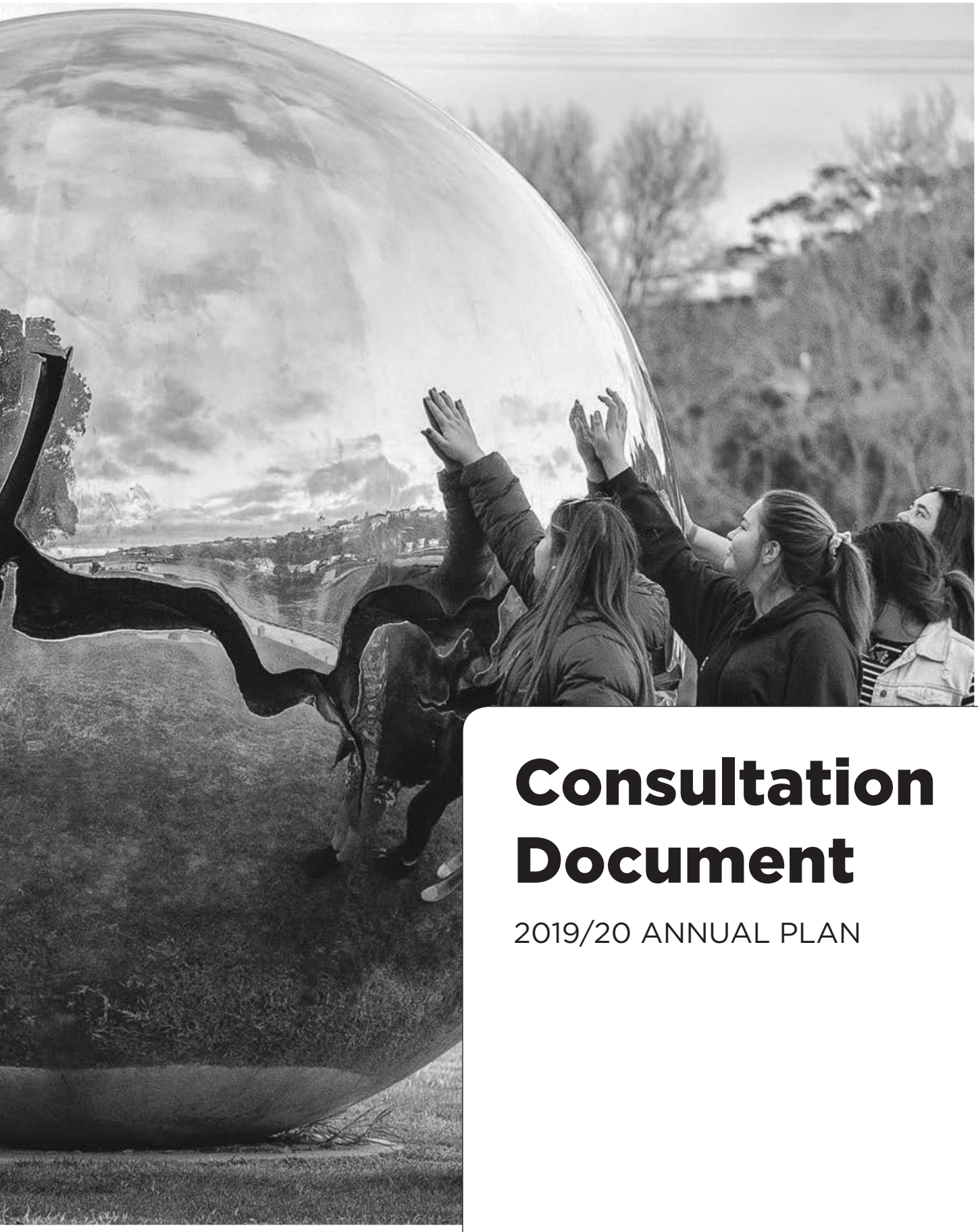
WHANGANUI
DISTRICT COUNCIL
Te Kaunihera a Rohe o Whanganui



