

Wanganui District Council
Annual Report
For the year ended 30 June 2008

101 Guyton Street
Wanganui
New Zealand

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A message from the Mayor

Mayor Michael Laws looks back

Wow!

That would be the most apt summary of the council's activity this past twelve months. In fact, I'd suggest that not since Mayor Charles Mackay attempted to murder homosexual seducer Darcy Cresswell in 1920, has the city and district of Wanganui experienced such civic drama.

Unlike that incident, council's activity has been overwhelmingly positive - tempted though I was to shoot the occasional councillor or council critic. Instead, I led a council team of elected representatives, senior management and staff who made this district very much the better for their collective endeavour.

In the midst of this activity there were the local body elections in October 2007. After the 'revolution' of 2004, the 2007 election was very much an affirmation of the mayor and the councillors.

For the first time since 1995, the mayor was returned with a majority of the votes cast and all councillors, bar one, were returned. Two new councillors were elected – former police superintendent and MP **Rana Waitai** and sports manager **Danny Jonas**.

We then lost two councillors almost immediately – sadly, the respected veteran **Don McGregor** to cancer, and then broadcaster **Marty Lindsay** to Australia. Don McGregor was an outstanding advocate for the rural community and Marty Lindsay regenerated the heritage portfolio. Allan Anderson and Rob Vinsen were elected in the subsequent by-elections.

But it was in the wider community – and on the national stage – that council made a considerable impact.

First, there were the new projects – the Splash Centre extension/hydroslide, the award-winning airport upgrade, the award-winning riverfront walkway, and the new Upokongaro jetty. They have materially added to the ambience of Wanganui and will provide decades of recreational and commercial return.

Second, there was the cessation of the crippling rate rises that had distinguished previous councils. Over the past three financial years, Wanganui's rate rises have been nil, 1.8% and 3.0%. That is a staggering achievement and recognises the impost that rates truly are.

Too many of this nation's elected representatives (and especially local government staff) still think that ratepayers exist to service council. I will spend the entirety of my local government career arguing the opposite.

The reality is that local government is mismanaged just about everywhere in New Zealand. And that there are far too many councils – most highly inefficient – for too few population.

Until there is another local government reorganisation – a la 1989 – ratepayers will continue to pay too much for local services. I think this country can sustain only about twenty district councils – and even then I could be accused of extravagance. Currently, counting regional councils, we have ninety-plus local authorities. Crazy.

The government's response to this reality was genuinely appalling. They established the Shand Committee to review the ratings imposition upon ratepayers. Their answer? Councils need to borrow more. We bonfired the report.

Third, the referenda process again steered us in the direction as to what the community wants, rather than self-interested annual plan submitters and selfish lobby groups.

As a result, we took our anti-gang patch bill to Parliament and received surprising cross-party support; progressed our 'soft water' investigations (there is some exciting news in prospect); and discovered that the community is prepared to pay a premium for a household recycling service. All these projects are progressing – some quicker than others.

But no year is complete without its crises. And ours struck straight after the October election when **Wanganui Gas** declared itself in serious financial trouble. In short, it had locked itself into an uneconomic long-term gas supply contract – and had atomised any prospect of delivering their usual \$1.2 million dividend.

With our forestry investments in similar straits, the council was – and will continue to be – stretched in its budget. The next Ten Year Plan 2009-19 is going to be very interesting.

On a personal note, this year proved very tough, domestically, with my daughter Lucy's leukemia. The Wanganui community picked us up, and sustained my family at a time when we most needed it. I will remember 2007/08 for that one factor alone. Thank you.

This year also saw us bid **farewell to our chief executive, Dr David Warburton**. He was employed, in 2005, as a change agent – to radically reform and restructure the council. He achieved most of his aims, and opened the eyes of our senior managers to the concept that solutions do not need to emanate from local government, or the bureaucracy, to be solutions. We will miss him.

In summary, this has been a stellar, if challenging, year for the Wanganui District Council, its elected representatives and its staff. Independent reviews, and the 2007 election, illustrate that the wider community appreciates our endeavour. And that is the truest gauge of council's progress this past twelve months.



Michael Laws
Mayor

Organisational structure

Mayor & Councillors



Mayor
Michael Laws



Deputy Mayor
Cr Dot McKinnon



Cr Allan Anderson
Elected 16 February 2008



Cr Philippa Baker-
Hogan



Cr Barbara Bullock



Cr Randhir Dahya



Cr Nicki Higgle



Cr Marty Lindsay
Resigned 4 April 2008



Cr Danny Jonas



Cr Ray Stevens



Rob Vinsens
Elected 21 June
2008



Cr Rana Waitai



Cr Sue Westwood



Cr Rangi Wills

Wanganui Rural Community Board Members



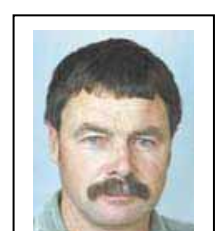
Chairman
Mr Andrew Collins



Deputy Chair
Mr Shaun Forlong



Mr Mark Lourie



Mr David Matthews



Mr Brian Maude
Elected 16 February 2008



Mr Peter Molan



Mr Alan Taylor

Councillors Anderson and Higgle are appointed by the Council to the Wanganui Rural Community Board.

Governance structure As at 30 June 2008

Council

**Presiding – Mayor Michael Laws
Deputy Mayor – Cr Dot McKinnon**

Committees

Community Development
Finance and Infrastructure
Hearings
Harbour

Chair

Cr Ray Stevens
Cr Dot McKinnon
Cr Sue Westwood
Cr Randhir Dahya

Deputy Chair

Cr Dot McKinnon
Cr Ray Stevens

Subcommittees, Working Parties etc

Youth

Tupoho working party
TamaUpoko Link
Bylaws working party
Council Chambers working party
Council/Iwi Taskforce on Youth
Wellbeing
International Events Centre
Kowhai Park
Referendum
UCOL/Old Town

Chair

Cr Danny Jonas

Decided at each meeting
Mr Barney Haami
Mayor Michael Laws
Mayor Michael Laws
Cr Barbara Bullock

Cr Philippa Baker-Hogan
Mayor Laws
Mayor Michael Laws
Cr Sue Westwood

Co-Deputy Chairs

Yth Cr Aidan Joblin-Mills
Yth Cr Jess Richards

Joint Committee

Wanganui District Councils' Forestry
Joint Committee

Chair

Mayor Michael Laws

Deputy Chair

Cr Dot McKinnon

Rural Community Board

Wanganui Rural Community Board

Chair

Mr Andrew Collins

Deputy Chair

Mr Shaun Forlong

Message from the Acting Chief Executive

This year has been a period of 'getting on with business' following the previous two years which saw a significant organisational restructure and the subsequent challenge of consolidating our activities and teams to accommodate those changes.

The year saw a continuation of refocusing the organisation, with a number of additional changes to the organisational structure. Also, a new Service Level Arrangement with the Wanganui Regional Museum has resulted in the staff reporting to the Museum's Joint Council.

During the 2007/08 year, the triennial election brought some new faces to the Council table but the Council's general philosophies have remained the same, allowing the organisation certainty in its direction and enabling management and staff to focus on delivering on the Council's policies.

We have made a number of changes designed to enhance our core activities. It was decided to bring the Council's economic development arm, Wanganui Inc, back in-house as the Council increases its focus on economic development and tourism. Although the Library and Sarjeant Gallery are physically remote from the Council's main building, relationships have been strengthened and there is now more interaction with the Queens Park cultural precinct. Both these initiatives have been beneficial in bringing the organisation closer together.

Projects

Our focus on projects to improve the quality of life and attractions of the district continued in 2007/08.

The riverfront boardwalk project was completed during the year and officially opened in September 2007. This area is now a key community asset and a popular attraction for residents and tourists. The project, designed by architect Mark Southcombe, of Praxis, has won the New Zealand Architecture Award for 2008 in the Urban Design Category.

Wanganui now has an upgraded Airport Terminal, officially opened in October 2007, with top-class facilities for residents and visitors who use the Airport. The Airport Terminal enhancement has subsequently won the New Zealand Airports Association's Regional Airport of the Year award for 2008. We are also continuing to develop an Airport precinct that can accommodate future commercial development.

The revamped and extended Splash Centre swimming complex was officially opened in April 2008. It has attracted great community support, providing improved recreational opportunities as well as sporting benefits. However, there have been a number of teething problems with the operation of the refurbished centre and we are continuing to work through those with the contractors and other specialists.

Construction of the wastewater treatment plant continued during the year, with the official opening in early September 2007. Work has been ongoing as there have been a number of problems to work through following commissioning.

Investigation into finding new sources of soft water continued, with work starting on the Stage 1 pilot bore construction programme. More work will be done in 2008/09, including underground drilling, water quality and volume assessments, geological and hydro-geological assessments. This will provide the information to start Stage 2.

The Council commenced a project to enhance the entranceways to Wanganui, with the aim of providing a more attractive first impression to visitors and travellers. The initial focus is on the southern entrance to the city, from the Marybank corner across the Cobham Bridge to the Heads Road/Liffiton Street roundabout, and also including Putiki Drive.

Work began on preparing project details and background information for topics to be included in Referendum '08. The referendum, to be held in December 2008, will include development of an Events Centre/Velodrome at Cooks Gardens, redevelopment of Kowhai Park, redevelopment of the Library (by either extension of the existing Davis Library or construction of a new building in the central city) and upgrading Mosston Road and extending Fitzherbert Avenue through to Mosston Road. Most of these projects have required a considerable amount of preparatory work during this year.

Council acknowledges that the success of these projects is due in part to the significant contributions received from many organisations and individuals within the community.

Operations

Operationally, we continued to focus on achieving our stated levels of service as well as striving to contribute to the Community Outcomes. While it has not always been possible to reach our objectives, generally we have kept on track, and in some cases have exceeded our targets. This provides certainty to the community about the services we provide. However, a review of levels of service is required as we face challenging financial circumstances and this may affect our future operations. A public consultation process on the levels of service the community expects, and is prepared to pay for, is anticipated to be carried out in early 2009.

The i-SITE Visitor Centre team picked up two major awards for its work during the year. It won the InterCity Award for Agent of the Year 2007/08 and the Interislander Award for most proactive North Island Agent 2007/08. This is the first time in the 15-year history of the annual awards that any i-SITE has won both major awards in the same year and reflects the dedication and hard work of the team.

During the year, there has been a significant focus on the policy and human resources areas. This has seen the policy team taking on an increased workload, including a review of the Council's bylaws and an extensive consultation process to update the Community Outcomes. We have also concentrated on improving our human resources functions by introducing new procedures, training and development and a commitment to developing an HR strategy for the long term.

Conclusion

The efforts of our staff, whatever their role, to deliver excellent customer service needs to be recognised. This is a priority for Council and we are proud of our team. I congratulate our staff on their work throughout the year and their commitment to providing the best service we can.

I would also like to acknowledge our elected representatives for the leadership they have provided through their governance role. To be able to meet the outcomes the community desires, it is essential for governance, management and staff to work closely together and this has been achieved throughout the year.



Kevin Ross
Acting Chief Executive

Statement of compliance and responsibility

For the year ended 30 June 2008

Compliance

The Council and management of Wanganui District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

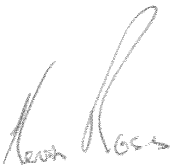
The Council and management accept responsibility for the preparation of the annual financial statements and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management, the annual financial statements for the year ended 30 June 2008 fairly reflect the financial position, results of operations and service performance achievements of Wanganui District Council.

Signatures



Mayor
Michael Laws



Acting Chief Executive
Kevin Ross

Statement of financial performance

For the year ended 30 June 2008

		Budget 2008 \$000	Council 2008 \$000	2007 \$000	Group 2008 \$000	2007 \$000
Income	Note					
Rates revenue	1	33,532	33,791	31,263	33,791	31,263
Finance income	2	800	1,381	1,311	1,554	1,387
Other revenue	3	28,218	21,900	32,792	66,284	65,692
Gains	4	-	548	2,067	548	2,319
<i>Total income</i>		62,550	57,620	67,433	102,176	100,661
Expenditure						
Personnel costs	5	10,651	10,909	10,782	14,072	13,013
Depreciation and amortisation expense		11,371	12,284	9,575	13,447	10,729
Finance costs	2	4,781	4,550	2,921	5,687	3,882
Other expenses	6	26,499	31,244	26,234	70,261	56,305
<i>Total operating expenditure</i>		53,302	58,987	49,512	103,467	83,929
Share of associate surplus/(deficit)		-	(9)	4	(9)	4
Surplus/(deficit) before tax		9,247	(1,377)	17,926	(1,300)	16,736
Income tax expense	7	-	(32)	(92)	(1,818)	(577)
Surplus/(deficit) after tax		9,247	(1,345)	18,018	518	17,313
Attributable to:						
Wanganui District Council		9,247	(1,345)	18,018	518	16,756
Minority interest		-	-	-	-	557
		9,247	(1,345)	18,018	518	17,313

Explanations of major variances against budget are detailed in note 35.

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2008

Note	Budget 2008 \$000	Council 2008 \$000	2007 \$000	Group 2008 \$000	2007 \$000
Balance at 1 July	585,644	638,238	571,895	639,931	574,555
Amounts recognised directly in equity					
Financial assets at fair value through equity	-	21	47	(34)	56
Revaluation gains/(losses)	-	107,714	47,914	107,938	47,914
<i>Net income recognised directly in equity</i>	-	107,735	47,961	107,904	47,970
Surplus/(deficit) for the year	9,247	(1,345)	18,018	518	17,313
<i>Total recognised income and expense</i>	9,247	106,390	65,979	108,422	65,283
Attributable to:					
Wanganui District Council	9,247	106,390	65,979	108,422	65,283
Capital injection from NZ Government for Airport	-	-	342	-	342
Introduction of equity from CCO's	-	(468)	22	24	14
Movements in minority interest	-	-	-	-	(263)
Balance at 30 June	23	744,160	638,238	748,377	639,931

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2008

		Budget 2008 \$000	Council 2008 \$000	2007 \$000	Group 2008 \$000	2007 \$000
Assets						
Current assets						
Cash and cash equivalents	8	2,725	11,967	6,943	13,153	7,838
Debtors and other receivables	9	6,721	5,759	7,520	9,622	10,579
Derivative financial instruments	13	-	-	-	102	-
Other financial assets	10	-	573	1,054	573	1,054
Inventories	11	360	187	250	510	600
Non-current assets held for sale	12	-	1,665	515	1,665	515
Taxation	7	-	-	-	138	194
<i>Total current assets</i>		9,806	20,151	16,282	25,763	20,779
Non-current assets						
Derivative financial instruments	13	-	387	784	387	1,034
Investments in associates	14	-	72	26	72	26
Other financial assets	10	12,092	13,425	14,117	2,878	3,229
Property, plant and equipment	15	636,135	782,321	660,305	810,063	684,432
Intangible assets	16	-	448	556	9,333	8,665
Forestry assets	17	5,563	3,962	5,656	3,962	5,656
Investment property	18	5,800	6,005	5,550	2,985	5,550
<i>Total non-current assets</i>		659,591	806,620	686,994	829,680	708,593
Total assets		669,397	826,770	703,276	855,443	729,372
Liabilities						
Current liabilities						
Creditors and other payables	20	5,288	12,410	12,066	16,996	15,861
Borrowings	21	-	9,114	8,746	14,120	8,754
Employee entitlements	22	1,500	1,365	1,504	1,571	1,663
<i>Total current liabilities</i>		6,788	22,889	22,316	32,688	26,278
Non-current liabilities						
Derivative financial instruments	13	-	470	-	470	-
Borrowings	21	67,516	57,868	41,982	68,894	57,614
Employee entitlements	22	203	372	111	379	111
Deferred tax liability	7	-	1,010	629	4,635	5,438
<i>Total non-current liabilities</i>		67,719	59,720	42,722	74,378	63,163
Total liabilities		74,507	82,610	65,038	107,065	89,441
Net assets		594,891	744,160	638,238	748,377	639,931
Equity	23					
Retained earnings		577,348	523,480	556,846	527,500	558,521
Restricted reserves		17,543	64,774	33,221	64,774	33,221
Revaluation reserves		-	155,628	47,914	155,852	47,914
Investment revaluation reserve		-	278	257	251	275
<i>Total equity attributable to WDC</i>		594,891	744,160	638,238	748,377	639,931
Total equity		594,891	744,160	638,238	748,377	639,931

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2008

	Budget 2008 \$000	Council 2008 \$000	2007 \$000	Group 2008 \$000	2007 \$000	
Cash flows from operating activities						
Receipts from rates revenue	33,532	33,315	31,263	33,566	31,263	
Interest received	800	1,314	1,351	1,487	1,427	
Dividends received	2,600	-	785	19	1	
Receipts from other revenue	25,651	23,096	30,787	66,576	65,235	
Payments to suppliers and employees	(37,150)	(38,481)	(33,688)	(80,687)	(65,774)	
Goods and services tax (net)	-	180	581	961	401	
Interest paid	(4,781)	(3,784)	(2,672)	(5,994)	(3,633)	
Income tax paid	-	413	-	1,070	(156)	
<i>Net cash from operating activities</i>	24	20,651	16,053	28,407	16,997	
Cash flows from investing activities						
Receipts from sale of property, plant and equipment	1,111	1,370	410	1,736	446	
Receipts from sale/maturity of investments	-	660	3,201	1,173	3,161	
Proceeds from sinking funds	-	-	13	-	13	
Purchase of property, plant and equipment/investments	(33,900)	(29,312)	(41,690)	(31,238)	(50,907)	
Purchase of intangible assets	-	-	(20)	-	(20)	
<i>Net cash from investing activities</i>		(32,789)	(27,282)	(38,086)	(28,329)	
Cash flows from financing activities						
Proceeds from borrowings	11,823	25,000	11,814	25,000	20,894	
Contributions from owners	-	-	365	-	365	
Repayment of borrowings	(327)	(8,746)	-	(8,354)	-	
Dividends paid	-	-	-	-	-	
<i>Net cash financing activities</i>		11,496	16,254	12,179	16,646	
Net (decrease)/increase in cash and cash equivalents		(642)	5,024	2,500	5,315	2,716
<i>Cash and cash equivalents at the beginning of the year</i>		3,367	6,943	4,443	7,838	5,122
Cash and cash equivalents at the end of the year	8	2,725	11,967	6,943	13,153	7,838

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

Statement of accounting policies

For the year ended 30 June 2008

REPORTING ENTITY

Wanganui District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Wanganui District Council group (WDC) consists of the ultimate parent Wanganui District Council and its subsidiaries, Wanganui District Council Holdings Limited (100% owned) which in turn owns 100% of Wanganui Gas Limited (WGL), Wanganui District Councils' Forestry Joint Committee (95.09%), Wanganui Airport Joint Venture (50%), Cooks Gardens Trust Board and Wanganui Incorporated. Its 49% equity share of New Zealand Masters Games Limited and its 33% interest in the Ruapehu, Wanganui, Rangitikei Economic Development Trust are both equity accounted. All WDC subsidiaries and associates are domiciled in New Zealand.

The primary objective of WDC is to provide goods or services for the community or social benefit rather than making a financial return.

Accordingly, WDC has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of WDC are for the year ended 30 June 2008. The financial statements were authorised for issue by Council on 21 October 2008.

BASIS OF PREPARATION

Statement of compliance

The financial statements of WDC have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of WDC is New Zealand dollars.

Changes in accounting policies

With the exception of the initial application of the NZ IAS 2 *Inventories* (NZ IAS 2) amendment and the change to WGL as explained below, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

In November 2007 the Accounting Standards Review Board approved an amendment to NZ IAS 2, which requires public benefit entities to measure inventory held for distribution at cost, adjusted when applicable for any loss of service potential. Prior to the amendment, public benefit entities were required to measure inventories held for distribution at the lower of cost and current replacement cost. Application of the amendment is mandatory for reporting periods beginning on or after 1 January 2008. WDC has elected to adopt the amended NZ IAS 2 early in accordance with its transitional provisions, which require WDC to account for the change in accounting policy prospectively from 1 July 2007.

WGL's customer acquisition programme has incurred unprecedented costs during the year relating to the marketing and switching activities. Accordingly, and in compliance with NZ IAS 38, WGL has chosen to value these customers as an intangible asset at the cost of acquisition less amortisation at the rate of 20% per annum. This has resulted in an intangible asset to the value of \$830,927 being the acquisition cost of \$934,983 less amortisation of \$104,056. The prior period information was not restated as the amounts involved are immaterial.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the WDC include:

- NZ IAS 1 *Presentation of Financial Statements (revised 2007)* replaces NZ IAS 1 *Presentation of Financial Statements (issued 2004)* and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared

characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standard gives the WDC the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). WDC intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

- NZ IAS 23 *Borrowing Costs (revised 2007)* replaces NZ IAS 23 *Borrowing Costs (issued 2004)* and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard will also require borrowing costs to be considered necessary adjustments to depreciated replacement cost carrying values will have flow on effects to depreciation expense. The WDC intends to adopt this standard for the year ended 30 June 2010 and has not yet quantified the potential impact of the new standard.
- NZ IFRS 3 *Business combinations (revised 2008)* and the amended NZ IAS 27 *consolidated and Separate Financial Statements* are effective for reporting periods beginning on or after 1 July 2009 and must be applied prospectively from that date. The main changes the revised NZ IFRS 3 and amended NZ IAS 27 will make to existing requirements or practice are:
 - Partial acquisitions – non controlling interests are measured either as their proportionate interest in the net identifiable assets (which is the original NZ IFRS 3 requirement) or at a fair value.
 - Step acquisitions – the requirement to measure at fair value every asset and liability at each step for the purposes of calculating a portion of goodwill has been removed. Instead, goodwill is measured as the difference at acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired.
 - Acquisition-related costs – acquisition-related costs are generally recognised as expenses (rather than included in the cost of acquisition).
 - Contingent consideration – contingent consideration must be recognised and measured at fair value at the acquisition date. Subsequent changes in fair value are recognised in accordance with other NZ IFRS's, usually in profit or loss (rather than by adjusting the cost of acquisition).

WDC will adopt the revised NZ IFRS 2 and amended NZ IAS 27 for the year ended 30 June 2010, which will impact on business combinations that occur on or after 1 July 2009.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Subsidiaries

WDC consolidates as subsidiaries in the group financial statements all entities where WDC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where WDC controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by WDC or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

WDC measures the cost of a business combination as the aggregate of the fair values, at the date of exchange of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over WDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If WDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the statement of financial performance.

Investments in subsidiaries are carried at cost in WDC's own "parent entity" financial statements.

Associates

WDC accounts for investments in associates in the group financial statements using the equity method. An associate is an entity over which the WDC has significant influence and that is neither a subsidiary nor an interest in a joint venture of WDC. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise WDC's share of the surplus or deficit of the associate after the date of acquisition. WDC's share of the surplus or deficit of the associate is recognised in WDC's statement of financial performance. Distributions received from an associate reduce the carrying amount of the investment.

If WDC's share of deficits of an associate equals or exceeds its interest in the associate, WDC discontinues recognising its share of further deficits. After WDC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that WDC has incurred legal or constructive obligations or made

payments on behalf of the associate. If the associate subsequently reports surpluses, WDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where WDC transacts with an associate, surplus or deficits are eliminated to the extent of WDC's interest in the relevant associate.

Investments in associates are carried at cost in WDC's own "parent entity" financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations, WDC recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of income that it earns from the joint venture.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Gas

Revenue is derived from gas network distribution services and the sale of energy and appliances. Such revenue is recognised when earned and is reported in the financial period to which it relates. Energy sales include an accrual for energy supplied but not billed at the end of the financial period.

Government grants

WDC receives government grants from Land Transport New Zealand, which subsidises part of WDC's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in WDC are recognised as income when control over the asset is obtained.

Sale of goods

Revenue from sales of goods is recognised when a product is sold to the customer.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Development contributions

Development and financial contributions are recognised as revenue when the council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time the Council provides or is able to provide, the service. Development contributions are classified as part of "Other revenue".

