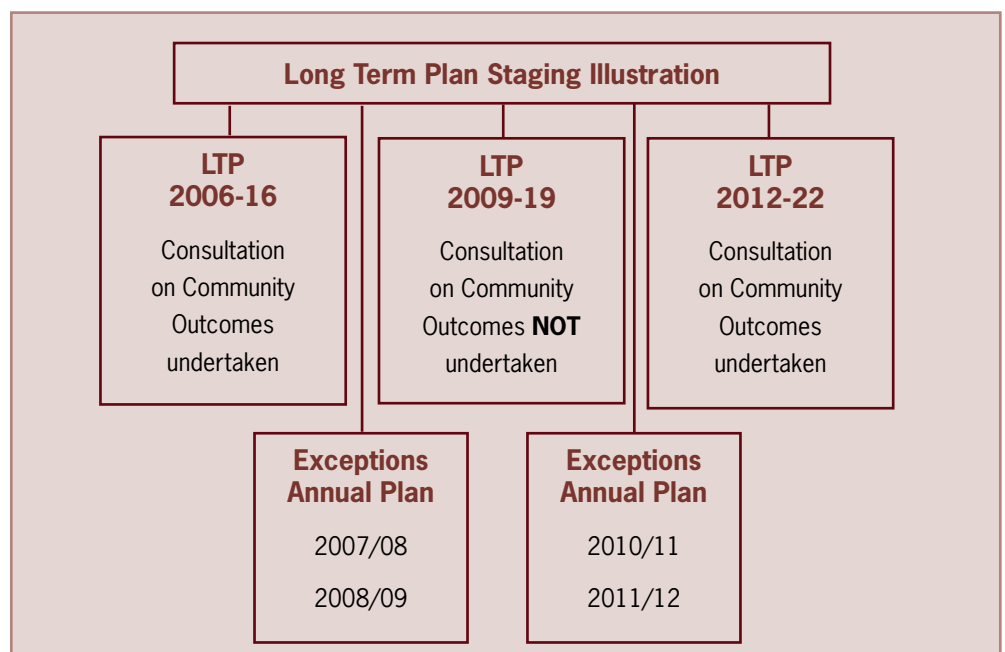
- The Strategic Goals and Levels of Service targeted by each Council activity.
- An explanation of any significant variation from the LTP.
- Revised Cost of Service Statements for 2008/09.
- The Capital Works Programme for 2008/09.

Part 4 (Financial Information) presents the estimated overall financial performance and position of Council. It also details the rates impact for ratepayers in the 2008/09 financial year.

Part 5 (Community Outcomes) lists the Community Outcomes

Staging of Long Term Plans and Annual Plans

The diagram opposite shows the staging of Council's LTPs and Annual Plans for the next 16 years. Community Outcomes will be reviewed again in 2010/11 for the 2012-22 LTP.



Key Council Documents and Policies

Documents

Council maintains several documents and Plans that provide input into the overall planning process. An overview of these documents and Plans is provided below.

Community Outcomes Report 2005

The Future Ruapehu Community Outcomes Report 2005 described the Community Outcomes developed through the community consultation undertaken in 2004/05. The Exceptions Annual Plan 2008/09 has sourced the Community Outcomes from that document. Council will consult and prepare a Community Outcomes document every six years.

Asset Management Plans (AMPs)

Council's AMPs outline the strategic direction that its asset-based services will take and detail associated work programmes for these assets.

The Strategic Goals align the AMPs to the Community Outcomes. Council's work programmes are subsequently based upon the achievement of the Strategic Goals for that activity. AMPs are reviewed and updated on a three-yearly basis, with the next review scheduled for the 2008/09 year.

Solid Waste Management Plan (SWaMP)

The SWaMP is a tactical document required under Section 539 of the Local Government Act 1974 (LGA) and guides the future of Council's Solid Waste activity until 2009.

The SWaMP was first adopted following extensive consultation in 2002/03 and again in 2005, and will be reviewed for the next LTP in 2008. The SWaMP outlines the Community Outcomes expected from this activity, including zero waste, waste separation, environmental protection, appropriate levels of service, cost minimisation and reduction of cross subsidisation.

These principles are built into the configuration of transfer stations and collection services, and in providing incentives for recycling to reduce quantities of waste entering the landfill site. These principles can be further tracked in the Solid Waste section of this LTP, with consistency shown between the SWaMP and the Government's New Zealand Waste Strategy 2002.

The next SWaMP consultation will take place in 2008/09 for the 2009-19 LTP. A summary of the SWaMP is located in Part Four of the 2006-16 LTP.

Water and Sanitary Services Assessment

Council was required to undertake a Water and Sanitary Services Assessment by 30 June 2005 under Section 125 of the LGA.

The purpose of this Assessment was to link the planning processes around these activities closer to Community Outcomes in a similar way as the SWaMP does for the Solid Waste activity. A summary can be found in Part Four of the 2006-16 LTP.

Policies

The following Policies can be found in Part 4 of the 2006-16 LTP.

Revenue and Financing Policy

This Policy outlines the reasons for and methods by which Council funds each of its activities.

Rates Remission Policies

These Policies outline variations from the funding methods outlined in the Revenue and Financing Policy and the reasons for each variation. These Policies include the Maori Freehold Land Rates Remission Policy and Remissions for Community Organisations.