Consultation Document

2019/20 ANNUAL PLAN

Contents

3 Message from the Mayor

4 Key changes from the Long Term Plan 2018-2028

6 Other changes of interest

10 Impact on rates

11 Tell us what you think

SUPPORTING DOCUMENTS

The following documents are available on www.whanganui.govt.nz/annualplan or by emailing: AnnualPlan2019@whanganui.govt.nz

2019/20 Annual Plan Supporting Information
Fees and Charges schedule
Long Term Plan 2018-2028
Financial Statements
Leading Edge Strategy
Significance and Engagement Policy

Message from the Mayor

Kia Ora Koutou

Our Annual Plan 2019/20 sets out what we want to achieve for our community over the coming year.

Balancing what our community can afford with what we want both now and in the future is something each local authority faces, with Whanganui being no exception.

Our community has seen economic prosperity in the last several years, but we also know we must keep rates affordable. We have worked hard to keep the rates increase to only 3.9%, which is amongst the lowest increase in New Zealand. While this is higher than the 3.5% that was proposed for the 2019/20 year in our Long-Term Plan, we need to ensure we provide the services and facilities and long-term aspirations for a growing population.

Our plans for the year have not differed significantly from our Long-Term Plan 2018-28, but there are a few changes we want to let you know about.

The first of these is bringing funding forward to secure the long-term future of the Whanganui Port so it can realise its potential as a commercial and recreational attraction for the region. We are likewise proposing to increase the amount of funding toward port infrastructure, which gives us a total of $12.3M for the 2019/20 year. Investment by Whanganui District Council demonstrates to central government and commercial investors that we are serious about revitalising our port.

Another change is proposing $80,000 to develop and implement a heritage strategy to provide us with better framework to protect our heritage buildings. Protecting our incredible buildings in our historic town centre helps cement Whanganui as a tourism destination. It also means we have some clear direction to explore, alongside owners, how empty buildings can be restored, and how to enable building owners to use upper storeys as accommodation to help revitalise our town centre, and assist the housing crisis.

Whanganui District Council Holdings Limited are also intending to create two Council Controlled Trading Organisations to assist the incredible growth of the New Zealand International Commercial Pilot Academy. This will enable the Academy to house the increasing number of students without increasing the demand for rental accommodation, and also to seek government funding for a significant expansion to Whanganui's education offering in the aviation sector.

I encourage you to read through this document, understand the issues and have your say by visiting www.whanganui.govt.nz/annualplan

I look forward to hearing from you.

Hamish McDouall - Mayor

Key changes from the Long Term Plan 2018-2028

We are proposing to make one key change from the Long Term Plan 2018-2028 for the 2019/20 Annual Plan. Details of this proposal can be found on the following pages.

As well as this change, it's important for you to know about any other projects or changes to funding which have come up since our Long Term Plan 2018-2028 was adopted.

That information can also be found in this document and in our supporting documents. We have used our Significance and Engagement Policy as a guide to assess the significance of these changes.

You can have your say on these changes by completing a submission form or by filling in an online form.

Please visit www.whanganui.govt.nz/annualplan for a submission form and supporting documents.

Port redevelopment

The Whanganui Port at Castlecliff has a long and significant history but since the 1970s has faced decline.

Since 2010, when Whanganui District Council purchased and took back control of the port, we have been looking at opportunities for developing the area to create a commercial and recreational attraction once more.

The initial stage of redevelopment began in 2016, after considerable community consultation, when a proposed masterplan was created to show how the port could become a modern freight, logistics and distribution hub and could expand existing boat building, marine and freight services. Whanganui's special marine and manufacturing services benefit not only our district but serve the region.

The Port masterplan generally received positive feedback from the community who wish to see the port area developed with a mix of commercial and recreational facilities.

In the last three years, Whanganui District Council has upgraded commercial facilities at Wharf 1, undertaken a stage 1 upgrade of the recreational trailer boat ramp and undertaken stormwater and flood protection work at the Heads Road/ Whanganui Port industrial area.