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where WDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the WDC's decision.

Income Tax

Income tax expense comprises both current and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect to prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, WDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Hire purchase receivables

Hire purchase and other long term debtors are recognised at amortised cost and exclude unearned interest. Interest is recognised on an accrual basis month by month.

Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of financial assets are recognised on trade-date, the date on which WDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the WDC has transferred substantially all the risks and rewards of ownership.

WDC classifies its financial assets into the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for

which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is categorised in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. WDC's financial assets at fair value through profit and loss include derivatives that are not designated as hedges.

After initial recognition they are measured at their fair values with gains or losses on remeasurement are recognised in the statement of financial performance.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. WDC's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, community and related party loans, long term receivables and hire purchase long term debtors.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Loans to community organisations made by WDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of financial performance as a grant.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that WDC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. WDC's held to maturity investments include interest bearing bonds (National Bank Subordinated Bonds, Government Indexed Bonds, and Toyota Bonds) and deposits and sinking funds.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. WDC's financial assets at fair value through equity comprise investments in quoted and unquoted shares. WDC includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These financial assets are: Unlisted shares in NZ Local Government Insurance Corporation Limited, Sarjeant Gallery NJ Young Fund with ABN Amro, listed shares in Vector Limited and listed shares in NZ Windfarm Limited.

WDC's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of financial assets

At each balance sheet date WDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

Loans and receivables

Impairment of a loan or a receivable is established when there is objective evidence that WDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the WDC will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and unquoted equity investments

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of financial performance) is removed from equity and recognised in the statement of financial performance. Impairment losses recognised in the statement of financial performance on equity investments are not reversed through the statement of financial performance.

Derivative financial instruments

WDC uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, WDC does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the statement of financial performance.

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

WGL inventories (comprising network and retail) are valued at the lower of cost or net realisable value after making provision for damaged or obsolete items. Cost is determined by the weighted average method of valuation.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the statement of financial performance in the period of the write-down.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are recorded at lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets – these include land, buildings, motor vehicles, plant and equipment and library books.

Restricted assets – these include artworks, cultural assets and parks and reserves. These assets provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – these include the fixed utility systems comprising the roading, airport runway, water reticulation and drainage systems, and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

The gas distribution network and gas measurement systems are valued at optimised depreciated replacement cost, adjusted by additions (at cost), disposals and depreciation. Revaluations are carried out every three years and are independently reviewed.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

WDC assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

WDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and art works, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset type	Useful life	Depreciation rate
Buildings and leasehold improvements	6 to 50 years	2-15%
Plant and equipment	3 to 25 years	4-33%
Motor vehicles	3 to 8 years	13-33%
Library books	10 years	10%
<i>Infrastructural assets</i>		
<i>Roading network</i>		
Pavement	12 years	8.3%
Basecourse	80 years	1.25%
Footpaths	50 years	2%
Bridges	100 years	1%
Kerb and channel	80 years	1.25%
Street lighting	50 years	2%
Culverts	60 years	1.6%
Wastewater system	20 to 120 years	1.2% - 5%
Water system	50 to 100 years	1% - 2%
Gas distribution network mains and services	10 to 100 years	1% - 10%
Gas distribution network condition renewals	50 years	2%
Gas measurement systems and distribution network customer stations	10 to 100 years	1% - 10%
Airport runway	50 years	2%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of WDC's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisition of associates is included in "investments in associates" and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by WDC, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Customer list

WGL has capitalised the cost of the acquisition of the gas and electricity customers gained during the financial year. These are valued at cost.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset type	Useful life	Amortisation rate
Computer software	3 years	33%
Customer list	5 years	20%

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated, replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber process, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the statement of financial performance.

The costs to maintain forestry assets are included in the statement of financial performance.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, WDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless WDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits that WDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at, balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

WDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that WDC anticipates it will be used by staff to cover those future absences.

WDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave; have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and the present value of the estimated future cash flows. The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Equity

Equity is the community's interest in WDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- retained earnings
- restricted reserves
- asset revaluation reserves
- fair value through equity reserves

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WDC.

Restricted reserves are those subject to specific conditions accepted as binding by WDC and which may not be revised by WDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

WDC's objectives, policies and processes for managing capital are described in note 35.

Goods and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by WDC for the preparation of the financial statements.

Landfill post-closure costs

WDC, as past operator of the Balgownie landfill, has a legal obligation under the resource consent to provide on-going monitoring of the landfill after its closure. Post-closure monitoring costs are recognised as expenses when the obligation for post-closure arises.

Cost allocation

WDC has derived the cost of service for each significant activity of WDC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Prior period error disclosure

WDC recognised an error in treatment of the water reticulation, sewerage reticulation and storm water system revaluation movement in the 2006/07 financial statements. The revaluation increment was incorrectly recognised as a fair value gain of \$47.913M in the statement of financial performance as at 30 June 2007. Under IAS 8 paragraph 42 (a) where a material prior period error is discovered, the entity shall correct the prior period error by restating the comparative amounts of the prior period.

To correct the prior period error in the 2007/08 financial statements:

- the gains recognised in the 2006/07 statement of financial performance have been reduced by \$47.913M reducing total income to \$67.433M (Group \$100.661M) and the surplus before tax to \$17.926M (Group \$16.736M) and after tax to \$18.018M (Group \$17.313M).
- The comparatives for net income in the statement of changes in equity, will reduce by \$47.913M to \$18.019M and the revaluation gains (losses) shown in the statement of changes in equity, increase to \$47.913M.
- The net surplus included in retained earnings for 2006/07 has been reduced by \$47.913M reducing the closing 2006/07 retained earnings balance to \$556.846M (Group \$558.521).
- An asset revaluation reserve has been recognised for wastewater system (\$41.183M) and water system (\$6.730M) totalling \$47.913M under the asset revaluation reserve in equity.

Critical accounting estimates and assumptions

In preparing these financial statements WDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

WDC infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset;
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then WDC could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk, WDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the WDC's asset management planning activities, which gives WDC further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

WGL infrastructural assets

At each balance date WGL reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires WGL to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by WGL, and expected disposal proceeds from the sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of financial performance, and carrying amount of the asset in the statement of financial position. WGL minimises the risk of this estimation uncertainty to its infrastructure assets by:

- an annual review by an independent contractor of the value of the infrastructure assets to determine if any material changes exist.
- physical inspection of assets
- asset replacement programs
- review of second hand market prices for similar assets
- analysis of prior assets sales; and
- completing a revaluation of the infrastructure assets every third year

WGL has not made significant changes to past assumptions concerning useful lives and residual values.

WGL's customer acquisition programme has incurred unprecedented costs during the year relating to the marketing and switching activities. Accordingly WGL has chosen to value these customers as an intangible asset at the cost of acquisition less amortisation at the rate of 20% per annum.

An incorrect estimate of the residual value will impact on the amortisable amount of an intangible asset impacting on the amortisation expense recognised in the statement of financial performance and the carrying amount of the intangible asset in the statement of financial position. WGL minimises the risk of this estimation uncertainty to its intangible assets by:

- an annual review of the value of the intangible assets to determine if any material changes exist.
- a review of any prices for trades of similar intangible assets.
- an annual review of the appropriateness of the amortisation rate.
- analysis of prior intangible asset sales.

Critical judgements in applying WDC's accounting policies

Management has exercised the following critical judgements in applying the WDC's accounting policies for the period ended 30 June 2008:

Classification of property

WDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

Notes to the financial statements

For the year ended 30 June 2008

1. Rates revenue

	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
CBD rate	408	360	408	360
General rate	7,849	7,134	7,849	7,134
Roading and footpath rates	5,099	5,033	5,099	5,033
Community facilities rate	8,146	7,857	8,146	7,857
Flood damage repair rate	650	()	650	()
Stormwater rate	3,632	3,506	3,632	3,506
Wastewater rate	3,336	3,316	3,336	3,316
Water charge	3,875	3,264	3,875	3,264
Fire capacity rate	796	795	796	795
Total rates revenue	33,791	31,263	33,791	31,263

Rates remissions

Rates revenue is shown net of rates remissions and includes penalties. WDC's rates remission and postponement policies allows WDC to remit rates on conditions of a ratepayer's extreme financial hardship, and only for those ratepayers of residential properties. The Council considers all applications on a case by case basis. There were no rates remissions in the 2008 financial year (2007 nil).

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under WDC's rates remission policy.

2. Finance income and finance costs

	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Finance income				
Interest income:				
- money market and term deposits	1,143	694	1,283	771
- related party loans	95	92	95	92
- local authority and government stock	15	30	15	30
- community loans	58	10	58	10
- other	70	484	103	484
<i>Total finance income</i>	1,381	1,311	1,554	1,387
Finance costs				
Interest expense:				
- interest on bank borrowings	4,528	2,881	5,665	3,842
- interest on finance leases	22	40	22	40
<i>Total finance costs</i>	4,550	2,921	5,687	3,882
Net finance costs	3,169	1,610	4,133	2,495

3. Other revenue

	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
User charges	7,275	6,886	7,275	6,886
Land Transport NZ subsidies	8,979	14,725	8,980	14,725
Regulatory revenue	1,843	1,532	1,843	1,532
Rental from investment properties	256	484	256	484
Infringements and fines	315	213	315	213
Rendering of services	345	389	345	389
Petrol tax	315	312	315	312
Vested assets	31	1,172	31	1,172
Dividend income	18	785	19	1
Development contributions	272	262	273	262
Subvention payment	(928)	1,828	-	-
Other government grants	209	789	243	1,100
Forestry Revenue	610	906	610	906
Other (includes trading income from Wanganui Gas Limited)	2,360	2,509	45,779	37,710
Total other revenue	21,900	32,792	66,284	65,692

WGL accrued a subvention payment to WDC in 2006/07, however, it was not paid or is payable. The amount was reversed in 2007/08.

There are no unfulfilled conditions and other contingencies attached to a Land Transport NZ subsidies or any government grant recognised.

Notes to the financial statements

For the year ended 30 June 2008

4. Gains

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Non-financial instruments				
Forestry asset revaluation gains (note 17)	-	514	-	514
Investment property revaluation gains (note 18)	377	770	377	770
Change in fair value of property, plant and equipment	-	-	-	3
<i>Total non-financial instruments gains</i>	377	1,283	377	1,286
Financial instruments				
Gains/(losses) from derivative financial instruments	-	784	-	1,033
Gains/(losses) from held-to-maturity investments	171	-	171	-
<i>Total financial instruments gains</i>	171	784	171	1,033
Total gains	548	2,067	548	2,319

5. Personnel costs

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Salaries and wages	10,787	10,317	13,821	12,539
Employer contributions to superannuation	-	-	9	9
Increase/(decrease) in employee entitlements/liabilities	122	465	242	465
Total personnel costs	10,909	10,782	14,072	13,013

6. Other expenses

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Fees to principal auditor:				
- audit fees for financial statement audit	159	132	232	212
- audit fees for NZ IFRS transition	-	25	-	40
- audit fees for LTCCP	-	14	-	14
- audit related fees for assurance services	-	-	6	6
Donations	1	-	1	-
Inventories expensed	-	-	1,007	1,064
General grants	530	335	530	335
Contractors	13,350	13,602	13,397	13,602
Insurance premiums	661	682	665	682
Directors' fees	-	-	218	211
Consultants and legal fees	2,873	2,747	2,956	2,747
Property, plant and equipment impairment (note 15)	-	-	-	-
Forestry asset revaluation losses (note 17)	1,044	-	1,044	-
Change in fair value of property, plant and equipment	581	-	581	-
Property, plant and equipment losses on disposal	366	-	386	-
Losses from derivative financial instruments	867	-	1,015	-
Impairment of receivables (note 9)	107	16	148	71
Minimum lease payments under operating leases	6	73	131	278
Forestry expenditure	1,000	1,156	1,000	1,156
Other operating expenses	9,699	7,452	46,944	35,887
Total other expenses	31,244	26,234	70,261	56,305

Notes to the financial statements

For the year ended 30 June 2008

7. Tax

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Components of tax expense				
Current tax expense	-	-	(122)	-
Deferred tax expense	(32)	(92)	(1,696)	(577)
Deferred tax on change in tax rate	-	-	-	-
Income tax expense	(32)	(92)	(1,818)	(577)
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	(1,377)	17,926	(1,300)	16,736
Tax at 33%	(454)	5,916	(429)	5,523
Non-deductible expenditure	582	(5,606)	(121)	(5,208)
Loss not recognised	240	(402)	240	(892)
Deferred tax adjustment	(400)	-	(1,508)	-
Tax expense	(32)	(92)	(1,818)	(577)

Council

A deferred tax asset has not been recognised in relation to tax losses of \$3,367,000.

Deferred tax liability

	Property, plant and equipment	Financial instruments & tax losses	Employee entitlements	Total
	\$000	\$000	\$000	\$000
Council				
Balance 1 July 2006	962	(238)	(3)	721
Charged to profit and loss	(99)	7	(1)	(93)
Charged to equity	-	-	-	-
Balance 30 June 2007	863	(231)	(4)	629
Charged to profit and loss	(10)	(21)	-	(32)
Charged to equity	413	-	-	413
Balance 30 June 2008	1,265	(252)	(4)	1,010
Group				
Balance 1 July 2006	6,316	(238)	(68)	6,010
Charge/(credit) to income	(88)	7	(1)	(82)
Charge/(credit) to equity	(488)	-	(3)	(491)
Balance 30 June 2007	5,740	(231)	(72)	5,438
Charged to profit and loss	(187)	(1,453)	(56)	(1,696)
Charged to equity	893	-	-	893
Balance 30 June 2008	6,446	(1,684)	(128)	4,635

Notes to the financial statements

For the year ended 30 June 2008

8. Cash and cash equivalents

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Cash at bank and on hand	6,967	6,943	8,153	7,838
Term deposits with maturities less than 3 months	5,000	-	5,000	-
Total cash and cash equivalents	11,967	6,943	13,153	7,838

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

The total value of cash and cash equivalents that can only be used for a specific purpose as outlined in the relevant trust deeds is \$nil (2007 \$nil).

9. Debtors and other receivables

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Rates receivables	1,431	1,179	1,431	1,179
Other receivables:				
- related party receivables (note 27)	470	1,029	-	-
- Land Transport NZ subsidies	244	1,490	244	1,490
- interest receivable	109	42	109	42
- other	4,592	4,836	8,979	8,988
Gross debtors and other receivables	6,846	8,575	10,763	11,699
Less provision for impairment	(1,087)	(1,055)	(1,141)	(1,120)
Total debtors and other receivables	5,759	7,520	9,622	10,579

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximate their fair value.

Impairment

WDC does not provide for any impairment on rates receivable (except Maori land) as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

These powers allow WDC to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then WDC can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$ nil (2007 \$nil).

The status of receivables as at 30 June 2008 and 2007 are detailed below:

	2008		
	Gross	Impairment	Net
	\$000	\$000	\$000
Council			
Not past due	3,954	-	3,954
Past due 1-60 days	329	(55)	274
Past due 61-120 days	523	(28)	495
Past due > 120 days	2,040	(1,004)	1,036
Total	6,846	(1,087)	5,759
Council			
Not past due	4,761	-	4,761
Past due 1-60 days	261	-	261
Past due 61-120 days	301	(110)	191
Past due > 120 days	3,252	(945)	2,307
Total	8,575	(1,055)	7,520

Notes to the financial statements

For the year ended 30 June 2008

	2008		Net \$000
	Gross \$000	Impairment \$000	
Group			
Not past due	7,784	(16)	7,768
Past due 1-60 days	355	(55)	300
Past due 61-120 days	534	(29)	505
Past due > 120 days	2,090	(1,041)	1,049
Total	10,763	(1,141)	9,622

	2007		Net \$000
	Gross \$000	Impairment \$000	
Group			
Not past due	8,078	(43)	8,035
Past due 1-60 days	280	-	280
Past due 61-120 days	312	(115)	197
Past due > 120 days	3,029	(962)	2,067
Total	11,699	(1,120)	10,579

The impairment provision has been calculated based on expected losses for WDC's pool of debtors. Expected losses have been determined based on an analysis of WDC's losses in previous periods, and review of specific debtors as detailed below:

	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Individual impairment	237	161	237	161
Collective impairment	850	894	904	959
Total provision for impairment	1,087	1,055	1,141	1,120

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are as follows:

	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Past due 1-60 days	55	-	55	-
Past due 61-120 days	29	111	29	111
Past due > 120 days	154	50	154	50
Total individual impairment	237	161	237	161

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
At 1 July	1,055	850	1,120	915
Additional provisions made during the year	139	221	185	276
Provisions reversed during the year	-	-	(19)	-
Receivables written-off during period	(107)	(16)	(148)	(71)
At 30 June	1,087	1,055	1,137	1,120

WDC holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Notes to the financial statements

For the year ended 30 June 2008

10. Other financial assets

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Current portion				
Term deposits with maturities of 4-12 months	-	1,000	-	1,000
Sinking funds	58	54	58	54
National Bank Subordinated Bonds	515	-	515	-
<i>Total current portion</i>	573	1,054	573	1,054
Non-current portion				
Community loans	65	76	65	76
Loans to related parties	-	-	-	-
Long term receivables	403	366	167	121
Hire purchase long term debtors	-	-	142	170
Loans to Gas Industry Company	-	-	-	13
National Bank Subordinated Bonds	-	515	-	515
Government Indexed Bonds	651	480	651	480
Toyota Bonds	989	989	989	989
Unlisted shares in NZ Local Government Insurance Corporation Limited	417	385	417	385
Sarjeant Gallery NJ Young Fund with ABN Amro	-	406	391	406
Listed shares in Vector Limited	-	-	10	14
Listed shares in NZ Windfarm Limited	-	-	46	60
Shares in subsidiary (at cost - WDCHL)	10,900	10,900	-	-
<i>Total non-current portion</i>	13,425	14,117	2,878	3,229
Total other financial assets	13,998	15,171	3,451	4,283

Fair value

Term Deposits

The carrying amounts of term deposits approximates their fair value \$nil (2007 \$1,000,00).

Local authority and government stock

The fair value of local authority and government stock is \$454,011 (2007 \$434,408). Fair value has been determined by using the inflation indexing already applied to the investment. The discount rates range between 4.5% (2007 4.5%).

Community loans

The fair value of community loans is their carrying value of \$65,142 (2007 \$75,742). The terms of the loans may be discretionary as a result of a Council decision.

Loans to related parties

The fair value and carrying amount of loans to related parties is \$nil (2007 \$nil).

Unlisted shares

The unlisted shares in NZ Local Government Insurance Corporation Limited are valued using the net assets of the company. Council considers this to be fair value at 30 June 2008.

Quoted shares

The fair values of listed shares are determined by reference to published current bid price quotation in an active market.

Sinking funds

Sinking funds are put aside for the repayment of loans and are held by the Wanganui District Council Sinking Fund Commissioners. Sinking fund investments are restricted in use to the repayment of associated borrowings.

The Sarjeant Gallery NJ Young Fund with ABN Amro is valued at market value. Council considers this to be fair value at 30 June 2008.

Impairment

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

Notes to the financial statements

For the year ended 30 June 2008

11. Inventories

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
<i>Held for distribution/Commercial inventories</i>				
Network	187	250	360	457
Appliances	-	-	150	143
Total inventories	187	250	510	600

Inventories are pledged as security for liabilities - \$319,217 (2007 \$342,672). There has been no write-down of commercial inventories to net realisable value (2007 \$nil).

12. Non-current assets held for sale

Non-current assets held for sale at 30 June are: 9 Karoro Road, 152 Somme Parade, 15 Karoro Road, 8 Gilmour Street and 57 Heads Road (City Freehold); and 181 Guyton Street (City Endowment).

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Land	1,663	134	1,663	134
Buildings	2	381	2	381
Total non-current assets held for sale	1,665	515	1,665	515

13. Derivative financial instruments

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Current asset portion				
Interest rate swaps - fair value hedges	-	-	102	-
	-	-	102	-
Non-current asset portion				
Interest rate swaps - fair value hedges	387	784	387	1,034
	387	784	387	1,034
Total derivative financial instrument assets	387	784	489	1,034
Current liability portion				
Interest rate swaps - fair value hedges	-	-	-	-
	-	-	-	-
Non-current liability portion				
Interest rate swaps - fair value hedges	470	-	470	-
	470	-	470	-
Total derivative financial instrument liabilities	470	-	470	-

Fair value

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for WDC were \$45,000,000 (2007 \$22,000,000) and for the WDC group were \$53,000,000 (2007 \$30,000,000). At 30 June 2008, the fixed interest rates of cash flow hedge interest rate swaps vary from 5.98% to 8.41% (2007 5.98% to 7.39%).

Notes to the financial statements

For the year ended 30 June 2008

14. Investments in associates

	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Ruapehu, Wanganui, Rangitikei Economic Development Trust (RED Trust)	6	17	6	17
Whanganui River Enhancement Charitable Trust (WRET)	61	-	61	-
New Zealand Masters Games Limited (NZMGL)	5	10	5	10
Total investments in associates	72	26	72	26

Movements in the carrying amount of investments in associates	2008	2007
	\$000	\$000
Balance at 1 July	26	-
New investments during the year	79	22
Disposal of investments during the year	-	-
Share of total recognised revenues and expenses	(33)	4
Share of dividend	-	-
Balance at 30 June	72	26

Summarised financial information of associate entities

	RED Trust	
	2008 \$000	2007 \$000
Assets	188	86
Liabilities	170	36
Revenues	416	704
Surplus/(deficit)	(12)	50
Group's interest	33%	33%

	WRET	
	2008 \$000	2007 \$000
Assets	297	-
Liabilities	113	-
Revenues	143	-
Surplus/(deficit)	(55)	-
Group's interest	33%	-

	NZMGL	
	2008 \$000	2007 \$000
Assets	10	22
Liabilities	-	2
Revenues	144	134
Surplus/(deficit)	(9)	8
Group's interest	49%	49%

All associates are not listed companies and, accordingly, there are no published price quotations to determine the fair value of the investments.