Significance Policy

This Policy guides Council when making significant decisions and identifies thresholds that trigger the consultation process.

Public Private Partnerships Policy

This Policy outlines the circumstances in which Council will consider entering into partnership with a private sector partner. This Policy formalises conditions around these arrangements and the associated consultation processes.

Appointment of Directors to Council Controlled Organisations Policy

This Policy addresses the criteria and procedures for appointment and remuneration of Directors of Council Controlled Organisations.

Development Contributions Policy

This Policy outlines Council's approach to funding the expansion of the capacity of Council-owned network infrastructure to cater for development.

Liability Management Policy

This Policy discloses the methods by which Council will manage its borrowing, issuing of securities, debt management and interest rate exposure.

Investment Policy

This Policy discloses Council's financial management principles and risk mitigation strategies associated with its investments. The primary purpose for Council's investment holdings is for strategic and cash flow/contingency reasons. Any acquisition of new assets must be for strategic reasons and meet Strategic Goals outlined in the LTP.



Glossary of Terms

Activity

The goods or services that Council provides to the Community. Council has 11 activities that have been grouped together according to the activity's main contribution to Community Outcomes.

Assets

Assets are things that Council owns, such as roads, parks, buildings and cash holdings.

Capital Expenditure

The term used to describe expenditure on assets (land, infrastructure, plant and equipment) that will provide benefit to the community for a period of greater than 12 months.

Corporate Support

Used to describe the inputs that are used by all of Council's activities.

Collaboration

When two or more people, groups or organisations work together to create or achieve the same outcome.

Community Outcomes (COs)

The community's view of what is important for its current and future social, economic, environmental and cultural wellbeing.

Community Wellbeings

One of the main purpose of councils, as stated in the LGA, is to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future. These four aspects are known as the "four community wellbeings".

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.

Development Expenditure

A form of capital expenditure that refers to an investment in an asset to improve its value. The investment in the asset results in the asset's condition being better than when it was first purchased or built by Council. This does not including renewing old assets to their original state. These are classed as renewal works.

Designated Investments

Investments representing Special Funds and Reserve Accounts.

Infrastructural Assets

Fixed utility assets that provide a continuing service to the community and are not generally regarded as tradeable. Council's infrastructural assets consist of roads, waste disposal systems, sewerage systems, stormwater systems and landfill assets.

Key Performance Indicators (KPIs)

Targets set by Council to enable the community to monitor its progress towards agreed outcomes each year. A table of performance measures is provided in each activity section.

Levels of Service

Council has levels of service that it has agreed to provide to the community. Examples include the number of times reserves are mowed per year, or response times to customer concerns. Operational levels of service are stated in the activity sections of the LTP.

Level of Service Expenditure

A form of capital expenditure that refers to an investment in an asset to improve its value as a result of improving the service that the asset provides to the community. The level of service investment in the asset results in the asset's condition being better than when it was first purchased or built by Council. This does not include improvements to assets as a result of increased need or demand for that asset due to growth (this is classified as development expenditure), or renewing old assets to their original state (this is classed as renewal expenditure).

Local Government Act 2002 (LGA)

The key legislation that defines the regulations and responsibilities for local authorities.

Long Term Council Community Plan (LTCCP)

A Plan covering a period of ten years, developed by Council and describing what it will do to contribute to the achievement of Community Outcomes. It shows what Council will do, why it does these things, how much they will cost and how success will be judged. Council's current LTCCP is labelled *Future Ruapehu Long Term Plan 2006-16* (LTP).

Operations Expenditure

The expenditure required to meet the costs of normal day-to-day services provided by Council. This includes expenditure resulting from inputs on such items as contract costs, materials, electricity and plant hire.

Operational Assets

Assets used to deliver Council's activities such as land, buildings and infrastructural assets including sewerage, water and road systems.

Operating Revenue

Money earned through Council activities in return for services provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include Land Transport Zealand Financial Assistance Rates (LTNZ FAR) subsidies, rental income and fees and charges.

Operating Surplus

An accounting term meaning the excess of income over expenditure. Income and expenditure in this context excludes "capital" items such as the receipt or repayment of inter-generational loans, the cost of capital works and transfer to and from reserves. An operating surplus is inclusive of non cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.

Outputs

Goods and services Council will produce or provide to achieve agreed outcomes.

Renewal Expenditure

A form of capital expenditure that describes Council's ongoing programme of works, which is aimed at maintaining the District's assets in a good condition by "renewing" them back to their original state.

Stakeholders

People, groups and/or organisations that have an interest in what happens in the District.

Strategic Goals

Council has set Strategic Goals for each of its activities. These goals are targeted at ensuring Council's work programmes are promoting the achievement of Community Outcomes. The goals are long-term and, in most cases, will take many years to achieve.

Sustainable Development

Development that meets the needs of the present without compromising the ability of future generations to meet its own needs.

Targeted Uniform Annual Charge (TUAC)

A targeted rate based strictly on a uniform amount set for each rating unit, within a defined (targeted) area, eg, stormwater, solid waste kerbside collection, etc.

Uniform Annual Charge (UAC)

A service charge that is levied on separately used rating units, eg, solid waste disposal, sewerage, water supply, etc.

Uniform Annual General Charge (UAGC)

A uniform annual general charge that is levied on all rating units in the District.