However, to attract further commercial and government investment, Whanganui District Council must show our financial investment in the port's future.

The Long-Term Plan 2018-2028 indicated that the proposed Port Revitalisation Programme should proceed with a total of $6.8M spent over years one to five.

We are proposing to bring all funding forward to the 2019/20 year, and increasing it further by $6.2M.

This gives a total of $12.3M for the 2019/20 year for infrastructure requirements currently needed for port users. This will be loan funded and repaid via the general rate. This infrastructure includes work on Wharf 1, Wharf 2 and Wharf 3, boat launch infrastructure, dredging tools, building repairs and demolition of derelict structures.

This proposed infrastructure will not only support current marine services and freight services, but encourage potential tenants in similar industries as well as from the seafood harvesting and processing sector to invest.

This funding also takes into consideration the cost to protect the health, well-being and function of the Whanganui River.

Revitalisation of the port area is not only important for economic development locally, but to future-proof Whanganui as it continues to grow in population and attract more people who expect modern facilities and protection of unique natural surroundings such as a historic river port.

Other changes of interest

Proposed establishment of two Council Controlled Trading Organisations (CCTO)

In 2015 Whanganui District Council Holdings Limited (WDCHL) established the New Zealand International Commercial Pilot Academy (NZICPA). The NZICPA continues to go from strength to strength under WDCHLs strategic direction and WDCHL have identified two investment opportunities that will enhance the NZICPAs capability and supports Whanganui's continued economic growth.

Establishing an Advanced Aviation Hub

In 2018 WDCHL submitted a successful application to central government's Provincial Growth Fund for funding a business case to establish an Advanced Aviation Hub (AAH) to operate in parallel to the NZICPA. The AAH is a training provider that would allow provision for the type-rating of commercial airline pilots on the Airbus A320, Boeing 737, and ATR aircraft types; licencing and qualification for flight attendants and aeronautical engineers; and a necessary degree of aviation training for ancillary crew members (such as flight nurses, and helicopter crew). Should the AAH business case demonstrate that this concept is viable a further application will be made to the Provincial Growth Fund for funding assistance to move into the development phase.

Subject to the outcome of the business case and Provincial Growth Fund, WDCHL are proposing to establish a subsidiary Council Controlled Trading Organisation (CCTO) for the sole purpose of managing the AAH business.

Establishing a student accommodation facility

Underpinning the success in attracting students nationally and internationally to Whanganui is the NZICPAs ability to house students. Providing a full complement of services to encourage a move for study adds to our attraction and contributes to our economy. WDCHL undertook a due diligence exercise and purchased the ex-Nazareth rest home facility for student accommodation.

WDCHL propose to establish a subsidiary Council-Controlled Trading Organisation under a joint venture model for the operation of the ex-Nazareth rest home facility for the sole purpose of providing accommodation services.

This proposal includes the establishment of a joint venture partnership with an external party the details of which remain commercially sensitive at this stage of negotiations.

Heritage strategy

We are proposing to allocate $80,000 to develop and implement a heritage strategy. The strategy will provide the Council with a framework to better understand, manage and protect its heritage. It will set out initiatives that Council can and is undertaking, in partnership with the community, to assist in preserving the district's heritage assets, including the oral, written and physical heritage.

Waitangi Day celebrations

We are proposing a budget of $10,000 to fund Whakawhanake for Waitangi Day celebrations, with the full support of Te Runanga o Tupoho. This funding will provide an opportunity to celebrate our national holiday and provide a platform for identity, diversity and expressions of shared history.

Whanganui and Partners – new performance measures

Whanganui and Partners are tasked to lead, drive and facilitate the economic growth of the district. They are proposing to change the key performance indicators that are outlined in the Long Term Plan 2018-2028, through their Statement of Intent for the 2019/20 year. A summary of their objectives are below and you can see the full details of their Key Results and Key Performance Indicators in the Supporting Information.