Notes to the financial statements For the year ended 30 June 2008

15. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

Council 2008	Cost/ revaluation 1/7/2007 \$000	Accumulated depreciation and impairment charges 1/7/2007 \$000	Carrying amount 1/7/2007 \$000	Current year additions \$000	Current year disposals \$000	Current year depreciation \$000	Transfers	Revaluation surplus \$000	Cost/ revaluation 30/6/2008 \$000	Accumulated depreciation and impairment charges 30/6/2008 \$000	Carrying amount 30/6/2008 \$000
Operational assets											
Land	29,704	-	29,704	105	(541)	(944)	(2,539)	39,199	65,928	-	65,928
Buildings	43,567	(1,830)	41,737	1,664	(718)	(944)	2,012	13,663	57,538	(124)	57,414
Plant, equipment and motor vehicles	7,030	(4,708)	2,322	1,275	(62)	(716)	-	-	8,243	(5,424)	2,819
Leased equipment	573	(170)	403	-	-	(228)	-	-	573	(398)	175
Furniture and fittings	2,442	(1,497)	945	117	-	(97)	-	-	2,554	(1,589)	965
Library books	3,532	(1,845)	1,687	300	-	(368)	-	-	3,240	(1,621)	1,619
Artworks	23,711	-	23,711	67	-	-	-	8,218	31,996	-	31,996
Capital work in progress	6,135	-	6,135	409	-	-	(4,685)	-	1,859	-	1,859
Total operational assets	116,694	(10,050)	106,644	3,937	(1,321)	(2,353)	(5,212)	61,080	171,931	(9,156)	162,775
Infrastructural assets											
Wastewater system	186,503	-	186,503	9,144	-	(4,023)	-	(8,326)	183,298	-	183,298
Water system	59,382	-	59,382	3,134	-	(1,471)	723	(4,943)	56,825	-	56,825
Roading network	285,304	(7,429)	277,875	8,475	-	(4,064)	-	36,301	318,587	-	318,587
Land under roads	6,966	-	6,966	-	-	-	1,009	-	7,975	-	7,975
Airport runway	2,953	(78)	2,875	-	-	(56)	-	(581)	2,238	-	2,238
Total infrastructural assets	541,108	(7,507)	533,601	20,753	-	(9,614)	1,732	22,451	568,923	-	568,923
Restricted assets											
Land	14,844	-	14,844	-	(413)	-	-	19,304	33,735	-	33,735
Buildings	5,436	(220)	5,216	4,773	(40)	(133)	2,360	4,712	16,888	(0)	16,888
Total restricted assets	20,280	(220)	20,060	4,773	(453)	(133)	2,360	24,016	50,623	(0)	50,623
Total property, plant and equipment	678,082	(17,777)	660,305	29,463	(1,774)	(12,100)	(1,120)	107,547	791,477	(9,156)	782,321

Notes to the financial statements For the year ended 30 June 2008

Group 2008	Cost/ revaluation 1/7/2007 \$000	Accumulated depreciation and impairment charges 1/7/2007 \$000	Carrying amount 1/7/2007 \$000	Current year additions \$000	Current year disposals \$000	Current year depreciation \$000	Transfers \$000	Revaluation surplus \$000	Cost/ revaluation 30/6/2008 \$000	Accumulated depreciation and impairment charges 30/6/2008 \$000	Carrying amount 30/6/2008 \$000
Operational assets											
Land	29,704	-	29,704	105	(541)	(975)	(2,539)	39,199	65,928	-	65,928
Buildings	44,301	(2,382)	41,919	1,714	(738)	(874)	2,034	13,663	58,323	(706)	57,617
Plant, equipment and motor vehicles	8,566	(5,679)	2,887	1,442	(62)	(874)	(31)	-	10,123	(6,761)	3,362
Leased equipment	652	(232)	420	-	-	(240)	-	-	652	(472)	180
Furniture and fittings	2,553	(1,578)	975	119	-	(108)	9	-	2,680	(1,685)	995
Library books	3,532	(1,845)	1,687	300	-	(368)	-	-	3,240	(1,621)	1,619
Art work	23,711	-	23,711	67	-	-	-	8,218	31,996	-	31,996
Capital work in progress	6,135	-	6,135	409	-	-	(4,685)	-	1,859	-	1,859
Total operational assets	119,154	(11,716)	107,438	4,156	(1,341)	(2,565)	(5,212)	61,080	174,801	(11,245)	163,556
Infrastructural assets											
Wastewater system	186,503	-	186,503	9,144	-	(4,023)	-	(8,326)	183,298	-	183,298
Water system	59,382	-	59,382	3,134	-	(1,471)	723	(4,943)	56,825	-	56,825
Roading network	285,304	(7,429)	277,875	8,475	-	(4,064)	-	36,301	318,587	-	318,587
Land under roads	6,966	-	6,966	-	-	-	1,009	-	7,975	-	7,975
Airport runway	2,954	(78)	2,875	-	-	(56)	-	(581)	2,238	-	2,238
Gas network infrastructure	24,806	(1,473)	23,334	689	-	(789)	-	706	26,201	(2,261)	23,940
Total infrastructural assets	565,915	(8,980)	556,935	21,442	-	(10,403)	1,732	23,157	595,124	(2,261)	592,863
Restricted assets											
Land	14,844	-	14,844	-	(413)	-	3,020	19,304	36,755	-	36,755
Buildings	5,436	(220)	5,216	4,773	(40)	(132)	2,360	4,712	16,889	()	16,889
Total restricted assets	20,280	(220)	20,060	4,773	(453)	(132)	5,380	24,016	53,644	()	53,644
Total property, plant and equipment	705,349	(20,916)	684,433	30,371	(1,794)	(13,100)	1,900	108,253	823,569	(13,506)	810,063

Notes to the financial statements For the year ended 30 June 2008

	Cost/ revaluation 1/7/2006 \$000	Accumulated depreciation and impairment charges 1/7/2006 \$000	Carrying amount 1/7/2006 \$000	Current year additions \$000	Current year disposals \$000	Current year depreciation \$000	Transfer \$000	Revaluation surplus \$000	Cost/ revaluation 30/6/2007 \$000	Accumulated depreciation and impairment charges 30/6/2007 \$000	Carrying amount 30/6/2007 \$000
Council 2007											
Operational assets											
Land	28,153	-	28,153	19	(10)	(925)	1,554	(13)	29,704	-	29,704
Buildings	44,640	(948)	43,692	679	(38)	(777)	(1,673)	-	43,567	(1,830)	41,737
Plant, equipment and motor vehicles	6,446	(3,974)	2,472	627	-	(170)	-	-	7,030	(4,708)	2,322
Leased equipment	573	-	573	-	-	(81)	-	-	573	(170)	403
Furniture and fittings	2,280	(1,419)	861	165	-	(368)	-	-	2,442	(1,497)	945
Library books	3,544	(1,788)	1,755	300	-	-	-	-	3,532	(1,845)	1,687
Art work	23,507	-	23,507	204	-	-	-	-	23,711	-	23,711
Capital work in progress	-	-	-	6,135	-	-	-	-	6,135	-	6,135
Total operational assets	109,143	(8,131)	101,013	8,129	(48)	(2,321)	(119)	(13)	116,694	(10,050)	106,644
Infrastructural assets											
Wastewater system	128,337	(2,181)	126,156	21,465	-	(2,301)	-	41,183	186,503	-	186,503
Water system	51,423	(699)	50,724	2,657	-	(731)	-	6,731	59,382	-	59,382
Roading network	273,205	(3,600)	269,605	12,099	-	(3,829)	-	-	285,304	(7,429)	277,875
Land under roads	6,966	-	6,966	-	-	-	-	-	6,966	-	6,966
Airport runway	2,449	(34)	2,415	504	-	(44)	-	-	2,954	(78)	2,875
Total infrastructural assets	462,380	(6,514)	455,866	36,725	-	(6,905)	-	47,914	541,108	(7,507)	533,601
Restricted assets											
Land	15,206	-	15,206	-	(362)	-	-	-	14,844	-	14,844
Buildings	5,389	(111)	5,278	46	-	(108)	-	-	5,436	(220)	5,216
Total restricted assets	20,595	(111)	20,484	46	(362)	(108)	-	-	20,280	(220)	20,060
Total property, plant and equipment	592,117	(14,754)	577,363	44,900	(410)	(9,334)	(119)	47,901	678,082	(17,777)	660,305

Notes to the financial statements For the year ended 30 June 2008

Group 2007	Cost/ 1/7/2006 \$000	Accumulated 1/7/2006 \$000	Carrying 1/7/2006 \$000	Current year \$000	Current year \$000	Transfer \$000	Revaluation \$000	Cost/ 30/6/2007 \$000	Accumulated 30/6/2007 \$000	Carrying 30/6/2007 \$000
Operational assets										
Land	28,153	-	28,153	19	(10)	1,554	(13)	29,704	-	29,704
Buildings	45,366	(1,471)	43,895	687	(38)	(1,673)	-	44,301	(2,382)	41,919
Plant, equipment and motor vehicles	7,872	(4,834)	3,038	774	(36)	-	-	8,566	(5,679)	2,887
Leased equipment	652	(50)	602	-	-	-	-	652	(232)	420
Furniture and fittings	2,384	(1,491)	893	172	-	-	-	2,553	(1,578)	975
Library books	3,544	(1,788)	1,755	300	-	-	-	3,532	(1,845)	1,687
Art work	23,507	-	23,507	204	-	-	-	23,711	-	23,711
Capital work in progress	-	-	-	6,135	-	-	-	6,135	-	6,135
Total operational assets	111,478	(9,634)	101,842	8,291	(84)	(119)	(13)	119,154	(11,716)	107,438
Infrastructural assets										
Wastewater system	128,337	(2,181)	126,156	21,465	-	-	41,183	186,503	-	186,503
Water system	51,423	(699)	50,724	2,657	-	-	6,731	59,382	-	59,382
Roading network	273,205	(3,600)	269,605	12,099	-	-	-	285,304	(7,429)	277,875
Land under roads	6,966	-	6,966	-	-	-	-	6,966	-	6,966
Airport runway	2,449	(34)	2,415	504	-	-	-	2,954	(78)	2,875
Gas network infrastructure	23,949	(734)	23,215	857	-	-	-	24,806	(1,473)	23,333
Total infrastructural assets	486,329	(7,248)	479,081	37,582	-	-	47,914	565,914	(8,980)	556,934
Restricted assets										
Land	15,206	-	15,206	-	(362)	-	-	14,844	-	14,844
Buildings	5,389	(111)	5,278	46	-	-	-	5,436	(220)	5,216
Total restricted assets	20,595	(111)	20,484	46	(362)	-	-	20,280	(220)	20,060
Total property, plant and equipment	618,402	(16,993)	601,408	45,919	(446)	(119)	47,901	705,349	(20,916)	684,432

The following assets with an opening carrying amount of zero have also been disposed of: Library books \$312,000, Plant, equipment and vehicles \$43,000 and Buildings \$41,000. This is reflected in the closing cost/revaluation and accumulated depreciation amounts.

Notes to the financial statements

For the year ended 30 June 2008

15. Property, plant and equipment (continued)

Valuation

Operational and restricted land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Mr DJ Gadsby, Bycroft Petherick, Valuers and the valuation is effective as at 30 June 2008.

Infrastructural asset classes: roads, airport runway, water system, sewerage reticulation, stormwater system and gas distribution network
At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date WDC assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. The most recent valuation of roading assets was performed by Opus International Consultants Ltd (Wanganui), as at 30 June 2008. The valuation of the water reticulation, wastewater reticulation and stormwater systems and airport assets was undertaken by Robin Mackie (an employee of the WDC), NZCE, Member of NZWWA, at 30 June 2008. John Vessey, of Opus International Consultants Ltd (Wellington), has confirmed the methodology. It is WDC's policy to revalue roading and airport infrastructure assets every three years and the water reticulation, wastewater reticulation and stormwater systems annually.

The distribution network of WGL is valued at depreciated replacement cost, as at 30 June 2008 by Geoff Evans, BE (Mech) - Network Manager and reviewed in accordance with NZ IAS 16 by Bruce Wattie, CA, BCA, Partner - Financial Advisory Services, of PricewaterhouseCoopers, and James Coe BSC, BE (Electrical), MBA, and member of IPENZ - Director, JT Consulting Limited and a NZ IFRS/ODV review by Guenter Wabnitz, Dip Ing, CPEng, MIPENZ, Principal Consultant Gas and Clean Fuels, Maunsell Limited. The network is revalued on a three yearly cycle.

Land under roads

Land under roads was valued at 30 June 2003 and this valuation is considered deemed cost. Under NZ IFRS WDC has elected to use the fair value of land under roads as at 30 June 2003 as deemed cost. Land under roads is no longer revalued.

Art collection

The art collection of the Sarjeant Gallery has been valued by Mr James Parkinson of Art + Object; Christies of London and Mr Greg Anderson, Curator, Sarjeant Gallery on 30 June 2008. This is considered deemed cost. Subsequent additions are shown at cost.

Total fair value of property, plant and equipment valued by each valuer

	Council 2008 \$000	Group 2008 \$000
Mr James Parkinson, Art + Object, Auckland	10,758	10,758
Christies of London, London	8,658	8,658
Mr Greg Anderson, Curator, Sarjeant Gallery, Wanganui	12,514	12,514
Mr Robin Mackie, Wanganui District Council, Wanganui	232,585	232,585
Opus International Consultants Ltd, Wanganui	320,957	320,957
Mr DJ Gadsby, Bycroft Petherick Ltd, Wanganui	5,965	5,965
Mr BE Evans, Network Manager, Wanganui Gas Ltd, Wanganui	-	26,201
Mr KD Pawson, Pawson Property Solutions Ltd, (trading as Morgans Property Advisors), Wanganui	172,386	172,386

Impairment

No impairment losses have been booked for the year ended 30 June 2008 (2007 \$nil).

Work in progress

The total amount of property, plant and equipment in the course of construction is \$2,585,000 (2007 \$6,135,000).

Leasing

The net carrying amount of plant and equipment held under finance leases is \$55,155 (2007 \$403,000).

Notes to the financial statements

For the year ended 30 June 2008

16. Intangible assets

	Council computer software \$000	Group other \$000	Group goodwill \$000	Group total \$000
Movements for each class of intangible asset are as follows:				
Balance at 1 July 2007				
Cost	1,665	730	8,000	10,395
Accumulated amortisation and impairment	(1,109)	(621)	-	(1,730)
Opening carrying amount	556	109	8,000	8,665
Year ended 30 June 2008				
Additions	75	941	-	1,016
Amortisation charge	(183)	(164)	-	(347)
Closing carrying amount	(108)	777	-	669
Balance at 30 June 2008				
Cost	1,740	1,671	8,000	11,411
Accumulated amortisation and impairment	(1,292)	(786)	-	(2,078)
Closing carrying amount	448	885	8,000	9,333
Balance at 1 July 2006				
Cost	1,645	674	8,000	10,319
Accumulated amortisation and impairment	(867)	(522)	-	(1,389)
Opening carrying amount	778	152	8,000	8,930
Year ended 30 June 2007				
Additions	20	57	-	77
Amortisation charge	(242)	(99)	-	(341)
Closing carrying amount	(222)	(43)	-	(265)
Balance at 30 June 2007				
Cost	1,665	730	8,000	10,395
Accumulated amortisation and impairment	(1,109)	(621)	-	(1,730)
Closing carrying amount	556	109	8,000	8,665

There are no restrictions over the title of WDC's intangible assets, nor are any intangible assets pledged as security for liabilities.

Impairment

Goodwill

Goodwill arises on consolidation of Wanganui Gas Limited in the books of Wanganui District Council Holdings Limited.

Notes to the financial statements

For the year ended 30 June 2008

17. Forestry assets

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Balance at 1 July	5,656	5,901	5,656	5,901
Increases due to purchases	-	-	-	-
Gains/(losses) arising from changes in fair value	(1,044)	527	(1,044)	527
Gains/(losses) arising from physical changes	-	-	-	-
Decreases due to sales	-	-	-	-
Decreases due to harvest	(650)	(771)	(650)	(771)
	-	-	-	-
Balance at 30 June	3,962	5,656	3,962	5,656

Through its investment in the Wanganui District Councils' Forestry Joint Committee, WDC owns 1,080 hectares of pinus radiata forest, which are at varying stages of maturity ranging from 6 to 26 years.

Valuation assumptions

Independent registered valuers Alan Bell and Associates have valued forestry assets as at 30 June 2008. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- a pre-tax discount rate of 8% (2007 8%) has been used in discounting the present value of expected cash flows;
- notional land rental costs have been included for freehold land;
- the forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis;
- no allowance for inflation has been provided;
- costs are current average costs. No allowance has been made for cost improvements in future operations; and
- log prices are based on a 3 year historical rolling average.

Financial risk management strategies

WDC is exposed to financial risks arising from changes in timber process. WDC is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. WDC reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Fire - All forest estate is insured for loss from fire based on the latest valuation from Alan Bell, Registered Forest Consultant. On site mitigation includes updating the Rural Fire Authority and neighbours on access and risk issues, contacts and procedures. It also includes maintaining maps of water supplies and access to such. During the Fire Season (1 October to 30 April) the Fire Weather Index is monitored and on site operations curtailed or cancelled depending on extent of risk. All contractors must have operative fire plans and be fully covered for insurance.

Tree Health - Regular surveillance with a defined procedure to have samples analysed at ENSIS (Forest Research) for any suspicious fungal or insect damage.

Pestilence - Control of animal and plant pests is ongoing. Uncontrolled, they can cause damage or mortality to the crop. Animal control is focused on goats and hares at establishment and possums in mid rotation. Plant pests are focused on new "invaders" with liaison and reporting to the Regional Council's Plant Pest division.

Security - All properties have secured access available only to registered key holders. Contractors and other forest users are given full briefings for health and safety reasons and to avoid any third party claims.

Harvesting - Local, national and international prices, transport costs and supply and demand are monitored to be aware of impending sudden decreases or potential increases in prices. If the latter occurs, production levels may be increased. All contracts have a 3 month exit clause or sooner by agreement. Access roads are established at least 6 months in advance of harvesting to allow them to stabilise in order to prevent collapse during operations. If this happens, timber may be isolated and lose quality. A bond is held with BNZ for the current harvesting agent, John Turkington Limited, to cover one month's harvesting if payment is in default. At present this is \$112,000 (2007 \$112,000).

Notes to the financial statements

For the year ended 30 June 2008

18. Investment property

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Balance at 1 July	5,550	5,800	5,550	5,800
Additions from acquisitions	78	2,830	78	2,830
Disposals/Transfers	-	(3,555)	(3,020)	(3,555)
Fair value gains/(losses) on valuation (note 4)	377	475	377	475
Balance at 30 June	6,005	5,550	2,985	5,550

WDC's investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuation was performed by Bycroft Petherick Limited - Engineers, Valuers and Arbitrators. Bycroft Petherick is an experienced valuer with extensive market knowledge in the types of investment properties owned by WDC.

Contractual obligations in relation to investment properties at balance date but not recognised in the financial statements are as follows:

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Rental income	256	484	256	484
Expenses from investment property generating income	(191)	(124)	(191)	(124)
Expenses from investment property not generating income	-	-	-	-
Contractual obligations for capital expenditure	-	-	-	-
Contractual obligations for operating expenditure	-	-	-	-

19. Joint ventures

WDC has a 50/50 joint venture with the Crown to operate the Wanganui Airport. WDC's interest in the jointly controlled operation is as follows:

	Council and Group	
	2008	2007
	\$000	\$000
Current assets	23	23
Non-current assets	4,296	4,296
Current liabilities	45	45
Non-current liabilities	947	947
Income	104	104
Expenses	171	171

WDC has an interest in the Wanganui District Councils' Forestry Joint Committee. WDC's share is 95.09%. WDC's interest in the jointly controlled operation is as follows:

	Council and Group	
	2008	2007
	\$000	\$000
Current assets	364	722
Non-current assets	7,247	8,941
Current liabilities	97	29
Non-current liabilities	-	319
Income	643	1,469
Expenses	2,044	1,156

Joint venture commitments and contingencies

Details of any commitments and contingencies arising from the group's involvement in the joint ventures are disclosed separately in notes 25 and 26.

Notes to the financial statements

For the year ended 30 June 2008

20. Creditors and other payables

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Trade payables	7,048	6,793	11,064	9,559
Deposits and bonds	3,813	3,762	3,813	5,320
Accrued expenses	230	480	951	-
Amounts due to related parties (note 27)	151	48	-	-
Rates in advance	354	321	354	321
Accrued interest payable	814	661	814	661
Total creditors and other payables	12,410	12,066	16,996	15,861

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

Notes to the financial statements

For the year ended 30 June 2008

21. Borrowings

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Current portion				
Secured loans	9,007	8,518	14,007	8,518
Finance leases	107	228	113	236
<i>Total current portion</i>	9,114	8,746	14,120	8,754
Non-current portion				
Secured loans	57,800	41,807	68,818	57,425
Finance leases	68	175	76	189
<i>Total non-current borrowings</i>	57,868	41,982	68,894	57,614
Total borrowings	66,982	50,728	83,014	66,368

Secured loans

WDC's secured debt of \$66,807,000 (2007 \$50,325,000) is mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bill rate plus a margin of 0.13-0.77% for credit risk.

Security

Council loans are secured over rates revenue or property. There has been no variation to the Liability Management Policy during the 2007/08 year.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Fair values of non-current borrowings

The carrying amounts and the fair values of non-current borrowings are as follows:

	Carrying amounts		Fair values	
	2008	2007	2008	2007
Secured loans (Council)	66,807	50,325	45,588	32,751

The fair values are based on cash flows discounted using a rate based on the borrowing rates ranging from of 6.55% to 10.50% (2007 5.00% to 10.50%).

The carrying amounts of borrowings repayable within one year approximate their fair value, as the impact of discounting is not significant.

Analysis of finance leases

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Total minimum lease payments are payable				
Not later than one year	117	250	123	260
Later than one year and not later than five years	72	190	78	198
Later than five years	-	-	8	10
<i>Total minimum lease payments</i>	190	440	210	468
Future finance charges	(15)	(37)	(21)	(43)
<i>Present value of minimum lease payments</i>	175	403	189	425
Present value of minimum lease payments payable				
Not later than one year	107	228	113	236
Later than one year and not later than five years	68	175	76	189
Later than five years	-	-	-	-
<i>Total present value of minimum lease payments</i>	175	403	189	425
Represented by:				
Current	107	228	113	236
Non-current	68	175	76	189
Total finance leases	175	403	189	425

Description of material leasing arrangements

WDC has entered into finance leases for various items of plant and equipment. The net carrying amount of the leased items within each class of property, plant and equipment is shown in note 15.

The finance leases can be renewed at WDC's option, with rents set by reference to current market rates for items of equivalent age and condition. WDC does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on WDC by any of the finance leasing arrangements.

Notes to the financial statements

For the year ended 30 June 2008

22. Employee entitlements

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	207	170	207	170
Annual leave	1,030	899	1,217	1,059
Retirement and long service leave	64	318	83	318
Sick leave	64	117	64	117
<i>Total current portion</i>	1,365	1,504	1,571	1,663
Non-current portion				
Retirement and long service leave	372	111	379	111
<i>Total non-current portion</i>	372	111	379	111
Total employee entitlements	1,737	1,615	1,950	1,775

Notes to the financial statements

For the year ended 30 June 2008

23. Equity

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Retained earnings				
Balance at 1 July	556,846	532,172	558,521	531,415
Transfers (to)/from restricted reserves	(31,553)	6,292	(31,553)	6,292
Transfer of minority interest	-	-	-	3,145
Introduction of equity from CCO's	55	22	14	14
Capital injection from NZ Govt for Airport	-	342	-	342
Remove Sarjeant equity from Council to Group	(523)	-	-	-
Surplus/(deficit) for the year	(1,345)	18,018	518	17,313
Balance at 30 June	523,480	556,846	527,500	558,521
Restricted reserves				
Balance at 1 July	33,221	39,513	33,221	39,513
Transfers (to)/from retained earnings	31,553	(6,292)	31,553	(6,292)
Balance at 30 June	64,774	33,221	64,774	33,221
Restricted reserves consist of:				
- Trusts and bequests				
- Self funding insurance				
Asset revaluation reserves				
Balance at 1 July	47,914	-	47,914	-
Revaluation gains/(losses)	108,128	47,914	108,832	47,914
Deferred tax on revaluation	(414)	-	(893)	-
Balance at 30 June	155,628	47,914	155,853	47,914
Asset revaluation reserves consist of:				
Operational assets:				
- land	39,199	-	39,199	-
- buildings	13,250	-	13,250	-
- library books	-	-	-	-
- Artworks	8,218	-	8,218	-
Infrastructural assets:				
- wastewater system	32,857	41,183	32,857	41,183
- water system	1,788	6,731	1,788	6,731
- roading network	36,301	-	36,301	-
- Airport runway	-	-	-	-
- gas network infrastructure	-	-	225	-
Restricted assets:				
- land	19,304	-	19,304	-
- buildings	4,712	-	4,712	-
Balance at 30 June	155,628	47,914	155,852	47,914
Fair value through equity reserve				
Balance at 1 July	257	210	275	219
Valuation gains/(losses) taken to equity	32	47	(24)	56
Remove Sarjeant equity from Council to Group	(10)	-	-	-
Transfers to statement of financial performance on disposal	-	-	-	-
Balance at 30 June	278	257	251	275
Minority interest				
Balance at 1 July	-	-	-	3,408
Profit attributable to minority interest	-	-	-	-
Transfer to retained earnings	-	-	-	(3,145)
Distribution to owners	-	-	-	(263)
Balance at 30 June	-	-	-	-

Notes to the financial statements

For the year ended 30 June 2008

24. Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Surplus/(deficit) after tax	(1,345)	65,932	518	65,227
Add/(less) non-cash items				
Share of associate surplus/(deficit)	(9)	4	(9)	4
Depreciation and amortisation expense	12,284	9,575	13,447	10,729
Vested assets	(31)	(1,172)	(31)	(1,172)
(Gains)/losses in fair value of biological assets	1,044	(514)	1,044	(514)
(Gains)/losses in fair value of investment property	(377)	(770)	(377)	(770)
(Gains)/losses on derivative financial instruments	867	(784)	386	(1,033)
(Gains)/losses from held-to-maturity investments	(171)	-	(171)	-
Other non-cash items	1,133	(97)	(611)	(848)
	14,740	6,243	13,678	6,396
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	366	(47,914)	386	(47,917)
	366	(47,914)	386	(47,917)
Add/(less) movements in working capital items				
Accounts receivable	1,562	433	156	1,979
Inventories	64	237	90	229
Accounts payable	405	3,490	1,901	2,864
Employee benefits	261	(14)	268	(14)
	2,292	4,146	2,415	5,058
Net cash inflow/(outflow) from operating activities	16,053	28,407	16,997	28,764

Notes to the financial statements

For the year ended 30 June 2008

25. Capital commitments and operating leases

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Capital commitments				
Property, plant and equipment	12,996	17,911	12,996	17,911
Intangible assets	-	-	-	-
Investment property	-	-	-	-
Total capital commitments	12,996	17,911	12,996	17,911

There are no capital commitments in relation to the WDC's interest in the Forestry joint venture or Airport joint venture.

Operating leases as lessee

WDC leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Not later than one year	60	51	60	51
Later than one year and not later than five years	12	72	12	72
Later than five years	-	-	-	-
Total non-cancellable operating leases	72	123	72	123

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2007 \$nil).

Lease can be renewed at WDC's option, with rents set by reference to current market rates for items of equivalent age and condition. WDC does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on WDC by any of the leasing arrangements.

WDC has a lease with Ocean Terminals Limited which provides for the rents from Harbour Endowment properties to be paid to the company. WDC pays to the company the net amount of the rents for the current year after deducting costs incurred.

WDC's financial statements include lease expenditure of \$46,214 (2007 \$48,467). The lease expenditure is for vehicles and plant.

Notes to the financial statements

For the year ended 30 June 2008

Operating leases as lessor

WDC leases its investment property under operating leases. The majority of these leases have a non-cancellable term of 36 months, with the exception of two leases that have a non-cancellable term of 72 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Not later than one year	1,248	1,339	1,248	1,339
Later than one year and not later than five years	1,786	2,847	1,786	2,847
Later than five years	690	876	690	876
Total non-cancellable operating leases	3,724	5,062	3,724	5,062

No contingent rents have been recognised in the statement of financial performance during the period.

26. Contingencies

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Litigation	160	100	160	100
Building Act claims	100	-	100	-
Financial guarantees	-	-	-	-
Network guarantee	-	-	388	388
Guarantees	-	-	-	-
Other legal proceedings	-	-	-	-
Total contingent liabilities	260	100	648	488

Notes to the financial statements

For the year ended 30 June 2008

27. Related party transactions

WDC is the ultimate parent of the group and controls six entities, being Wanganui District Council Holdings Limited, which in turn owns Wanganui Gas Limited, Wanganui Incorporated, Wanganui Airport Joint Venture, Cooks Gardens Trust Board, The Sarjeant Gallery Trust and Wanganui District Councils' Forestry Joint Committee.

Related party transactions with subsidiaries, joint ventures or associates

	Council	
	2008	2007
	\$000	\$000
Wanganui Gas Limited		
Services provided by WDC	293	336
Services provided to WDC	84	250
Loans payable to WDC	-	1,100
Accounts payable to WDC	34	67
Accounts receivable from WDC	44	28
Wanganui District Council Holdings Limited		
Services provided by WDC	-	-
Services provided to WDC	186	186
Accounts payable to WDC	-	-
Wanganui Incorporated		
Services provided by WDC	-	-
Services provided to WDC	95	940
Loans payable to WDC	61	-
Accounts payable to WDC	341	-
Accounts receivable from WDC	107	20
Wanganui Joint Venture Airport (50% JV)		
Services provided by WDC	32	20
Services provided to WDC	8	-
Loans payable to WDC	195	1,509
Cooks Gardens Trust Board		
Services provided by WDC	38	-
Services provided to WDC	-	65
Loans payable to WDC	235	245
Accounts payable to WDC	68	68
The Sarjeant Gallery Trust		
Services provided by WDC	601	601
Services provided to WDC	41	-
Loans payable to WDC	-	-
Accounts payable to WDC	-	-
Wanganui District Council Forestry Joint Committee (95.09% JV)		
Interest paid to WDC	-	-
Services provided by WDC	30	-
Services provided to WDC	-	-
Loans receivable from WDC	-	-
Loans payable to WDC	4	-
Accounts payable to WDC	27	-
Accounts receivable from WDC	-	-
Ruapehu, Wanganui, Rangitikei Economic Development Trust (33% associate)		
Contribution from WDC	43	48
Whanganui River Enhancement Charitable Trust (33% associate)		
Contribution from WDC	-	-
New Zealand Masters Games Limited (49% associate)		
Contribution from WDC	5	5

Notes to the financial statements

For the year ended 30 June 2008

Transactions with key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the WDC (such as payment of rates, purchase of rubbish bags etc).

WDC purchased contracting services from B Bullock and Co in which Councillor Barbara Bullock's spouse has a shareholding. The value of these services was \$1,675,897 (2007 \$1,670,734). These services were supplied on normal commercial terms. There is a balance of \$249,793 (2007 \$229,725) outstanding for unpaid invoices at year end.

Councillor Barbara Bullock's company Wood Enterprises Limited supplied services to WDC worth \$4,100 (2007 \$1,925). These services were supplied on normal commercial terms. There is a balance of \$305 (2007 \$371) outstanding for unpaid invoices at year end.

Councillor Barbara Bullock's company Bullocks Concrete & Gravel Ltd supplied services to WDC worth \$2,136 (2007 \$8,025). These services were supplied on normal commercial terms. There is a balance of \$0 (2007 \$0) outstanding for unpaid invoices at year end.

Councillor Barbara Bullock's company Cambet Developments (subsequently sold) supplied services to WDC worth \$nil (2007 \$8,500). These services were supplied on normal commercial terms. There is a balance of \$nil (2007 \$nil) outstanding for unpaid invoices at year end.

Councillor Dot McKinnon's company Kingsgate Hotel supplied services to Council worth \$10,846 (2007 \$10,051). These services were supplied on normal commercial terms. There is a balance of \$nil (2007 \$nil) outstanding for unpaid invoices at year end.

For all Councillors, approval from the Auditor-General was sought prior to contract by WDC.

David Warburton received \$25,000 in his capacity as Director of Wanganui Gas Limited (2007 \$19,333). Councillor Dot McKinnon received \$13,000 (2007 \$15,000) in her capacity as Director of Wanganui District Council Holdings Limited.

A provision has been recognised for impairment of receivables for any loans or other receivables to related parties \$34,000 (2007 \$34,000).

Key management personnel compensation

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Salaries and other short term employee benefits				
Post-employment benefits	1,487	913	2,618	1,453
Other long-term benefits	-	-	-	1
Termination benefits	-	-	1	-
	-	-	-	-
Total key management personnel compensation	1,487	913	2,619	1,454

Key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel.

Notes to the financial statements

For the year ended 30 June 2008

28. Remuneration

Chief Executive

The Chief Executive received the following remuneration:

Salary (including WDCHL - 2007 only WDC)
Vehicle (market value plus FBT)
Parking (market value plus FBT)
Medical insurance (market value plus FBT)
Superannuation subsidy

Total remuneration

	Group	
	2008	2007
	\$000	\$000
	199	177
	-	-
	-	-
	-	-
	-	-
	-	-
Total remuneration	199	177

In terms of his contract, the Chief Executive also received professional subscriptions of \$260 (2007 \$210).

Elected representatives

Elected representatives received the following remuneration:

Mayor Michael Laws (includes car)
Deputy Mayor Dot McKinnon
Councillor Barbara Bullock
Councillor Sue Westwood
Councillor Randhir Dahya
Councillor Nicki Higgle
Councillor Danny Jonas
Councillor Rana Waitai
Councillor Ray Stevens
Councillor Rangī Wills
Councillor Philippa Baker-Hogan
Councillor Allan Anderson
Councillor Murray Hughes
Councillor Marty Lindsay
Councillor Don McGregor
Councillor Sue Pepperell
Councillor Rob Vinsen

Rural Community Board

Andrew Collins
Shaun Forlong
Mark Lourie
David Matthews
Brian Maude
Peter Molan
Alan Taylor
S A Ross (nee Wickham)
Steve Anstis

	Council		WGL/WDCHL	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Mayor Michael Laws (includes car)	82	87	-	-
Deputy Mayor Dot McKinnon	43	34	13	15
Councillor Barbara Bullock	29	22	-	-
Councillor Sue Westwood	29	22	-	-
Councillor Randhir Dahya	28	28	-	-
Councillor Nicki Higgle	30	28	-	-
Councillor Danny Jonas	19	-	-	-
Councillor Rana Waitai	19	-	-	-
Councillor Ray Stevens	32	22	-	-
Councillor Rangī Wills	31	28	-	-
Councillor Philippa Baker-Hogan	30	28	-	-
Councillor Allan Anderson	11	-	-	-
Councillor Murray Hughes	9	28	-	-
Councillor Marty Lindsay	23	28	-	-
Councillor Don McGregor	10	28	-	-
Councillor Sue Pepperell	-	18	-	-
Councillor Rob Vinsen	-	-	-	-
Rural Community Board				
Andrew Collins	9	5	-	-
Shaun Forlong	6	5	-	-
Mark Lourie	4	-	-	-
David Matthews	4	-	-	-
Brian Maude	2	-	-	-
Peter Molan	6	5	-	-
Alan Taylor	6	5	-	-
S A Ross (nee Wickham)	2	5	-	-
Steve Anstis	4	10	-	-
Total	468	434	13	15

29. Severance payments

Severance payments to seven employees were made during the year. The payment amounts were \$30,692, \$10,076, \$7,941, \$6,445, \$19,038, \$11,946 and \$2,309, giving a total of \$88,447. (2007 three payments totalling \$101,920).

30. Events after the balance date

With effect from 1 July 2008 the two independent trading divisions of Wanganui Gas Limited, GasNet and Energy Direct NZ, were established as separate companies. Both companies are 100% owned by Wanganui Gas Limited. The two new companies GasNet Limited and Energy Direct NZ Limited have their own Boards of Directors and General Managers. The personnel and assets that were employed in the respective trading divisions have been allocated as appropriate to each of the new companies. Wanganui Gas Limited as the Parent entity will focus on strategic issues and planning for the group. There were no other significant events after balance date.

Notes to the financial statements

For the year ended 30 June 2008

31. Financial instruments

Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

	Council 2008 \$000	2007 \$000	Group 2008 \$000	2007 \$000
Financial assets				
Fair value through profit and loss				
Derivative financial instrument assets	387	784	489	1,034
Loans and receivables				
Cash and cash equivalents	11,967	6,943	13,153	7,838
Debtors and other receivables	5,759	7,520	9,622	10,579
Other financial assets	11,368	13,263	765	2,300
Held to maturity				
Sinking funds	58	54	58	54
National Bank Subordinated Bonds	515	-	515	-
Government Indexed Bonds	651	480	651	480
Toyota Bonds	989	989	989	989
Fair value through equity				
Other financial assets:				
- unlisted shares	417	385	417	385
- listed shares	-	-	56	74
Financial liabilities				
Fair value through profit and loss				
Derivative financial instrument liabilities	470	-	470	-
Financial liabilities at amortised cost				
Creditors and other payables	12,410	12,066	16,996	15,861
Borrowings:				
- secured loans	66,807	50,325	82,825	65,943

32. Financial instrument risks

WDC has a series of policies to manage the risks associated with financial instruments. WDC is risk averse and seeks to minimise exposure from its treasury activities. WDC has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. WDC is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of WDC's investment portfolio in accordance with the limits set out in WDC's Investment Policy.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. WDC is not exposed to currency risk, as it does not enter into foreign currency transactions.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at floating rates exposes the WDC to fair value interest rate risk. WDC's Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Floating to fixed interest rate swaps are entered into to hedge the fair value interest rate risk arising where WDC has borrowed at floating rates. In addition, investments at fixed interest rates expose the WDC to fair value interest rate risk. If interest rates on investments at 30 June 2007 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the fair value through equity reserve by \$10,750 (2007 \$13,000). If interest rates on borrowings at 30 June 2008 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$45,000 (2007 \$250,000) as a result of higher/lower interest expense on floating-rate borrowings.

Notes to the financial statements

For the year ended 30 June 2008

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose WDC to cash flow interest rate risk. WDC manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if WDC borrowed at fixed rates directly. Under the interest rate swaps, WDC agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. Council invests funds only in deposits with registered banks and local authority stock and its Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the group only invests funds with those entities which have a Standard and Poor's credit rating of at least A2 for short term and A – for long-term investments. Accordingly, the group does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

WDC's maximum credit exposure for each class of financial instrument is as follows:

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Cash at bank and term deposits	11,967	6,943	13,153	7,838
Debtors and other receivables	5,759	7,520	9,622	10,579
Derivative financial instrument assets	387	784	489	1,034
Total credit risk	18,113	15,247	23,264	19,452

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Counterparties with credit ratings				
Cash at bank and term deposits:				
AA	11,967	6,943	13,153	7,838
AA-	-	-	-	-
<i>Total cash at bank and term deposits</i>	11,967	6,943	13,153	7,838
Derivative financial instrument assets:				
AA	387	784	489	1,034
AA-	-	-	-	-
<i>Total derivative financial instrument assets</i>	387	784	489	1,034

Debtors and other receivables mainly arise from WDC's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. WDC has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers.

Notes to the financial statements

For the year ended 30 June 2008

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of the Council's 10-Year Plan. The maturity profiles of the Council's interest bearing investments and borrowings are disclosed in notes 13 and 16 respectively.

In meeting its liquidity requirements, WDC maintains a target level of investments that must mature within the next 12 months. WDC manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the WDC's Long Term Council Community Plan.

Contractual maturity analysis of financial liabilities

The table below analyses WDC's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt is based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount and contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Parent 2008					
Creditors and other payables	12,410	12,410	-	-	-
Secured loans	81,361	13,601	14,101	53,609	50
Finance leases	190	117	72	-	-
Total	93,960	26,128	14,173	53,609	50
Group 2008					
Creditors and other payables	16,996	16,996	-	-	-
Secured loans	100,240	19,592	16,362	62,190	2,096
Finance leases	210	123	78	-	8
Total	117,446	36,712	16,440	62,190	2,104
Parent 2007					
Creditors and other payables	12,066	12,066	-	-	-
Secured loans	61,538	11,696	11,706	24,941	13,195
Finance leases	451	260	119	72	-
Total	74,054	24,021	11,825	25,013	13,195
Group 2007					
Creditors and other payables	15,861	15,861	-	-	-
Secured loans	79,577	12,770	14,603	36,821	15,382
Finance leases	468	260	198	-	10
Total	95,906	28,892	14,801	36,821	15,392

Notes to the financial statements

For the year ended 30 June 2008

Contractual maturity analysis of financial assets

The table below analyses WDC's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount and contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	More than 2 years \$000
Parent 2008				
Cash and cash equivalents	11,967	11,967		
Debtors and other receivables	5,759	5,759		
Net settled derivative assets	-	-		
Other financial assets:				
- term deposits	-	-		
- related party loans	-	-		
Total	17,726	17,726	-	-
Group 2008				
Cash and cash equivalents	13,153	13,153		
Debtors and other receivables	10,112	10,112		
Net settled derivative assets	-	-		
Other financial assets:				
- term deposits	-	-		
- related party loans	-	-		
Total	23,265	23,265	-	-
Parent 2007				
Cash and cash equivalents	6,943	6,943		
Debtors and other receivables	7,520	7,520		
Net settled derivative assets	-	-		
Other financial assets:				
- term deposits	-	-		
- related party loans	-	-		
Total	14,463	14,463	-	-
Group 2007				
Cash and cash equivalents	7,645	7,645		
Debtors and other receivables	11,739	11,739		
Net settled derivative assets	-	-		
Other financial assets:				
- term deposits	-	-		
- related party loans	-	-		
Total	19,384	19,384	-	-

Notes to the financial statements

For the year ended 30 June 2008

Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on WDC's financial instrument exposures at the balance date.

Parent

2008 \$'000

Interest rate risk

Financial assets

Cash and cash equivalents
Derivatives
Other financial assets:
Toyota bonds

Financial liabilities

Borrowings:
- bank overdraft
- term loans

Total sensitivity to interest rate risk

	Profit	- 100bps Other Equity	Profit	+ 100bps Other Equity
Cash and cash equivalents	(120)		120	
Derivatives	(4)		4	
Other financial assets: Toyota bonds		10		(10)
Borrowings: - bank overdraft - term loans	- (668)		- 668	
Total sensitivity to interest rate risk	(792)	10	792	(10)

Parent

2007 \$'000

Interest rate risk

Financial assets

Cash and cash equivalents
Derivatives
Other financial assets:

Financial liabilities

Borrowings:
- bank overdraft
- term loans

Total sensitivity to interest rate risk

	Profit	- 100bps Other Equity	Profit	+ 100bps Other Equity
Cash and cash equivalents	(69)		69	
Derivatives	-		-	
Borrowings: - bank overdraft - term loans	- (503)		- 503	
Total sensitivity to interest rate risk	(573)	-	573	-

Notes to the financial statements

For the year ended 30 June 2008

Group

2008 \$'000

Interest rate risk

Financial assets

Cash and cash equivalents

Derivatives

Other financial assets:

Toyota bonds

Financial liabilities

Borrowings:

- bank overdraft

- term loans

Total sensitivity to interest rate risk

	Profit	- 100bps Other Equity	Profit	+ 100bps Other Equity
Cash and cash equivalents	(126)		126	
Derivatives	(5)		5	
Other financial assets:				
Toyota bonds		10		(10)
Borrowings:				
- bank overdraft				
- term loans	(828)		828	
Total sensitivity to interest rate risk	(959)	10	959	(10)

Group

2007 \$'000

Interest rate risk

Financial assets

Cash and cash equivalents

Derivatives

Other financial assets:

Related party loans

Financial liabilities

Borrowings:

- bank overdraft

- term loans

Total sensitivity to interest rate risk

	Profit	- 100bps Other Equity	Profit	+ 100bps Other Equity
Cash and cash equivalents	(76)		76	
Derivatives	(3)		3	
Other financial assets:				
Related party loans	(1)		1	
Borrowings:				
- bank overdraft				
- term loans	(659)		659	
Total sensitivity to interest rate risk	(739)	-	739	-

Notes to the financial statements For the year ended 30 June 2008

33. Cost of Service statements reconciliation

	Community Facilities \$000	Community Support \$000	Governance \$000	Transport \$000	Water \$000	Investments \$000	Corporate Management \$000	Total \$000
Revenue								
User Fees and Other Revenue	3,739	3,512	72	356	3,243	1,749	1,109	13,779
Subsidies	99	33	-	8,979	-	-	-	9,111
Total Revenue	3,838	3,545	72	9,335	3,243	1,749	1,109	22,890 *
Operating Expenses								
Operating Expenses	10,162	5,876	1,147	6,567	6,257	2,983	6,304	39,295 **
Debt Servicing - Interest	889	250	20	274	2,961	108	48	4,550
Depreciation	1,516	271	27	4,078	5,613	145	634	12,284
Council Overhead	1,933	1,870	294	385	1,434	406	(6,323)	-
Total Operating Expenses	14,499	8,267	1,488	11,305	16,265	3,643	663	56,129
Non Funded Depreciation	(1,516)	(271)	(27)	(4,078)	(5,613)	(145)	(634)	(12,284)
Operational Rates Requirement	9,146	4,451	1,389	(2,109)	7,409	1,749	(1,080)	20,955
Capital Acquisitions	6,560	227	56	2,454	10,737	194	268	20,496
Capital Replacements	901	43	-	6,021	1,592	296	189	9,042
Total Capital Expenditure	7,462	270	56	8,475	12,329	491	456	29,539
Total Funding Requirement	16,608	4,721	1,445	6,367	19,738	2,239	(623)	50,494
Transfers (to)/from Special Funds	429	120	-	28	87	546	(755)	455
New Loans/(Loans Repaid)	4,915	(263)	(37)	146	6,349	480	505	12,095
Total Capital Funding	5,344	(143)	(37)	174	6,436	1,025	(249)	12,550
Rate Requirement	11,264	4,864	1,482	6,193	13,302	1,214	(374)	37,944

* Difference to total operating revenue of \$390,000 is relates to disposal of Plant, Property and equipment

** Difference to Personnel costs + other expenses of \$2,858,000 is represented by Forestry asset revaluation losses, change in fair value and loss on disposal of property, plant and equipment and losses from derivative financial instruments.

Notes to the financial statements

For the year ended 30 June 2008

34. Capital management

The Council's capital is its equity (or ratepayers' funds), which comprises retained earnings and reserves. Equity is represented by net assets. The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance. The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP.

Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council. Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

35. Explanation of major variances to budget

Income

Rates revenue is 0.8% higher due to growth in the rating base. Finance income is 73% higher due to better than predicted investment interest rates and borrowings made in advance of the credit crunch invested at advantageous rates of interest. Other revenue is 22% lower due to less Land Transport New Zealand subsidies received as a result of capital works being delayed and no dividend received from Wanganui District Council Holdings Limited due to its subsidiary Wanganui Gas Limited facing a downturn in trading conditions. Gains (\$548,000) were not budgeted for and the actual comprises of non-cash items earned on the revaluation of investment properties and other investments that Council holds.

Expenditure

Personnel costs are 2% higher due to further weeks annual leave granted to staff as a result of new legislation. Depreciation and amortisation expense is 8% higher due to the commissioning of new assets. Finance costs are 5% lower due to proactive interest rate risk management. Other expenses are 18% or \$4.7M higher. 11% or \$3M of the increase relate to non-cash devaluations of property, plant and equipment, forestry, and derivative financial instruments. The remaining increase is contributed to by energy cost rises and inflationary rises for contract payments. Operating expenditure variances were reforecast during the year.

The variance of \$10.5M between the budgeted surplus of \$9.2M and the actual deficit of \$1.3M is mainly due to the decrease in Land Transport New Zealand subsidies received, no dividend received and non-cash devaluation items processed as expenditure at year end.

Assets

Cash and cash equivalents are \$9M higher due to borrowings taken in advance and invested in the money market. Property, plant and equipment has been revalued leading to the \$147M variance. Forestry assets were devalued due to market conditions and investment property was upwards revalued.

Liabilities

Borrowings were slightly lower than budget due to carry over expenditure and delays in capital works.

Our plans and our reporting

We are accountable to the people of the District for the achievement of our objectives and we are required to report to the public each year on our performance. We also work to achieve a satisfactory audit report from Audit New Zealand on our Annual Report.

Under the Local Government Act 2002 (the Act), Council is required to adopt a 10-Year Plan (Long-term Council Community Plan) every three years. In the year in which a 10-Year Plan is prepared, the first year of the Plan becomes the Annual Plan for that year. In the intervening years, years two and three after the 10-Year Plan is adopted, an Annual Plan must be produced.

The Annual Plan 2007/08 and 10-Year Plan 2006-2016

This Annual Report is reporting on the Annual Plan 2007/08. The Annual Plan 2007/08 is Council's annual budget document, which aligns with year two of Council's 10-Year Plan 2006-2016.

Council received 66 submissions to the draft Annual Plan 2007/08. On 5 June 2007 Council heard 27 of these submissions. All submissions, both written and oral, were considered by Council at its deliberation meeting on 11 June 2007. Council decisions were also guided by the results of Referendum '07, which was held in April. In particular, these results have supported Council's pursuit of soft water for those properties connected to the City water supply. Council adopted the Annual Plan 2007/08 in June 2007.

The 10-Year Plan 2006-2016 was published for public consultation from 10 April to 12 May 2006. The Council received 207 submissions and heard these submissions at a meeting on 29 May 2006. 50 submitters chose to present oral submissions. The Council deliberated on the submissions on 6 June 2006. On 29 June 2006 the 10-Year Plan was adopted.