Business Development

OBJECTIVE 1 We will attract investors, business and grow employment/self-employment in Whanganui

OBJECTIVE 2 We aim to retain our local businesses and grow their capabilities

Destination Marketing

OBJECTIVE 1 We will retain our point of difference and attract new events to Whanganui

OBJECTIVE 2 We will increase the attraction of residents and visitors to Whanganui

Education

OBJECTIVE 1 We will increase the number of students studying in Whanganui

OBJECTIVE 2 We will increase education and training offerings and capability in Whanganui

OBJECTIVE 3 Increase the number of students transitioning into employment pathways in Whanganui

Impact on rates

The average rates increase proposed for 2019/20 is 3.9%

The following table provides indicative rates increases for the average residential, commercial, lifestyle and farming properties.

	Residential	Farming	Lifestyle	Commercial	Overall
Average rate increase 2019/20 (%)	4.3%	4.6%	4.6%	2.7%	3.9%
Average rate increase 2019/20 ($)	$114	$195	$99	$264	$122
Capital value of average property 2019/20	$214,000	$1,133,000	$369,000	$1,026,000	$324,000
Average rate 2018/19	$2,645	$4,241	$2,147	$9,767	$3,131
Average rate 2019/20	$2,759	$4,436	$2,246	$10,031	$3,253

An individual property rate increase could significantly vary from these averages as there are a number of factors that influence rates. We have more than 50 different rates; each of these rates have increased/decreased by differing amounts and not all properties pay the same rates. For example, properties not connected to the city water system do not pay the City Water Supply rate.

Fees and charges

We are proposing some changes to our fees and charges. A full schedule of fees can be found in our Supporting Information. The fees that are changing are outlined below.

Land Information Memorandums (LIMs)

The increase in the LIM fees reflects the more comprehensive reports which are now provided. LIM fees have not increased since 2015, and the new fees are consistent with other councils in the region.

	Current	Proposed
Residential	$177	$250
Commercial	$150 deposit plus $69 per hour	$275 flat fee

Swimming Pools

We are proposing a flat increase of 50 cents for swimming pool entry fees, as well as some changes to concession cards and memberships. You can see a full list of the proposed increases in the Supporting Information.

Changes to debt

In 2019/20 we are expecting to borrow $19.4M, with scheduled loan repayments of $8.4M. The main borrowing this year includes funding for the Port redevelopment which is proposed to be brought forward and increased as discussed in the Key Changes section earlier in this document. Closing debt at 30 June 2020 is now projected to be $124.3M, compared to $121.6M forecast in the Long Term Plan 2018-2028.

Tell us what you think

How to make a submission

We value our community's input and invite you to make a submission on the proposed 2019/20 Annual Plan.

The submission period closes at 4.00pm on Wednesday, 24 April 2019.
To make a submission please complete the submission form or fill in an online form at www.whanganui.govt.nz/annualplan

You can also email your thoughts to AnnualPlan2019@whanganui.govt.nz

Please indicate whether you would like to speak to the Council about your submission at the hearings on Wednesday, 8 May and Thursday, 9 May 2019. If you wish to speak, make sure you have included your contact details as you will be contacted after the close of submissions regarding a time for you to attend a hearing.

Your written submission will be made available to Councillors, Council staff and the public as part of the consultation process. Your submission will be considered by the Council, but may not necessarily result in any of the changes you request being made.

Supporting information for our proposed 2019/20 Annual Plan can be viewed on our website www.whanganui.govt.nz/annualplan or you can request a copy by phoning 06 349 0001 or emailing AnnualPlan2019@whanganui.govt.nz

Submissions close at 4.00pm on Wednesday, 24 April 2019.

Consultation Document

2019/20 ANNUAL PLAN

WHANGANUI
DISTRICT COUNCIL
Te Kaunihera a Rohe o Whanganui

whanganuidistrictcouncil | 06-349 0001 | whanganui.govt.nz | AnnualPlan2019@whanganui.govt.nz