The introduction of a storm damage rate to fund expenditure incurred as a result of the July 2006 storm affected Council's Revenue and Financing Policy. This required an amendment to the 10-Year Plan 2006-2016, via the Annual Plan 2007/08.

Annual Report

The Annual Report is required under section 98 of the Local Government Act 2002. The purpose of the Annual Report is to:

- Compare actual activities and actual performance with the intended level of activity and performance as set out in the 10-Year Plan and Annual Plan.
- Promote accountability of the local authority to the community for decisions made throughout the year.

The report must contain:

- In relation to each group of activities:
 - The activities included within the group.
 - The Community Outcomes to which the group primarily contributes.
 - The result of any measurement undertaken during the year on progress towards the achievement of the Community Outcomes.
 - A description of any identified effects that any activity within the group has had on the social, economic, environmental or cultural wellbeing of the community.
 - An audited statement of service provision, comparing intended levels with actual levels and giving the reasons for any significant variance between actual and intended levels.
 - An audited statement of any significant new or replacement assets in the year to which the report relates, with reasons for acquisition or replacement and explaining any significant variation between budgeted cost and actual cost.

- A report on each Council Controlled Organisation including:
 - The extent to which each Council Controlled Organisation has attained the Council's policies and objectives.
 - A comparison between the actual and intended nature and scope of the organisation.
 - A comparison between actual performance and key performance targets.
- Audited financial statements for core and consolidated Council.
- Remuneration paid to elected representatives and the chief executive.
- Information relating to severance payments to the chief executive and any other staff.
- A statement that the requirements of the Act in relation to the Annual Report have been complied with.
- A report on the activities the Council has undertaken to establish and maintain processes to provide opportunities for Maori to contribute to the decision-making process of Council.

Groups of activities

Community facilities group

The activities in this group include:

- Cemeteries
- Central Business District Services
- Community buildings and rural halls
- Library
- Minor transport
- Parks and reserves
- Pensioner housing
- Regional Museum
- Royal Wanganui Opera House
- Sarjeant Gallery
- Sports grounds
- Cooks Gardens
- Swimming pools
- War Memorial Hall

Community Outcomes to which the group primarily contributes

The community facilities group contributes to:

- Outcome 1 – A growing economy
- Outcome 2 – Diverse and quality educational opportunities
- Outcome 3 – A safe and healthy community
- Outcome 4 – Recognition as a great place to live and visit
- Outcome 5 – Development of amenities and recreational opportunities

Community support group

The activities in this group include:

- Community development
- Economic development
- Emergency management
- Environmental policy
- Regulatory services
- Waste minimisation

Community Outcomes to which the group primarily contributes

The community support group contributes to:

- Outcome 1 – A growing economy
- Outcome 2 – Diverse and quality educational opportunities
- Outcome 3 – A safe and healthy community
- Outcome 4 – Recognition as a great place to live and visit
- Outcome 6 – Development of the full cultural and environmental potential of the Whanganui River
- Outcome 7 – People working together

Governance group

The activities in this group include:

- Governance and democracy

Community Outcomes to which the group primarily contributes

The governance group contributes to:

- Outcome 7 – People working together

Investments group

The activities in this group include:

- Investments
- Property

Community Outcomes to which the group primarily contributes

The investments group contributes to:

- Outcome 1 – A growing economy
- Outcome 5 – Development of amenities and recreational opportunities

Land transportation group

The activities in this group include:

- Pathways
- Roothing

Community Outcomes to which the group primarily contributes

The land transportation group contributes to:

- Outcome 1 – A growing economy
- Outcome 3 – A safe and healthy community

Water group

The activities in this group include:

- Stormwater
- Wastewater
- Waterways and natural drainage
- Water supply
- Whanganui River control

Community Outcomes to which the group primarily contributes

The water group contributes to:

- Outcome 3 – A safe and healthy community
- Outcome 5 – Development of amenities and recreational opportunities
- Outcome 6 – Development of the full cultural and environmental potential of the Whanganui River

Corporate group

The activities in this group include:

- Corporate management

Community Outcomes to which the group primarily contributes

The corporate group contributes to:

- Outcome 7 – People working together

Progress made towards the achievement of the Community Outcomes

The Local Government Act 2002 requires the Council to report on progress towards achieving the Community Outcomes at least once every three years. A Community Outcomes Survey was undertaken in December 2006 and a report on progress towards the achievement of the outcomes was provided in June 2007.

This report was tasked with detailing:

- The work that the Council and other participating key stakeholders had undertaken in an effort to best meet the outcomes specific to the Wanganui community;
- Measuring the state of Wanganui's current social, cultural, environmental and economic wellbeing; and
- Forecasting planned projects and priorities that may impact on Community Outcomes into the future.

In order to accurately monitor this progress, each outcome was assigned a number of monitoring indicators. The indicators are a mixture of qualitative and quantitative measures and were developed in consultation with key stakeholders as part of the action planning process.

Data collection has been an ongoing process and is recorded in Council's Interplan database. The reporting for this Annual Report is based upon the updated statistics gathered and the contribution Council has made through its work programmes.

During 2008 the Community Outcomes have been reviewed and these new outcomes will feed into the 10-Year Plan 2009-19.

Reviewing and revising monitoring procedures will be required to ensure the required outcomes are being met. Monitoring over time will confirm the appropriateness of the existing activities, or may identify the need to make changes in order to improve their effectiveness.

Ongoing review of Council's partner organisations in the Community Outcomes process will also be undertaken to ensure effective practices of community collaboration and to most broadly reflect the achievements of the Wanganui District.

1. Indicators of a growing economy

▪ Age structure

The median age in Wanganui was 39.6 years in 2006 compared to the national average of 35.9 years.

An aging population is emerging within Wanganui as increases in the 50+ age bracket run concurrently to declines in those aged 49 years and younger. In Wanganui we have 14,937 residents 50 years of age and older. This figure is set to rise as median age projections for Wanganui are expected to increase to 42 years by the 2011 Census.

▪ Growth in number of businesses

The number of businesses grew from 3,174 in 2006/07 to 3,930 in 2007/08.

Wanganui has continued to demonstrate a sustained increase in the number of businesses since 2001.

From the Business Confidence Survey (Dec 2007),

25% of businesses were of the opinion that the Wanganui economy continued to improve in the six month period to April 2007. 18% were of the opinion that it would continue to improve in the next six months. 51% suggested the local economy would remain stable.

▪ Population

The population declined from 43,600 in 2004 to 42,639 in 2006. The 2007 estimate is 43,600.

▪ Retail sales

Retail sales increased \$16.1M from \$704M in 2006/07 to \$720.1M in 2007/08.

▪ Tourism

Although the target of 199,000 guest nights was not achieved, the 2007/08 result of 197,867 constituted 6,940 more stays than in 2006/07 (190,927).

Note: Information regarding guest arrivals is no longer available.

▪ Unemployment

Unemployment in the Wanganui/Waverley area dropped from 1,259 in 2006/07 to 820 in 2007/08.

This trend is true of the wider employment status of New Zealand.

Council actions that have contributed to a growing economy

Economic development

While Wanganui Incorporated still operates as a charitable trust with a Board of Trustees, Council's in-house economic development function became aligned with the Strategy and Development management area.

Wanganui Incorporated continued to be involved with:

- Business development projects.
- Business training - delivering programmes including YES (Young Entrepreneurs Scheme), ECSA (Education for Enterprise), BYOB (Be Your Own Boss) and ETP (Enterprise Training Programme).
- The Wanganui Educational Institute (WEI) and the Glass School.
- The Glass Project funded by the Ministry of Social Development.
- Tourism and Regional Tourism Organisation functions.
- The Major Regional Initiative in Tourism (MRI) promoting Te Kahui Tupua brand.
- Promotion of events and support through the Impact Fund.

Other economic development work has included:

- Initial work to develop a Visitor Strategy for the District.
- Establishment of a Conference Bureau in February 2008. A number of conferences have been booked for the 2008/09 financial year.

Growth Strategy

This strategy is to identify areas of Wanganui for future residential and industrial growth to ensure efficient and effective asset management.

The People's Network project

The People's Network project was funded from central government's Digital Strategy (Community Partnerships Fund), and aims to enhance confidence and connection to the online world for digitally disadvantaged New Zealanders.

Successful implementation of the People's Network Project has been achieved in partnership with Taranaki Public Libraries and National Library of New Zealand. A network of computers at the District Library now provide free public access to the Internet (and a raft of services), thereby enhancing capability and connection to the online world for the Wanganui community.

Urban Design Protocol

On 30 July 2007 the Council became a signatory to the Urban Design Protocol and work was initiated on an action plan.

Whanganui River Road

The sealing of the Whanganui River Road is a joint project between the Wanganui and Ruapehu District Councils. Stage 2 of 7 commenced.

2. Indicators of diverse and quality educational opportunities

▪ Early leaving rates

Early leaving exemptions, suspensions and stand downs reduced from 369 in 2006 to 154 in 2007.

All instances of early leaving exemptions have decreased with stand-downs decreasing markedly from 272 in 2006 to 94 in 2007.

▪ Level of educational attainment

The number of people aged over 15 years with a tertiary qualification increased from 1,842 in 2001 to 2,688 in 2006.

The number of people aged over 15 years with no qualification decreased from 9,933 in 2001 to 9,768 in 2006.

▪ Number of international students

The number of international students increased from 153 in 2006 to 172 in 2007.

The decrease in foreign fee paying students between 2005 (163) and 2006 (153) was recovered in the latest statistics. Again, Wanganui High School and Wanganui Collegiate catered to the largest intakes of foreign students, with 66 and 54 enrolments respectively.

▪ Student enrolments

The number of students enrolled in education increased from 11,560 in 2006 to 14,237 in 2007.

This figure represents the total number of students enrolled at early childhood, primary and secondary schools as well as Whanganui UCOL.

Overall there has been an increase in the number of students enrolled in education within Wanganui. This statistic can be partly attributed to the dramatic increase (of 1,271) in Whanganui UCOL enrolments: up from 931 in 2006/07 to 2,202 in 2007/08.

Despite numbers decreasing in those students attending full primary and contributing schools (4,205), there has been an increase in the intake of students at the Intermediate and kindergarten level (2,191). Trends regarding composite (243) and homebased (95) schooling have continued to increase and there have been more enrolments at Te Kohanga Reo providers (413).

Cullinane College's roll was the only one to drop from 359 students in 2006 to 315 in 2007. Rolls at City College (486) and Girls' College (373) remain the same with High School (1,699: an increase of 88 students) and Collegiate School (520: an additional six enrolments) being the only benefactors of increased student numbers.

Full time enrolments at Whanganui UCOL increased from 931 in 2006/07 to a total of 2,202 full time students in 2007/08. This continues to strengthen the reversed trend that saw UCOL numbers declining and represents an increase of 1,271 students, or 57.7%.

The Community Education Service exists as an alternative education provider and enrolled 1,239 students in 2007, three students less than the previous year.

Council actions that have contributed to diverse and quality educational opportunities

Civil Defence in schools

Eight separate locations were visited with a programme based on the "What's the Plan Stan" resources delivered to twelve classes.

Computers in Homes Project

This project was funded by the Digital Strategy in partnership with the Department of Internal Affairs and the 20/20 Trust. The project is on track for the third year and extra funding has been secured from Powerco Wanganui Trust. Excellent feedback has been received from participating families. 75% of the funding was expended in 80% of the project's timeframe and 135 families have graduated to date (90% of the project target of 150 families). The last classes will commence in August 2008.

Environmental education

Wanganui District Council collaborated with the Department of Conservation, Manawatu- Wanganui Regional Council, and Bushy Park to run environmental education days for the Wanganui Youth Environmental Students. This included a day looking at the Water Cycle of a city, use of the Regional Council's Green Rig and a day at Gordon Bush.

Library and Gallery education programmes

The Sarjeant Gallery and the District Library offered a range of joint programmes focusing on the educational resources and support available to the community, as well as providing their own individual programmes.

The Sarjeant Gallery provided 156 educational sessions to a total of 3,753 participants. Of these sessions 135 (with 3,294 participants) were for students attending primary and secondary schools in the Wanganui District. The work with schools at the Gallery is funded by a grant from the Ministry of Education.

There were 145 educational sessions and events provided by the District Library. Over 2,162 students from took part in 65 formal sessions at the Library. The majority of these were from primary and intermediate schools, with groups also from Kohanga Reos, pre-schools, and Private Training Establishments. There were 3,067 participants in 80 other educational activities and events, based mainly on reading, language, study skills, and Māori culture.

Wanganui Educational Institute

The Wanganui Educational Institute (WEI) was registered as a Private Training Establishment in July 2008 in order to preserve the Wanganui Glass School as it is the only school of its type in New Zealand.

3. Indicators of a safe and healthy community

- **Access to public hospital**

Approximately 1,000 residents reside more than 30 minutes from the hospital.

There are only five settlements outside a thirty minute radius of Wanganui Hospital, Jerusalem (54 minutes), Ranana (54 minutes), Kakatahi (56 minutes), Koriniti (42 minutes) and Mangamahu (42 minutes). This equates to approximately 1,000 affected residents.

- **Crime levels**

Total reported crime increased from 4,570 in 2006/07 to 4,738 in 2007/08.

- **Cycle safety**

Incidents involving cyclists increased from four in 2006/07 to seven in 2007/08.

The degree of severity of each incident is not recorded which makes comparisons between years difficult.

- **Flights in and out of Wanganui**

The number of commercial flights in and out of Wanganui increased from 3,138 in 2006/07 to 3,282 in 2007/08.

For the purpose of this indicator commercial flights have been defined as: Air New Zealand flights or any other airline routinely flying in and out of Wanganui ferrying multiple passengers. Chartered flights for sports fixtures and/or hospital transfers, etc. have not been included.

- **Health status**

At an average of 6.2, Wanganui's level of deprivation is just above the national average of 6.

The decile number is based on household income, car and telephone access, household crowding, employment, home ownership status and people <60 in a single parent family. This index categorises communities from decile 1, least deprived, to decile 10, most deprived. Within our District Health Board area, 60% of our suburbs record a decile rating greater than 5. St Johns Hill is the only suburb to score 1 while Castlecliff (10), Mosston (10) and Central Wanganui (10) are equally ranked the most deprived.

- **Life expectancy**

Life expectancy for the district's residents increased from 76.5 years in 2002 to 79.9 years in 2005.

Males are expected to reach 77.9 years, while women are expected to live to 81.9 years.

- **Number of general practitioners**

GP numbers have steadily declined from 44 in 2001 to 35 in 2008.

In 2005 there were 40 and in 2006 there were 36 general practitioners.

- **Pedestrian safety**

Pedestrian incidents increased from five in 2006/07 to 11 in 2007/08.

- **Perceptions of safety**

Perceptions of safety at home in the evening have increased from 74% in 2007 to 85% in 2008. These figures are obtained from the Community Views Survey.

There was no change between 2006/07 and 2007/08 in the number of respondents who felt safe 'most of the time' at home during the day – this remained at 94%.

- **Recycling**

The volume of waste recycled increased from 16,467 cubic metres in 2006/07 to 19,198 cubic metres in 2007/08.

Volumes of recycled material collected by the Recycling Centre have continued to increase since the centre was opened.

- **Road safety**

Road crashes have halved from 244 in 2006/07 to 124 in 2007/08.

Road vehicle crashes have trended downwards in recent years, despite a spike in 2002. In 2005 there were 256 crashes, with 244 in 2006 and 124 in 2007. However, instances of serious casualty, fatality and serious injury crashes have increased. Minor road safety issues, such as 'minor casualties', 'minor injury crashes' and 'non-injury crashes' have recorded decreases, while the road death rate has increased from four to five.

- **Visual quality**

From 1 April 2007 to 30 June 2008 there were 394 instances of graffiti removal undertaken. 395 reports of graffiti were logged.

There has been widespread communication with the community to encourage people to report graffiti to the Council.

- **Waiting time for access to hospital**

747 people were on the inpatient waiting list at Wanganui Hospital in 2007/08 compared to 768 in 2006/07. Of this number, 579 were expecting treatment within six months, 546 met the threshold for treatment and 95 were on active review.

Council actions that have contributed to a safe and healthy community

Bylaws review

The Council has been working through updating its bylaws. The Food Hygiene and Trade Waste Bylaws were reviewed. Council has also been working on developing a Bad Neighbour Bylaw to address antisocial behaviour issues.

CCTV improvements

An audit of the CCTV network infrastructure, including installations and fibre network was carried out, which identified areas to upgrade.

The camera at the rear of Farmers (Watt St.) was relocated to the Majestic Square corner of the building so as to give better coverage of the top of the Square plus the Memorial Hall forecourt and Veterans' Steps.

The camera on the National Bank building was relocated across the intersection to above the Michael Hill Jewellers verandah to give a better view of Majestic Square including, the stage area.

A camera was installed on the top north-eastern corner of the Museum building, to give coverage across Queens Park and all the buildings.

Civil Defence Emergency Response System

An electronic information management programme was bought, installed and initial training undertaken with Emergency Operating Centre staff. This replaced a paper based system that had been operating.

Civil Defence sirens review

A review of siren sites was undertaken and six sirens were re-located.

Council/Iwi Taskforce on Youth Wellbeing

The Taskforce developed a Strategy to improve the wellbeing of young people by targeting 'at-risk' youth and their families through a coordinated community approach, and to identify and promote alternative, positive life pathways. The taskforce began developing a sports project to encourage more youth into sport by attracting more volunteers.

Crime Prevention Unit funded projects

Successful applications were made to the Crime Prevention Unit for three projects: domestic violence, sexual violence and youth offending (alcohol). Family violence funding has been allocated to the Violence Intervention Network for community and practitioner awareness training; youth offending funding was allocated to YATA (Youth Access to Alcohol) for its 2008 Summer campaign; sexual offending funding was not allocated.

Cycling Strategy Implementation Plan 2007-2017

An implementation plan for the 2003 Cycling Strategy was developed and approved by LTNZ. Funding received for the 2007/08 financial year enabled work to be undertaken to improve cycle safety at the intersection of Victoria Avenue and Dublin Street.

Emergency generator

An emergency generator was installed to ensure back-up power supply for Council in the event of an emergency.

Gang Insignia Bill

A local bill was developed in conjunction with NZ Police and was submitted to Parliament by Whanganui Electorate MP Chester Borrows. It was successfully introduced to Parliament in April 2008; submissions closed 6 June 2008 to be heard on 30 July 2008.

Graffiti Management Strategy and Graffiti Team

A Graffiti Management Strategy and policy was adopted in March 2008. A graffiti team was established to effect the eradication of graffiti. A paint drop-off bank at Wanganui Resene was facilitated and a Customer Services Charter developed with utility companies to ensure collaboration in the elimination of graffiti in Wanganui.

The team consists of three staff, working full time on a 26 week contract subsidised by WINZ. They average 45 jobs per week, and all tags are now recorded on a data-base which the Police have access to.

A Graffiti Hotline number has been set up and most reporting of graffiti comes in through this number. The van that the team use is marked and recognisable by the general public who also approach the team directly to report graffiti incidents.

Policy reviews

The Dog Control policy was reviewed and adopted in April 2008.

The Class 4 Gambling policy was reviewed with consultation undertaken in April-May 2008 and submissions to be heard in July 2008.

A review of the Liquor Policy was initiated with the review to be completed in 2008/09.

Positive Ageing Strategy

A Positive Ageing Strategy was adopted in December 2007. This strategy aims to promote positive attitudes to ageing in Wanganui, so that older people are enabled to be as informed, active, healthy, and independent as possible. It also intends to make Wanganui a place that older people can enjoy.

Safer Wanganui Strategy and WHO Accreditation

A Safer Wanganui Interagency Group was established to develop a Safer Wanganui Strategy. A needs analysis was conducted to inform the development of the strategy. The strategy will form the basis of World Health Organisation accreditation of Wanganui as a safe district by 25 September 2010.

Wastewater treatment plant

The wastewater treatment plant was commissioned in July 2008. This commissioning initiated Stage 2 of a 2-year programme to test and refine the treatment process and also assess the performance of pumps and aerators.

Water softening project

The Stage 1 pilot bore construction programme commenced. This stage is expected to continue into 2008/09 with underground test drilling, complete water quality and volume assessments, geological and hydro-geological assessments. This will provide the information to commence Stage 2.

4. Indicators of a great place to live and visit

- **Heritage assistance**

\$12,591 from the \$20,000 fund was provided by Council as heritage assistance grants.

The Fund was established to aid heritage building owners to meet the cost of assessment and compliance issues. Payments are generally \$1,500 per claimant (an exception for the 2007/08 year has been the St Mary's Presbytery). The grant is used to pay 50 per cent of structural development costs, up to \$1,500.

- **Number of events**

The number of events supported by Council increased from 39 in 2006/07 to 56 in 2007/08.

These events represent those supported through Wanganui Incorporated, Make It. Take It. and the Youth Committee. Improvements to Wanganui's events calendar continue through the Make It. Take It. project and Council's active focus on premier festivals, sports meets and cultural celebrations.

- **Number of heritage buildings/sites**

No change at 88 heritage buildings/sites.

This represents the number of Wanganui sites registered with the New Zealand Historic Places Trust. (NZHPT) 2007. In 2008 the NZHPT sought the registration of the St Mary's Presbytery and the Wanganui Native Land Court. This figure does not include the extensive number of Wahi Tapu, sites scattered around the Wanganui Region, of which there are approximately 25.

- **Participation in arts and cultural activities**

Participation in cultural activities has increased from an average of 46% in 2007 to 56% in 2008 as identified by the Community Views Survey.

The 2008 Community Views Survey revealed that Wanganui residents participate in a number of arts and cultural activities. Those polled were asked which of the following they had undertaken in the previous 12 month period:

- 63% (252) had been to the movies
- 53% (212) had visited the Regional Museum
- 47% (188) had attended a performance at the Royal Wanganui Opera House
- 43% (172) had visited an historic site
- 36% (144) had visited the Sarjeant Gallery
- 33% (132) had attended the theatre (Amdram or Repertory)
- 28% (112) had attended a Māori cultural event/performance

- **Perceptions of Wanganui's image**

In 2008 73% of the population had no intention of moving out of Wanganui. This compares to 71% in 2007 as identified by the Community Views Survey.

The survey also revealed that 42% felt that the general quality of life was better in Wanganui than the previous three year period. While this is slightly down on the previous year's outcome (54%), more respondents (43%) believed that their quality of life had not diminished.

Council actions that have contributed to making Wanganui a great place to live and visit

Events

The following events were supported by WINC in the way of marketing assistance:

- 2007 Wanganui Festival of Glass
- Cemetery Circuit

- National Jetsprint Championship
- Jazzboat Festival
- Mountains to the Sea (although the event had to be cancelled due to the river running too high)
- Artrageous
- Wanganui Opera Week
- NZGP Hydroplane Racing
- Victoria Athletics League
- Mayoral Mile
- NZ Superstock Championships
- Touch NZ – Youth, Open and Masters Nationals
- Heritage Weekend
- Chicago - performance at the Royal Wanganui Opera House
- Artists Open Studios
- "Te Pihī Mata – The Sacred Eye" exhibition at the Museum

The Make.It Take.it project and the Council Youth Committee supported the following events:

- Ground Level Rave
- Tommy the Clown Krump Tour
- Underground Fashion Show
- Wanganui School of Design "Exhibition" Launch
- Youth Committee Christmas Party
- In Dread Response @ Studio
- Bus to Big Day Out
- Waitangi Day Celebrations @ Moutua
- National Children's Day
- Raise Up YMCA Events
- Bully Nerd Squad
- Y2Y Aerosol Art Project
- Stepping Forward Youth Forum
- Skyshow at Cooks
- Junior Farmer competition
- Ave Style Fashion Month
- Buskers festival
- Annual Christmas Parade
- Majestic Square performances by local artists on Saturday afternoons
- Wanganui sports awards
- Volunteer of the year
- Rest home games
- National children's day event
- Annual mid winter swim
- Public performance aspect of Wanganui Opera Week
- The Troubadours concert
- Exhibition of Wanganui artists
- Easter Art Wagnauī
- Pacific Pride Celebration
- Photographic exhibition of Iwi Events
- Puanga/Matariki
- Stone Soup
- Heart foundation learn to swim
- Concerts of Organ Music
- It is not OK! Campaign
- Youth Access to Alcohol (YATA)
- Portrait competition between Secondary Schools
- Stage Challenge – dance performance of Secondary Schools
- Two performances of Handel' Messiah
- Project Legit – Graf Out

Cemetery Circuit

An Event Management Plan and an Operational Safety Plan were completed to improve the overall delivery of the event. These Plans were funded by the District Council.

Iconic cultural events

Puanga/Matariki was celebrated in June 2007 with a successful calendar of events. The website was established and a steering group increased representation to include the District Council, Whanganui Māori Regional Tourism Organisation, and the Major Regional Initiative - Te Kahui Tupua.

Make It. Take It. Project

Year One and Two of the project were completed very successfully in accordance with the Memorandum of Agreement with Ministry of Youth Development. The third year application for funding from Ministry of Youth Development was also approved. The project now moves into the "sustainability post-central government funding" phase. An independent trust (Underground Charitable Trust) has been established to promote longevity and independent channels of funding. ANZ sponsorship of \$8,000 was obtained for the youth fashion show, "Underground". Over 6,000 Wanganui youth have participated in the project to date.

The 2008 programme included a dawn blessing at Putiki, Whanganui Artists Collective Manawa Ora curation of two exhibitions (Sarjeant Gallery, Alexander Library), a fashion show, stargazing with Star Lab (an inflatable planetarium) and a traditional Kai evening held at Rangahaua.

Heritage Conference

The National Heritage Conference was held on 13 and 14 March 2008, with over 100 people participating.

Heritage building protection

Consultation on CBD heritage buildings was conducted between September and October 2007. A change to the District Plan is to be processed in 2008/09.

Sister Cities activities

In July 2007 the deputy co-chairs of the Council's Youth Committee attended the 2050 Youth Summit of our sister city Toowoomba. This visit was reciprocated with attendance at the Stepping Forward Youth Forum held in Wanganui in April 2008. The Toowoomba City Council's Community Development Coordinator and two Youth Councillors visited Wanganui for four nights. The visiting trio took part in the Youth Forum and gave a presentation on their 2050 Youth Summit. The Youth Project Coordinator and Youth Councillors also hosted them for dinners; one of which included 'kiwi fish 'n' chips'. Before they departed they were taken on a tour which included the Splash Centre where a didgeridoo was presented to Councillor Jonas, Mowhanau Beach, a traditional Māori Kai lunch at Café Riva, Chronicle Glass and the Sarjeant Gallery.

In its 20th year, the relationship between the Wanganui community and Nagaizumi-Cho continues to build. Planning is continuing smoothly for 20th anniversary celebrations in Nagaizumi-Cho in September 2008. Noboru Kimura, Friendship Centre Manager, has hosted a number of community events and also visits from Nagaizumi Councillors in the last year. Six Wanganui students were hosted for a week in Nagaizumi in September 2007 and in March 2008, 15 Nagaizumi students were billeted in Wanganui. Becky Lindsay was appointed as Nagaizumi-based teacher in April 2008, for a one year term.

Sustainable Living Programme

In June 2008 the Council resolved to become a partner to the Sustainable Living Programme. This is a partnership programme with the Community Education Service, Sustainable Whanganui and the Council, to deliver community education programmes.

Youth Committee

The Wanganui District Council's Youth Committee has been operating for two years. Eighteen young people, between the ages of 12 and 24, are appointed for at least a term of one year. Youth on the

Committee are considered to appropriately match Wanganui's diverse makeup, who shared a passion for youth issues and who are able to act as mature and reflective youth advocates.

This role was formalised within Council's official committee structure and ensured that the Youth Committee not only assumed the same rights and responsibilities as other Council committees but that Wanganui clearly proclaimed the significance of our young people in demonstrable and proactive ways. In 2008 the Youth Committee was delegated authority over their budget: further cementing their firm advocacy role within the Council.

5. Indicators of the development of amenities and recreational opportunities

▪ Community satisfaction with Council facilities

In 2008 92% of the community was satisfied with Council facilities compared to 82% in 2007.

A comparison of results between 2007 and 2008 indicates increased, or unchanged, satisfaction with all services provided by the Council. Increased satisfaction was reported in the three services that failed to meet the standards of the community in 2007: the control of litter in streets and other public spaces recorded a 13% increase in satisfaction; the War Memorial Hall and other Community Halls showed an increase in satisfaction of 3% and the Airport showed the greatest increase demonstrating a 24% rise in satisfaction levels.

▪ Participation in sport and recreational activities

Participation in defined sport and recreational activities increased from 56% in 2007 to 60% in 2008 as measured through the Community Views Survey.

Those surveyed were asked which of the following they had undertaken in the previous 12 month period:

- 89% (356) had used or visited a park or reserve in the Wanganui District
- 74% (398) had used the Whanganui riverbank walkways
- 59% (236) had used or visited a sports ground in the Wanganui District
- 39% (156) had played organised sport for a club
- 39% (156) had undertaken activities on the Whanganui River

Council actions that have contributed to the development of amenities and recreational opportunities

Commission of Peter Snell statue

The statue was completed in April 2008 and is in storage awaiting confirmation on its unveiling.

New play equipment

In the 2007/08 financial year three playgrounds were renewed – Lorenzdale Park, Peat Park, and Williams Domain. A new piece of play equipment was also installed at Virginia Lake Reserve. Public feedback to date has been very positive. Anecdotal evidence would suggest that usage of these playground areas has increased.

Parks and Open Spaces Strategy 2007

The Parks and Open Spaces Strategy was adopted by the Council in August 2007. The strategy provides direction to ensure good quality parks for active recreation and amenity are provided for the community.

Rugby World Cup hosting

A working party was established to focus on hosting a team in Wanganui.

Splash Centre extension

The new Splash Centre complex includes hydrosides, lazy river, spa pools, hydrotherapy pool, learn to swim pool and toddlers pool. It was officially opened on 18 April 2008.

Sports Hall of Fame

The inaugural inductees to the Wanganui Sports Hall of Fame were announced at the Wanganui Sports Awards in February. Eleven individuals and one family were inducted.

Street Tree Policy

The Street Tree Policy was adopted by Council in February 2008. The policy was developed to provide policy guidance and a consistent approach to the planting and removal of trees on Council owned land.

Unification of Wanganui's sports image

The Wanganui logo was adapted for sports use and sports codes have been encouraged to adopt uniforms with 70% royal or reflex blue, 20% black and 10% white.

Virginia Lake

In order to manage the water quality of Virginia Lake, Council approved :

- Use of surface aeration to reduce the risk of blue/green algae formation.
- Removal of invasive plants (to minimise algal hotspots).
- Making application for a Resource Consent to introduce stormwater to the lake, which will, over time, reduce lake nutrients and provide cleaner, oxygenated water to the lake.
- Investigation of options for algal fish feeders in the future, after evaluation of the above strategies.

Work on developing a management plan began with a discussion document circulated for comment.

6. Indicators of the development of the cultural and environmental potential of the Whanganui River

▪ Access to the river

In 2008 57.2% of respondents to the Community Views Survey undertook activities on the river or riverbank walkway. This compared to 46.2% in 2007.

100% of respondents, compared with 57% in 2007, said they had used the Whanganui riverbank walkways in 2008, while 39% had undertaken activities on the Whanganui River – an increase of 9% from the 2007 Community Views Survey. This increased usage reflects the positive development undertaken by Council alongside the river.

▪ Length of riverbank walkways

The riverbank walkway was extended from 7.5km in 2006/07 to 7.83km in 2007/08. An additional 330m of wooden boardwalk was constructed between the Waimarie and the city bridge.

In 2006/07 an additional 300m was added to the riverbank walkway along Beach Road. Further planned work for 2007/08 was deferred following the transfer of flood protection responsibility to Horizons Regional Council and their plans to build stop banks in this area.

An upgrade of the Kowhai Park walkway was undertaken. The shell-rock path had eroded badly in recent years, becoming uneven with a number of low points ponding in wet weather. Despite this, the existing shell-rock pathways were rated as in 'fair condition'.

▪ River biodiversity

21 species of fish have been identified as inhabiting the Whanganui River and Estuary.

While there is little data currently available to specifically capture Whanganui River biodiversity; general biodiversity patterns in the Wanganui District have been measured by Horizons Regional Council as part of a report on the 'Revised Wastewater Scheme: Assessment of Effects on the Environment' (2001). The report noted the following:

The Department of Conservation considers that the Whanganui River estuary is of national importance as a nursery for freshwater and estuarine species. It advises that the area is a nationally important ecosystem for bird species and provides a habitat for threatened species.

Sparse populations of blue mussels and small green lipped mussels are present on the rocks and slabs comprising the moles at the river mouth. Tuatua may also occur in the vicinity of the river mouth but these shellfish also are sparsely distributed.

The lower River supports a number of freshwater fish and also provides habitat for some marine species which make forays into the tidal reach. The estuary is an important breeding ground for many species including the black flounder and freshwater native species such as galaxids (whitebait) and is recognised as such in the Regional Coastal Plan.

A list of the common names of the fish species found in the Whanganui River and Estuary: Shortfinned Eel, Longfinned Eel, Black Flounder, Lamprey, Torrentfish, Inanga, Common Bully, Redfinned Bully, Koura, Common Smelt, Perch, Catfish, Brown Trout, Banded Kokopu, Koaro, Yellow Mullet, Grey Mullet, Kahawai, Youth Belly Flounder, Goldfish and Short-Jawed Kokopu

▪ River water quality

In 2007/08 Enterococci (E.Coli) levels in the Whanganui River measured at Mosquito Point (upstream of the city) were 107.8% compared to 81% in 2006/07.

The test specifically measures E.Coli traces per 100ml, and is tested at two points along the Whanganui River: Mosquito Point and the Town Bridge. Tests are conducted once a week and are given a rating of either acceptable (minimal health risk), alert level (marginal health risk) and action (significant health risk). For the majority of the 2007/08 period, Mosquito Point readings fell within an acceptable rate.

December 2007, January and April 2008 were the exception with the level raising to the alert status. For all other months within the 2007/08 period the average amount of E. Coli per 100ml was 64.13. Tests undertaken at the Town Bridge are more sporadic and severity levels are distributed throughout the 2007/08 period with no discernable pattern. Of the possible 52 readings, 20 were recorded as falling within the acceptable level (an average of 119), 20 showed greater quantities of E.Coli (466.5) and were rated at the alert level, while the remaining 12 weeks revealed very high traces of E. Coli (936.6) per 100ml and water quality required 'action'.

Council actions that have contributed to the cultural and environmental potential of the Whanganui River

Upokongaro Jetty

The jetty was opened by the Mayor on Friday 28 September 2007.

Wastewater separation and treatment plant

Private separation achieved 90% and, coupled with public separation upstream of the Cobham Bridge, the risk of sewer overflow to the river is substantially reduced. Separation works continue downstream of the Cobham Bridge.

Waterfront development

The Whanganui Riverfront Boardwalk was opened by the Mayor on Saturday 15 September 2007.

Whanganui River control

- Whanganui River control responsibilities were transferred to Horizons Regional Council including river flood protection and emergency monitoring.

7. Indicators of people working together

▪ Community involvement in decision-making

In 2008 77% of the community felt the Council had responded well to community needs and issues. This was down from 82% in 2007.

In 2008 75% of the community were satisfied with the performance of the Mayor and Councillors compared to 77% in 2007.

In 2008 87% of the community were satisfied that the Council had supplied enough information compared to 83% in 2007.

▪ Level of participation in planning processes

From a possible 29,578 responses to Referendum '07, 15,030 were received (50.8%). In 2005 the response rate was 54.2% and in 2006 it was 55.5%.

The response to Referendum '08 will not be known until December.

In 2008 the Council's Annual Plan attracted 107 submissions from a community population of 42,639. Two of the 107 submissions were to the 10-Year Plan amendment.

▪ Level of voter turnout

Voter turnout at the 2007 election was 63.44% compared to 66.8% in 2004.

Two by-elections were held in 2007/08. 46.18% of eligible voters (13,658 of 29,578) participated in the February by-election and 41.97% of eligible voters (12,738 of 30,350) participated in June.

Council actions that have contributed to people working together

Community Outcomes review

In 2008 a review of the Community Outcomes was facilitated by the Council. 13 stakeholder forums as well as public events were held to identify the Community Outcomes. The Outcomes will be finalised in 2008/09 to enable them to contribute to the development of the 10-Year Plan 2009-19.

Community Views Survey

A Community Views Survey was completed in June 2008. This surveyed the community's views on Council services and general perceptions of Wanganui.

Kids Voting

The Kids Voting initiative was supported by the Council with two Wanganui schools, Cullinane College and Wanganui Girls' College, participating.

Tupoho Working Party and TamaUpoko Link meetings

Eight meetings between Council and TamaUpoko Link and between Council and Tupoho Working Party were held in 2007/08.

Community Outcomes and identified effects on community wellbeing

A growing economy

- Community facilities group
- Community support group
- Investments
- Land transportation group

Wanganui Incorporated and the Council have undertaken a number of initiatives to support economic growth including economic initiatives, business development and training, tourism, promotion and events.

The Business Confidence Survey (December 2007) indicated that the majority of businesses felt that the economy had been buoyant in the previous six months and would continue to be in the next six months.

The economic indicators show growth in the number of businesses, tourism (guest nights) and retail sales, and decreasing unemployment. The Scorecard for '*A Growing Economy*' generally indicates positive improvements in the economic wellbeing of the community.

Diverse and quality educational opportunities

- Community facilities group
- Community support group

Wanganui's educational options are generally meeting the aspirations of residents by providing quality standards and diverse opportunities. Our tertiary qualification attainment rates are increasing and student enrolments are up overall, particularly due to the increased enrolments at UCOL. Opportunities for informal, life-long learning are encouraged by the Library, Sarjeant Gallery and Regional Museum.

The Scorecard for '*Diverse and Quality Educational Opportunities*' indicates positive effects on the social wellbeing of the community.

A safe and healthy community

- Community facilities group
- Community support group
- Land transportation group
- Water group

Council continues to work in partnership with other organisations to ensure that Wanganui remains a safe and healthy place to live and visit. These efforts are reflected in survey results which indicate that most residents believe Wanganui to be a safe place. However, ongoing efforts in crime reduction and improvements in health services must continue.

Although the numbers of cycle and pedestrian accidents are low, there has been an increase in incidents over the last year.

The Scorecard for '*A Safe and Healthy Community*' generally indicates positive effects on the social wellbeing of the community.

Recognition as a great place to live and visit

- Community facilities group
- Community support group

The Council continues to generously support events to ensure Wanganui is an attractive place for residents and visitors. Council's investment in amenities has led to greater participation in arts and cultural activities and greater community pride.

The Scorecard for '*Recognition as a Great Place to Live and Visit*' indicates positive effects on the cultural wellbeing of the community.

Development of amenities and recreational opportunities

- Community facilities group
- Investments group
- Water group

A great majority of local residents are either 'satisfied' or 'very satisfied' with Wanganui's provision of recreational areas and facilities. With the completion of the Splash Centre extension and the development of the riverfront boardwalk, both participation in recreational activities and community satisfaction with Council facilities has increased.

The Scorecard for '*Development of Amenities and Recreational Opportunities*' indicates a positive effect on the cultural wellbeing of the community.

Development of the full cultural and environmental potential of the Whanganui River

- Community facilities group
- Community support group
- Water group

Works programmes within the immediate vicinity of the river have continued to recognise Wanganui's intrinsic link with this waterway. Walkway extensions and the riverfront boardwalk have improved opportunities for access and recreation. The city has turned to face the river where once it turned its back.

With the commissioning of the waste water treatment plant, the water quality of the river in the urban area has improved despite indications that upstream of the city there are still some water quality issues.

The Scorecard for '*Development of the Full Cultural and Environmental Potential of the Whanganui River*' indicates a positive effect on the cultural and environmental wellbeing of the community.

People working together

- Community support group
- Governance group
- Corporate group

Despite reduced levels of participation in and, satisfaction with, Council's planning and decision-making processes since last year, the results are still high when compared nationally. Community Referenda processes result in very high participation rates compared to the Special Consultative Procedure under the Local Government Act. Voter turnout at elections is also relatively high.

The Scorecard for '*People Working Together*' indicates a healthy political environment which enhances the social wellbeing of the community.

Community Outcomes					
LINKED ITEMS	UNIT	TARGET	ACTUAL	COMMENTS	INDICATOR
People working together					
Community involvement in decision-making	%	82.00	77.00	In 2008 77% of the community felt the Council had responded well to community needs and issues. This was down from 82% in 2007.	
Community perceptions of harmony	%	0.00	0.00	Not measured	
Level of participation in planning processes	%	56.00	50.80	From a possible 29,578 responses to the referendum in 2007, 15,030 were received (50.8%).	
Level of voter turnout at local elections	%	66.80	63.44	Voter turnout at the 2007 election was 63.44% compared to 66.8% in 2004.	
Diverse and quality educational opportunities					
Early leaving rates	#	369.00	154.00	Early leaving exemptions, suspensions and stand downs reduced from 369 in 2006 to 154 in 2007.	
Level of educational attainment	#	1,842.00	2,688.00	The numbers of the population aged over 15 years with a tertiary qualification increased from 1,842 in 2001 to 2,688 in 2006.	
Number of international students	#	153.00	172.00	The number of international students increased from 153 in 2006 to 172 in 2007.	
Student enrolments	#	11,560.00	14,237.00	The number of students enrolled in education increased from 11,560 in 2006 to 14,237 in 2007.	
A growing economy					
Age structure	#	35.90	39.60	The median age in Wanganui was 39.6 years in 2006 compared to the national average of 35.9 years.	
Growth in number of businesses	#	3,174.00	3,930.00	The number of business grew from 3174 in 2006/07 to 3,930 in 2007/08.	
Population	#	43,600.00	43,600.00	The population declined from 43,600 in 2004 to 42,639 in 2006. The 2007 estimate is 43,600.	
Retail sales	\$	704,000,000.00	720,100,000.00	Retail sales increased \$16.1M from \$704M in 2006/07 to \$720.1M in 2007/08.	
Tourism	#	199,000.00	197,867.00	Although the target of 199,000 guest nights was not achieved, the 2007/08 result of 197,867 was 6940 more than in 2006/07 (190,927 guest nights).	
Unemployment	#	1,259.00	820.00	Unemployment dropped from 1,259 in 2006/07 to 820 in 2007/08.	

Community Outcomes					
LINKED ITEMS	UNIT	TARGET	ACTUAL	COMMENTS	INDICATOR
Development of amenities and recreational opportunities					
Community satisfaction with Council facilities	%	82.00	92.00	In 2008 92% of the community were satisfied with Council facilities compared to 82% in 2007.	
Participation in sport and recreational activities	%	56.00	60.00	Participation in defined sport and recreational activities increased from 56% in 2007 to 60% in 2008 as measured through the community views survey.	
Youth perceptions of Wanganui	#	0.00	0.00	Not measured	
A safe and healthy community					
Access to public hospital	#	1,000.00	1,000.00	Approximately 1000 residents reside more than 30 minutes from the hospital.	
Crime levels	#	4,570.00	4,738.00	Total reported crime has increased from 4,570 in 2006/07 to 4,738 in 2007/08.	
Cycle safety	#	4.00	7.00	Incidents involving cyclists increased from four in 2006/07 to seven in 2007/08.	
Flights in and out of Wanganui	#	3,138.00	3,282.00	The number of flights increased from 3,138 in 2006/07 to 3,282 in 2007/08.	
Health status	#	6.00	6.20	At an average of 6.2, Wanganui's level of deprivation is just above the national average of 6.	
Life expectancy at birth	#	76.50	79.90	Life expectancy for the district increased from 76.5 in 2002 to 79.9 in 2005.	
Number of general practitioners	#	44.00	35.00	GP numbers have steadily declined from 44 in 2001 to 35 in 2008.	
Pedestrian safety	#	5.00	11.00	Pedestrian incidents increased from five in 2006/07 to 11 in 2007/08.	
Perceptions of safety	%	74.00	85.00	Perceptions of safety at home in the evening have increased from 74% in 2007 to 85% in 2008.	
Recycling	m3	16,467.00	19,198.00	The volume of waste recycled increased from 16467 cubic metres in 2006/07 to 19198 cubic metres in 2007/08.	
Road safety	#	244.00	124.00	Road crashes have halved from 244 in 2006/07 to 124 in 2007/08.	
Visual quality	#	395.00	394.00	From 1 April 2007 to 30 June 2008 there were 394 instances of graffiti removal undertaken.	
Waiting time for access to hospital	#	768.00	747.00	There are 747 inpatients on the waiting list compared to 768 last year.	

Community Outcomes					
LINKED ITEMS	UNIT	TARGET	ACTUAL	COMMENTS	INDICATOR
Recognition as a great place to live and visit					
Heritage assistance	\$	20,000.00	12,691.71	\$12,691 from the \$20,000 fund was provided by Council as heritage assistance grants.	
Number of events	#	39.00	56.00	The number of events supported by Council increased from 39 in 2006/07 to 56 in 2007/08.	
Number of heritage buildings/sites	#	88.00	88.00	No change at 88 heritage buildings/sites.	
Participation in arts and cultural activities	%	46.00	56.00	Participation in cultural activities has increased from an average of 46% in 2007 to 56% in 2008 as surveyed by the Community Views Survey.	
Perceptions of Wanganui's image	%	71.00	73.00	In 2008 73% of the population had no intention of moving out of Wanganui. This compares to 71% in 2007 as surveyed by the Community Views Survey.	
Development of the full cultural and environmental potential of the Whanganui River					
Access to the Whanganui River	%	46.20	57.20	In 2008 57.2% of respondents to the community views survey undertook activities on the river or riverbank walkway. This compared to 46.2% in 2007.	
Length of riverbank walkways	KM	7.50	7.83	The riverbank walkway was extended from 7.5km in 2006/07 to 7.83km in 2007/08.	
River biodiversity	#	20.00	21.00	21 species of fish have been identified as inhabiting the Whanganui River and Estuary.	
River water quality	%	81.00	107.80	In 2007/08 Enterococci (E.Coli) levels in the Whanganui River measured at Mosquito point (upstream of the city) were 107.8% compared to 81% in 2006/07.	

Community facilities group

For the year ended 30 June 2008

	Budget 2008 \$000	Council 2008 \$000	2007 \$000
Income			
User fees and other revenue	3,283	3,739	4,276
Subsidies	145	99	106
Total income	3,428	3,838	4,382
Operating expenditure			
Operating expenditure	10,344	10,162	9,426
Finance costs	917	889	567
Depreciation	1,162	1,516	1,424
Council overhead	1,666	1,933	1,695
Total operating expenditure	14,090	14,500	13,112
Non-funded depreciation	(1,162)	(1,516)	(1,424)
Operational rates requirement	9,499	9,146	7,306
Capital acquisitions	3,444	6,560	4,262
Capital replacements	2,627	901	1,134
Total capital expenditure	6,071	7,461	5,396
Total funding requirement	15,570	16,607	12,702
Transfers (to)/from special funds	1,816	429	1,149
New loans/(loans repaid)	2,308	4,915	1,340
Total capital funding	4,124	5,344	2,488
Rate requirement	11,446	11,263	10,214

Community facilities group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Community Facilities Group. Significant variations to the Annual Plan are discussed below if necessary.

Activity	Item	Budget \$	Actual \$
Cemeteries	Kerb and seal replacement	17,000	50,805
CBD maintenance	Community under-verandah lighting upgrade	200,000	-
	Tree replacement	30,000	-
Community buildings	Building improvements	27,000	15,540
Parks and reserves	Riverfront walkway	-	796,056
	Kowhai Park play equipment	110,000	-
	Bason Botanic Gardens	88,000	46,777
	Playground equipment	220,000	257,972
	Moutoa Gardens toilets	75,000	96,469
	Virginia Lake algae work	-	259,348
	Virginia Lake various projects	58,000	78,606
	Parks furniture, fences etc	135,000	126,105
	Archers Bridge, Kai Iwi beach	140,000	4,932
	Durie Hill steps and walkway	66,000	97,169
	Gateways project	100,000	27,500
	Waterfront toilets	100,000	-
	Pensioner housing	Building improvements	40,000
Sportsgrounds	Events Centre feasibility study	80,000	161,514
Cooks Gardens	Snell Statue	-	69,124
Sarjeant Gallery	Roof lighting (skylights)	250,000	-
	Kitchen upgrade	44,000	-
Swimming pools	Splash Centre extension	4,600,000	4,463,357
Library	Book vote	300,000	300,000
	Computer additions	75,000	75,000
	Building improvements	31,000	4,499
Minor transport	Half share Airport runway upgrade	240,000	234,936
	Drainage and Tower restoration	120,000	6,929
Regional Museum	Capital works	108,000	-
War Memorial Hall	Weatherproof exterior cladding	400,000	-
	Repitch slabs on forecourt	16,000	-
	Kitchen refurbishment	-	15,425
Opera House	Electrical work	40,000	44,749

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

Cemeteries

Additional road sealing work carried out after other savings were made.

CBD maintenance

The community under-verandah lighting project of \$200,000 was deferred during the year, to a later date. The tree replacement programme expended \$24,000 and was reclassified as planned maintenance expenditure.

Community buildings

There was lesser expenditure than programmed, pending decisions on the future of some buildings.

Parks and reserves

The Riverbank walkway project was completed this year. The expenditure was partially offset by a donation of \$124,000. The expenditure was recognised as a forecast change during the year, and was loan funded. The Kowhai Park playground budget was deferred pending further reports. The expenditure for the algae bloom problem at Virginia Lake was forecast during the year. Other expenditure at Virginia Lake was also carried out, mainly the retaining wall project. Archers Bridge at Kai Iwi, the Gateways Project and the Durie Hill steps and walkway project were all started with unexpended funds being carried forward into next year. The Waterfront toilets project was deferred during the year, to a later date.

Pensioner housing

Expenditure has been reclassified as operating maintenance.

Cooks Gardens

The cost of the Snell Statue of \$69,000 was covered by donations.

Sportsgrounds

Additional work on the Velodrome Events Centre feasibility study was approved during the year.

Sarjeant Gallery

The \$250,000 for the Gallery roof skylights project has been carried forward into next year. The kitchen upgrade of \$79,000 has been included in next year's Annual Plan.

Swimming pools

The Splash Centre extension project was completed during this year. The balance of the expenditure this year of \$4,463,000 was financed from donations of \$951,000 and land sales of \$497,000, with the balance coming from loan funds.

Library

Council budgets a rolling programme for replacement of library books, to the value of \$300,000. Building improvements work of \$38,000 has been carried forward into 2008-2009.

Minor transport

Council paid its half share towards the terminal upgrade at the Airport, the total cost being \$470,000. Other work including drainage works and tower restoration work has been carried forward into next year, the total amount being \$226,000.

Regional Museum

Expenditure of \$64,000 was reclassified as planned maintenance. \$19,000 for emergency lights has been carried forward to next year.

Opera House

New switchboard and electrical work was carried out.

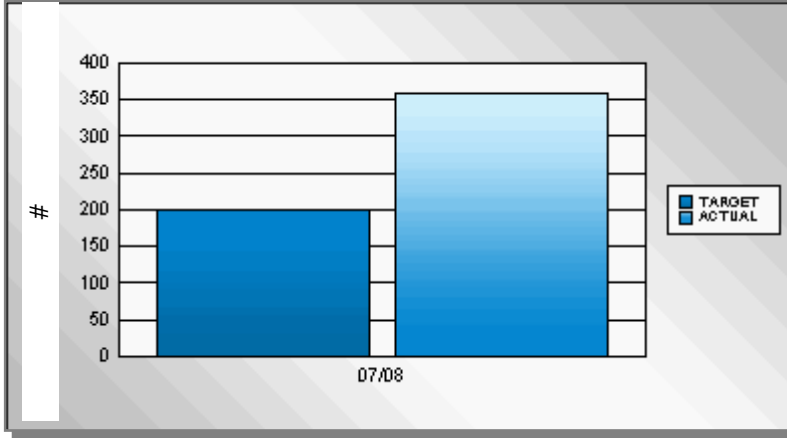
War Memorial Hall

The weatherproofing of the exterior cladding job of \$400,000 and the repitching of slabs on the forecourt of \$16,000, have both been carried forward into 2008-2009.

Community Facilities Group:

Cemeteries

KPI: A minimum of 200 available burial plots will be provided.



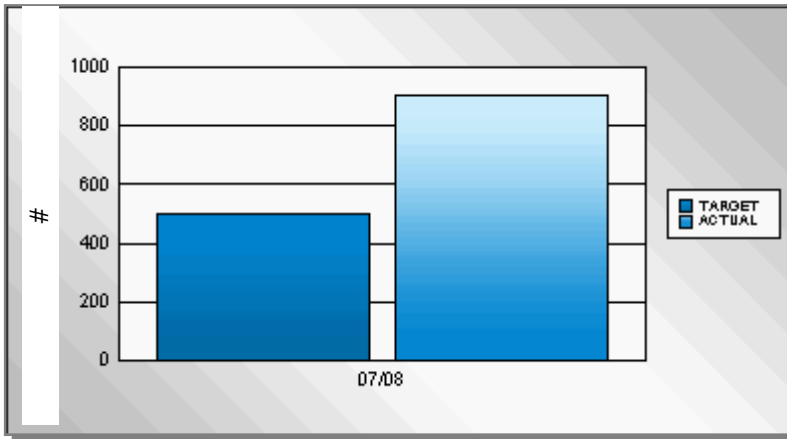
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of a minimum of 200 plots was exceeded. Over the year 841 plots were provided due to the construction of new berms.

KPI: A minimum of 500 available cremation plots will be provided.



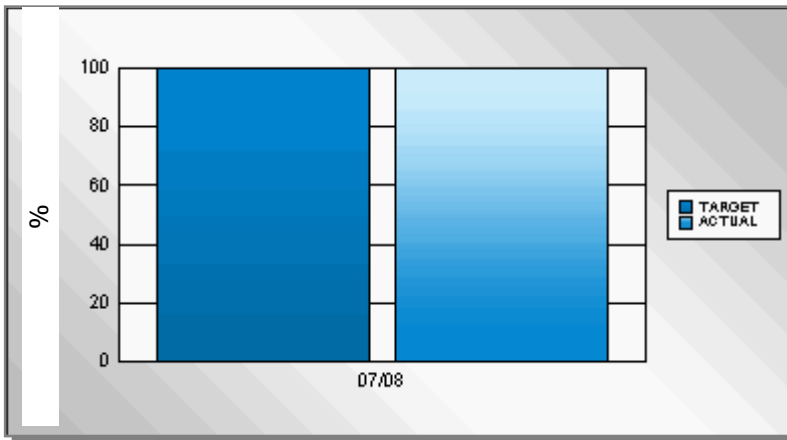
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 500 was exceeded. The actual result was 2127 cremation plots were provided due to the construction of new berms.

KPI: Burials and cremations comply will meet the requirements of the Burial and Cremation Act.



RESPONSIBLE OFFICER:

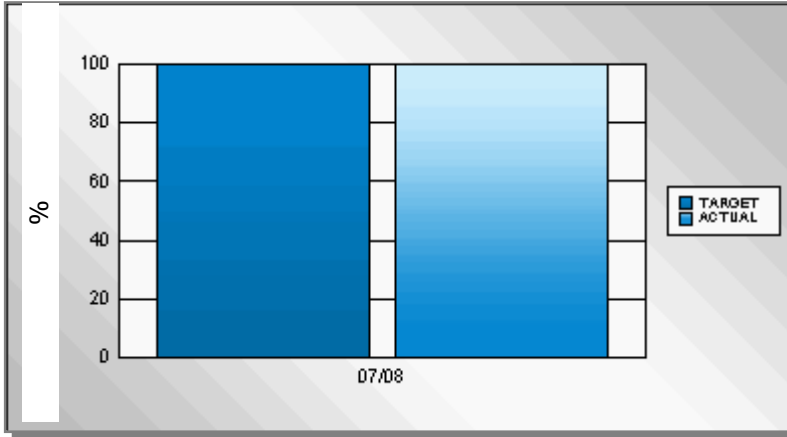
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. This was achieved as all burials and cremations met the statutory requirements.

Cemeteries

KPI: Discharge to Air resource consent complied with.



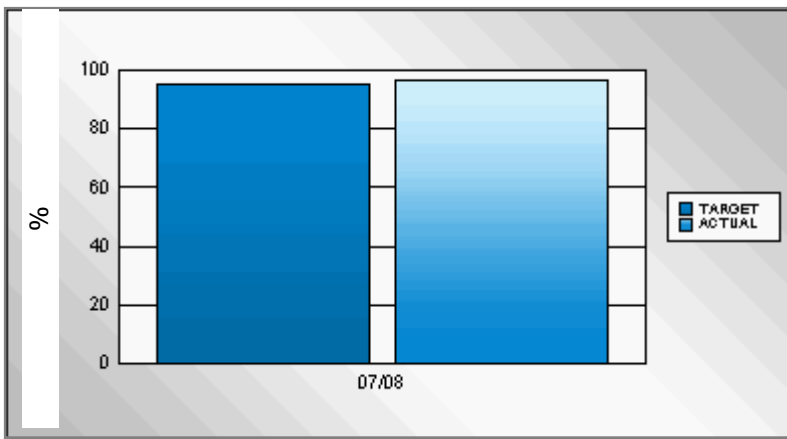
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% compliance with conditions of the Discharge to Air Resource Consent were met.

KPI: Management Contract specifications consistently met e.g. grass will not exceed 50mm in height, roses will be pruned annually, rubbish will be removed daily, flowering annuals will be planted twice per annum, weeds will be removed when 2cm in width or height.



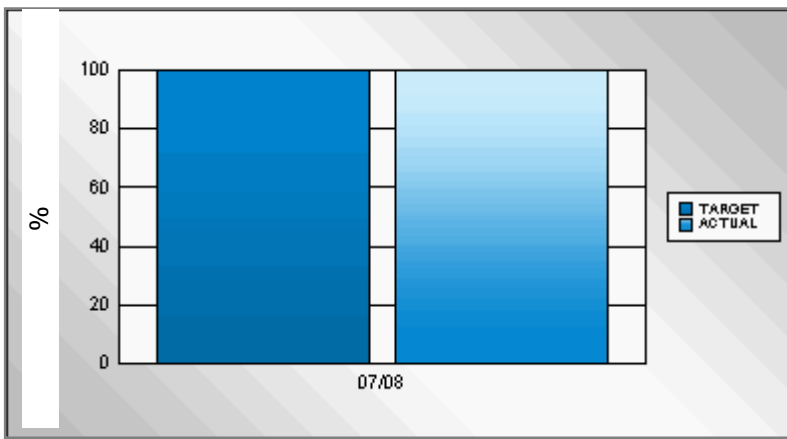
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was 96% compliance for the year which exceeded the target.

KPI: Permits will be issued before monuments are erected.



RESPONSIBLE OFFICER:

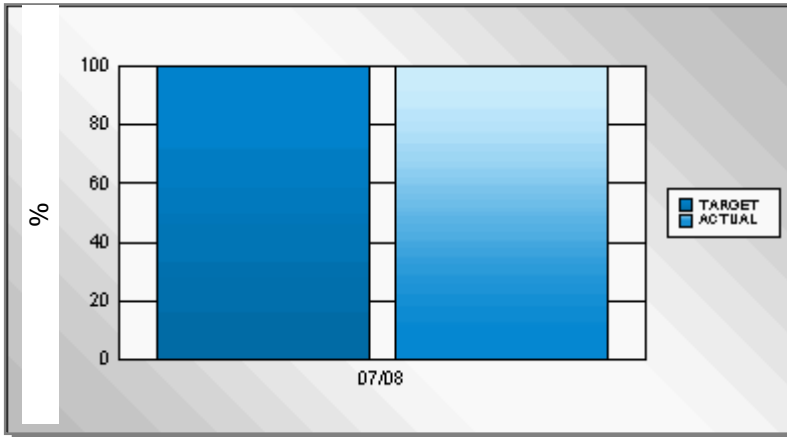
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. All permits were issued before monuments were erected.

Cemeteries

KPI: The Ministry of Culture and Heritage are satisfied with war graves' maintenance.



RESPONSIBLE OFFICER:

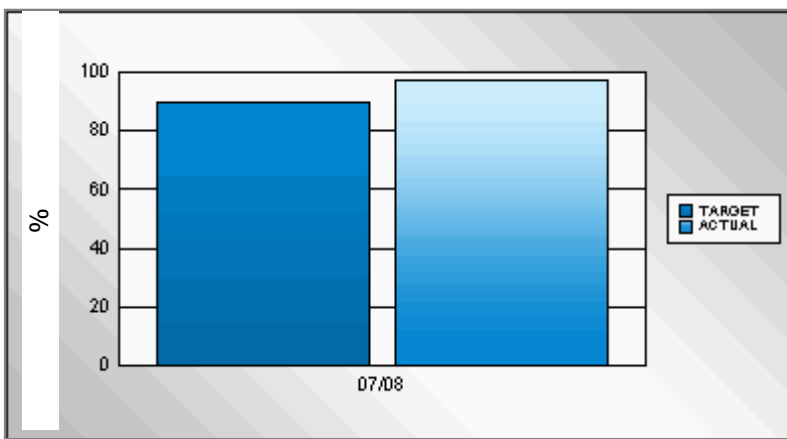
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% satisfaction was met. This was achieved as there were no issues raised during the year in the Ministry of Culture and Heritage report.

Central Business District Services

KPI: Flower gardens will not be left unplanted over any weekend.



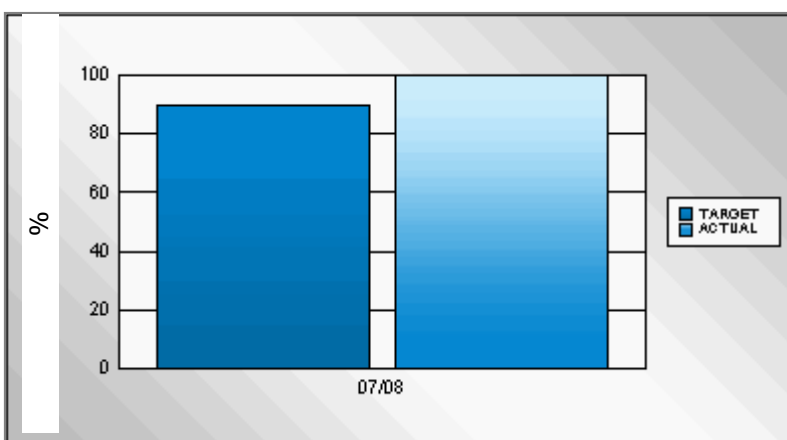
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% of flower gardens not being left unplanted over any weekend was met. The actual percentage for the year was 97%.

KPI: Pavements in the Central Business District will be illuminated 365 nights per year.



RESPONSIBLE OFFICER:

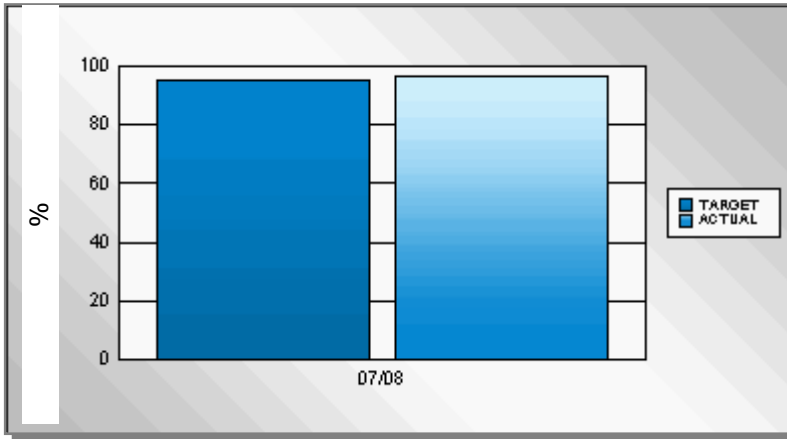
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100% with CBD pavements being illuminated every night during 2007-08.

Central Business District Services

KPI: Public conveniences will be available for use.



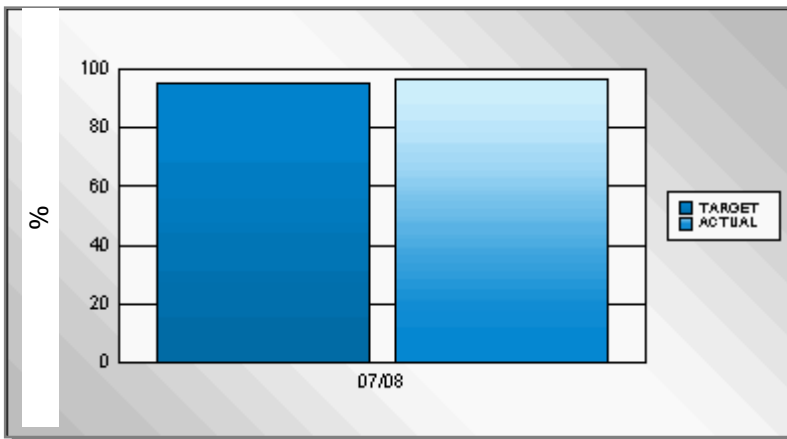
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was achieved. The actual result was 96% for the year. Public conveniences were only closed occasionally due to vandalism.

KPI: Reported damage will be repaired or isolated within 24 hours.



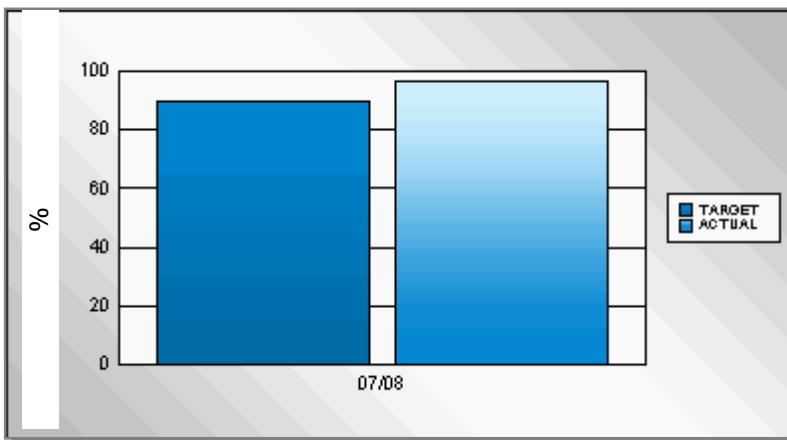
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was met. 98% of all damage reported was repaired within 24 hours.

KPI: Reported graffiti will be removed within 24 hours.



RESPONSIBLE OFFICER:

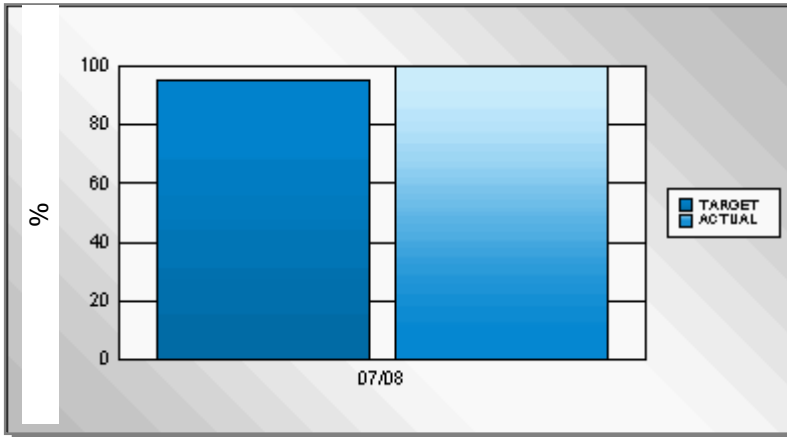
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 96% of reported graffiti was removed within 24 hours.

Central Business District Services

KPI: Trees will be well maintained and branches will not interfere with pedestrians.



RESPONSIBLE OFFICER:

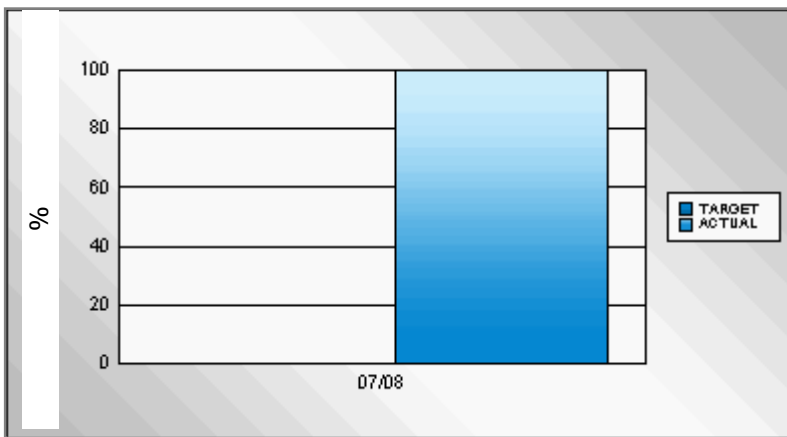
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was 100% of the trees were well maintained and did not interfere with pedestrians.

Community Buildings and Rural Halls

KPI: All buildings will have a current "Building Warrant of Fitness" as applicable.



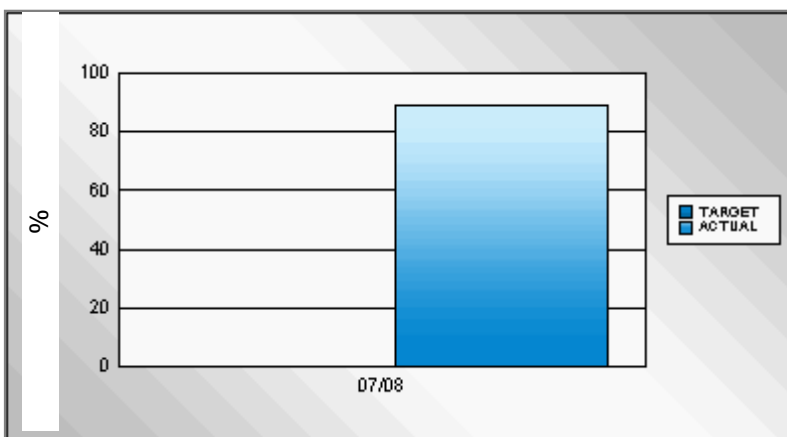
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target in the 10-year Plan was nil. The Council intended not to manage Community Buildings and Rural Halls except for Ward Observatory and Ladies Rest Building. However, Council has not been able to dispose of these buildings in the time frame and is still responsible for them. All applicable buildings do have current Warrants of Fitness.

KPI: All rural halls will have a management committee.



RESPONSIBLE OFFICER:

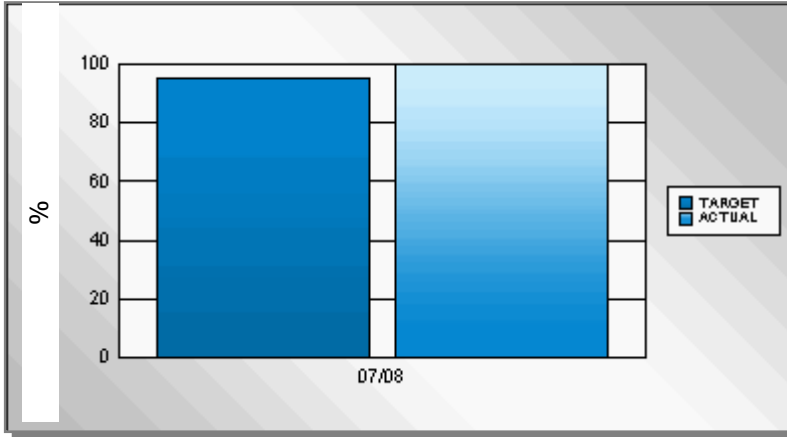
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target for 2007/08 was nil as Council did not intend to manage any rural halls. However, Council has not been able to dispose of these halls within the timeframe. The only hall no longer operating is Kaitoke Hall. Therefore, 89% of hall management committees still exist.

Community Buildings and Rural Halls

KPI: *The Ladies Rest Building will be available for use five days a week Monday - Friday.*



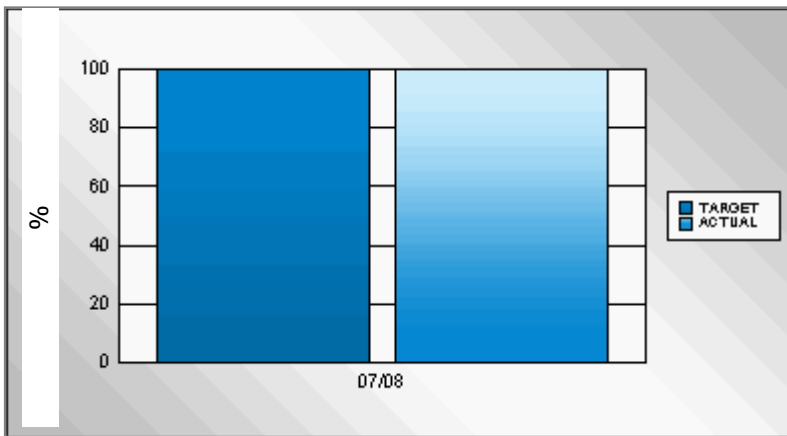
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was the Ladies Rest Building was open 100% of opening hours.

KPI: *The Ward Observatory will be open for viewing every Friday night if the sky is clear.*



RESPONSIBLE OFFICER:

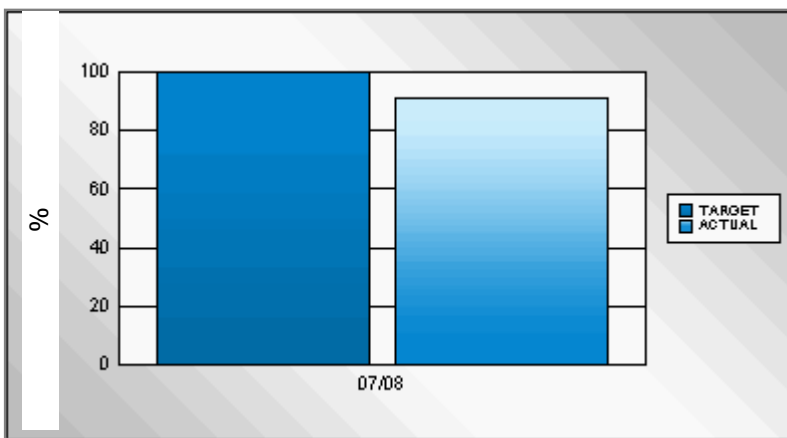
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was achieved. The Ward Observatory was open for viewing every Friday night the sky was clear.

Cooks Gardens

KPI: *Cooks Gardens ground maintenance will meet all contract specifications on all inspections.*



RESPONSIBLE OFFICER:

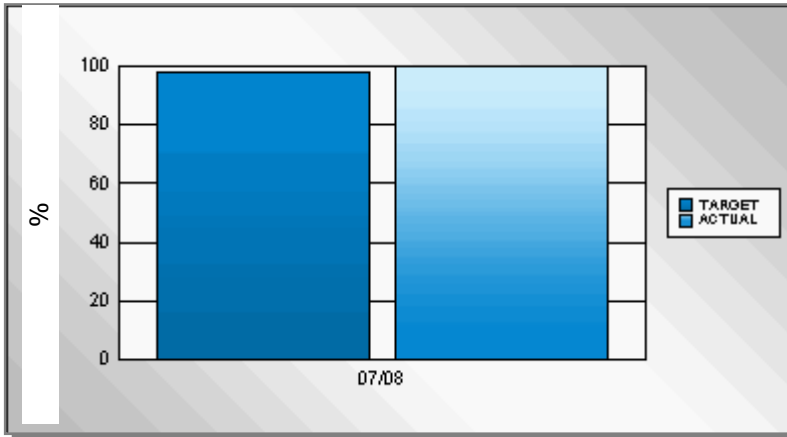
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 91.25% as there were some issues experienced with the contractor in terms of staff quality and systems. However, Council is working with these contractors to improve performance.

Cooks Gardens

KPI: Leases and licences will be current for all applicable user groups.



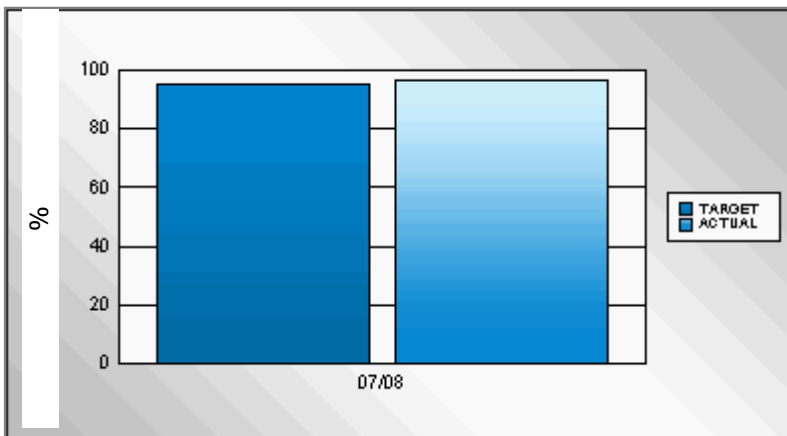
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% was exceeded. 100% of leases and licenses were current.

KPI: Public conveniences located on St Hill Street will be available for use during normal opening hours e.g. 24 hours a day.



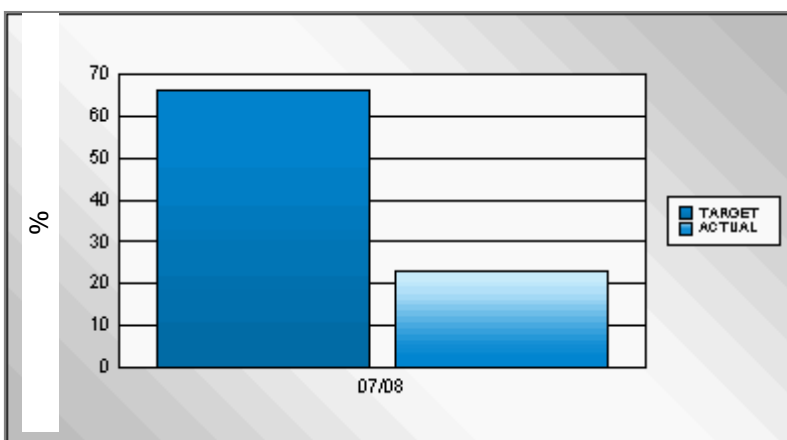
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The public conveniences on St Hill Street were available 96% of normal opening hours. Closures were due to vandalism.

KPI: Users will be very satisfied with Cooks Gardens and associated facilities.



RESPONSIBLE OFFICER:

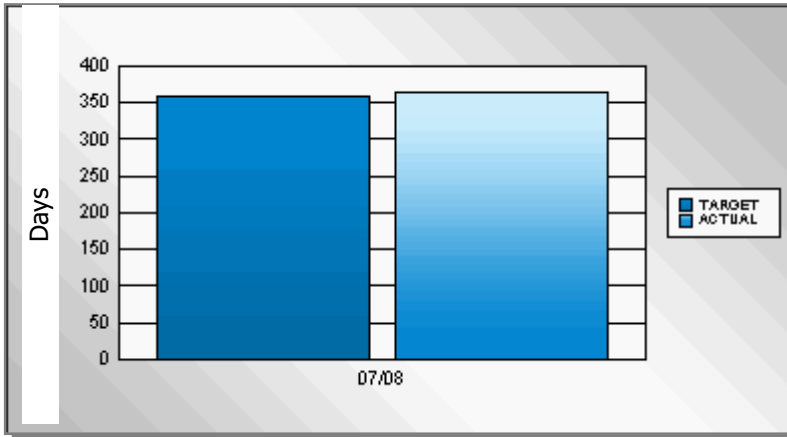
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 66% was not achieved. Only 23% of users were Very Satisfied. An additional 59% were Satisfied with Cooks Gardens and associated facilities. Overall 82% of users were either Satisfied or Very Satisfied.

Cooks Gardens

KPI: Venue will be available for public use 365 days per annum.



RESPONSIBLE OFFICER:

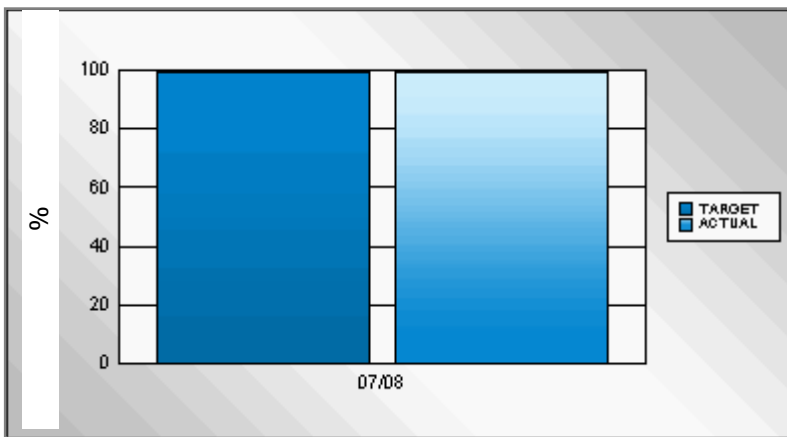
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% was exceeded. The actual result was Cooks Gardens venue was available 365 days of the year (100%)

Library

KPI: A library website, public internet access and search facilities will be provided.



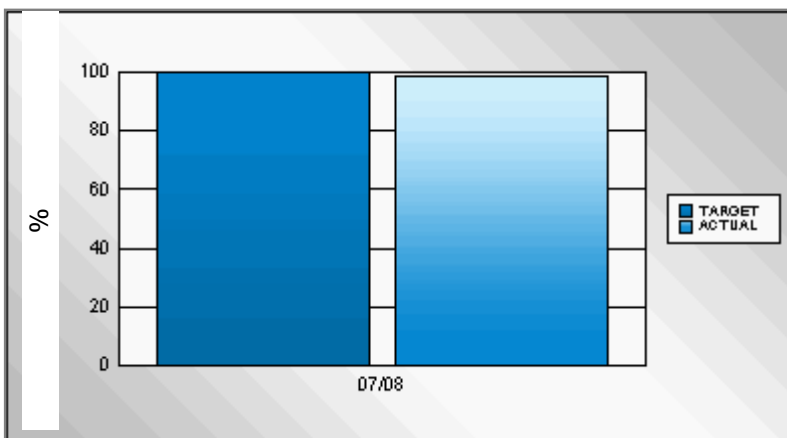
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 99% was exceeded. The actual result was the library website, internet and search facilities were provided 99.5% of the available hours and down time was 0.5%.

KPI: A research and information service at the Alexander Research and Heritage Library will be provided Monday-Friday from 1:00-5:00pm.



RESPONSIBLE OFFICER:

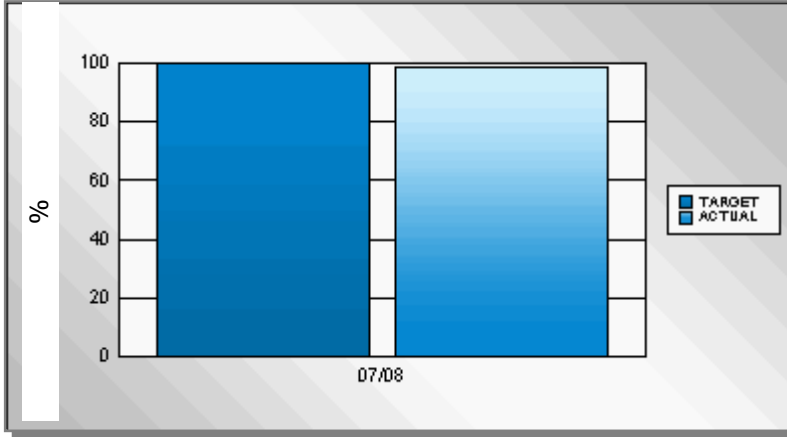
Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was the services were provided 98.5% of available hours. A 2-day book sale resulted in closure on 24 & 25 June 2008.

Library

KPI: Access and research support will be provided to heritage/whakapapa resources, Monday-Friday from 1:00-5:00pm, 52 weeks per year (excluding public holidays).



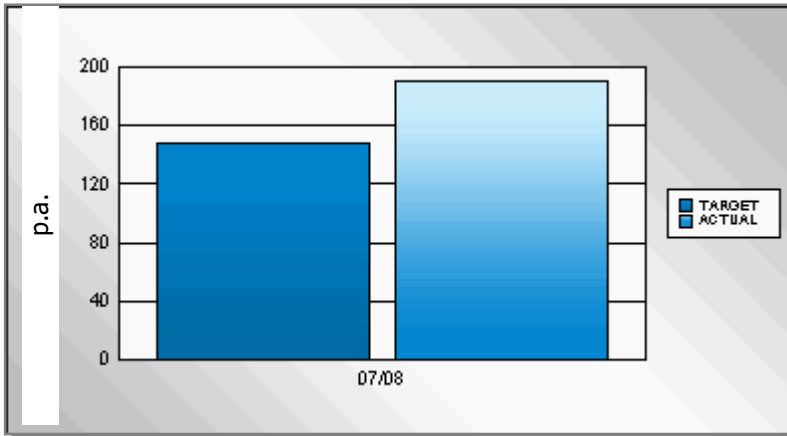
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was access was provided to heritage/whakapapa resources for 98.5% of the available hours. A 2-day book sale resulted in closure on 24 and 25 June 2008.

KPI: Literacy-based programmes will be delivered to children and teenagers throughout the year.



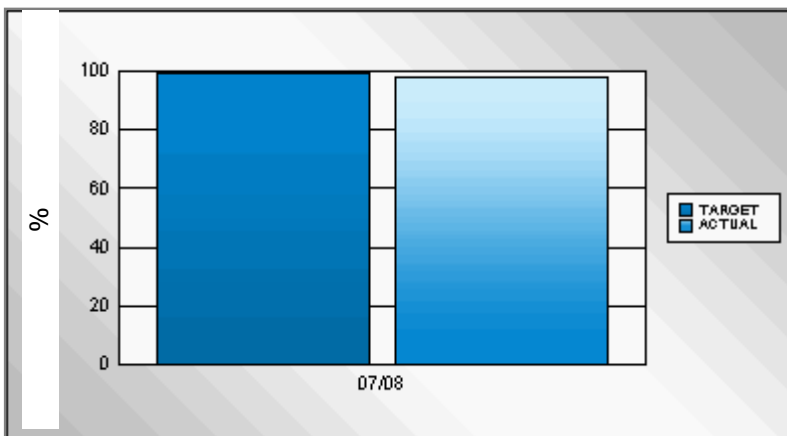
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 95% of a total of 156 programmes (148) was exceeded. The actual result was 191 programmes were delivered to children/teenagers throughout the year. Actions relating to the cultural KPI's, including Kohanga Reo programmes resulted in the target being exceeded.

KPI: Special needs services, including large print, talking books and a Dial-the-News service will be provided.



RESPONSIBLE OFFICER:

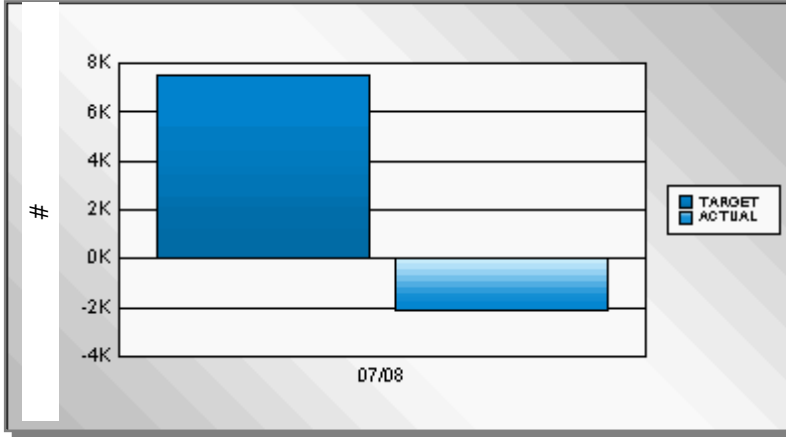
Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 99% was not met. The actual result was services were provided on an average of 97.75% of the available hours. There was minor outage for Dial-the-News service, which dropped the actual performance indicator slightly.

Library

KPI: The combined stock levels will be increased from 120,000 for print, audio-visual and electronic items to \$135,000.



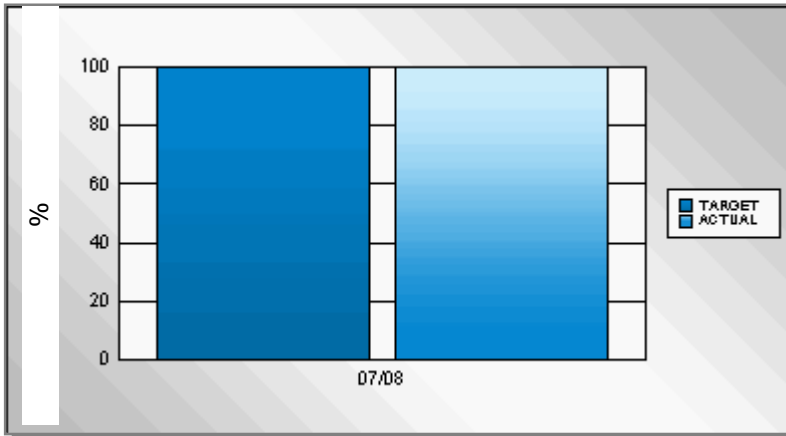
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

Baseline 120,000. 06/07 125,000. 07/08 127,500. The target of 7,500 items above stock baseline (120,000) was not met. The actual net result was a reduction in stock numbers due to sale of depreciated items.

KPI: The Library will be open to issue books and audio/visual/digital items seven days a week.



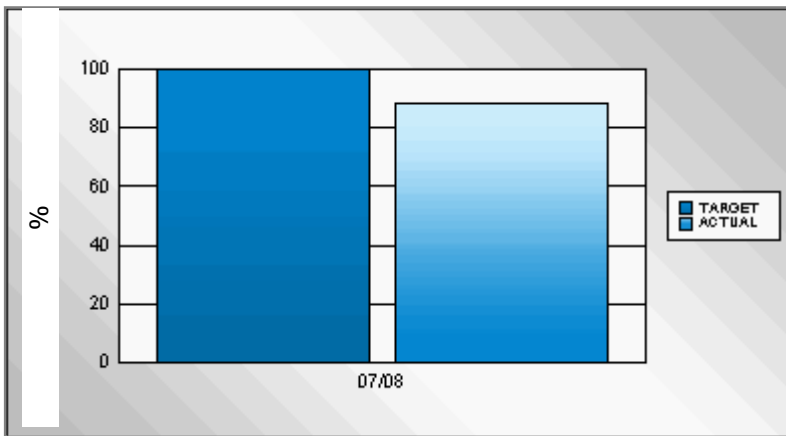
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 100% was achieved. The library was open for 100% of opening hours. Opening hours are Monday, Thursday, Friday 10am-8pm, Tuesday, Wednesday 10am-6pm, Saturday 10am-5pm, Sunday 10am-3pm, except on public holidays.

KPI: The Mobile Library will be available: Monday-Friday 9am-4.30pm; Every second Saturday 1pm-3.30pm. (N.B. The Mobile Library service will not be available to Whanganui River Road communities).



RESPONSIBLE OFFICER:

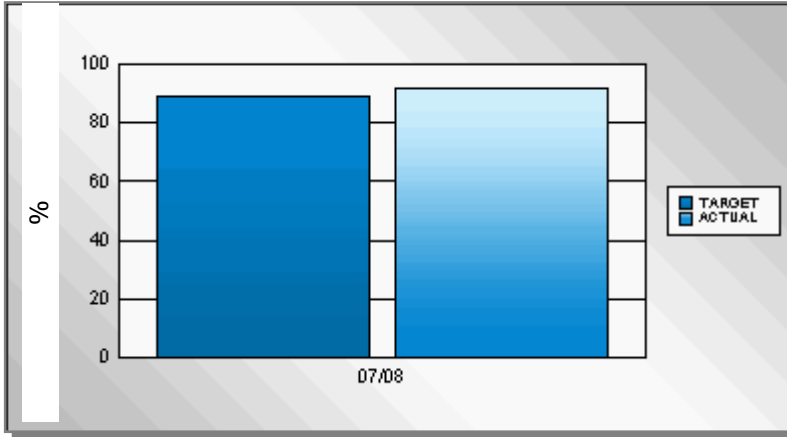
Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 88.5% due to the Mobile Library being off the road due to an accident.

Library

KPI: Visitors to the Library will be fairly or very satisfied with the services provided.



RESPONSIBLE OFFICER:

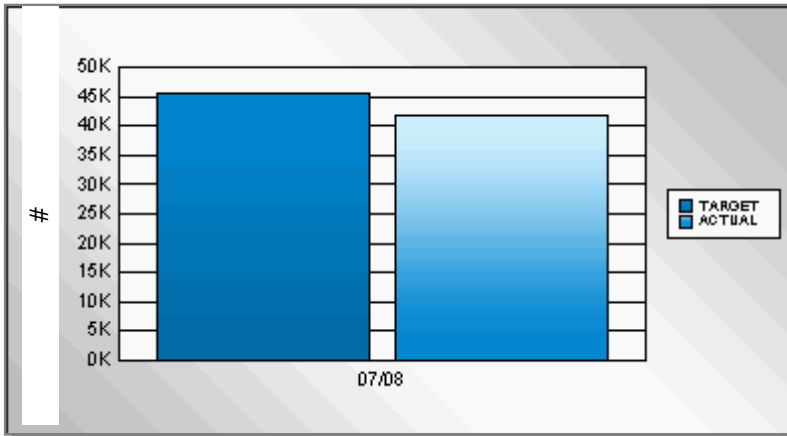
Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 89% was exceeded. The actual result was 92%. 53% of visitors were Very Satisfied and 39% were Satisfied from Community Views Survey, June 2008.

Minor transport

KPI: Customer usage will be increased over time. (Elevator)



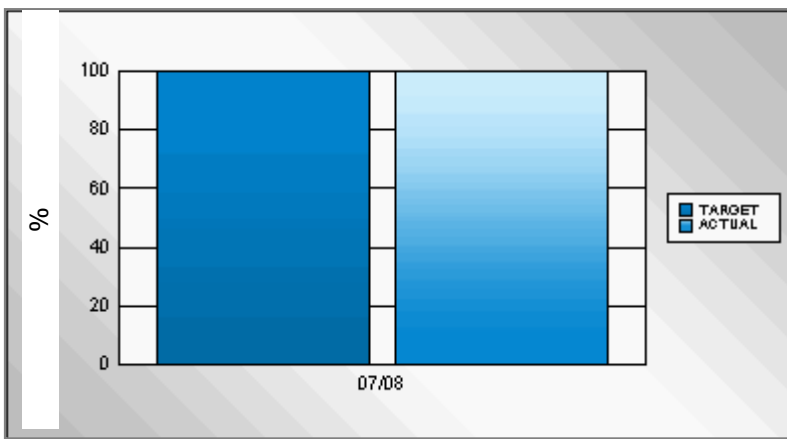
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 45,400 was not met. The actual result was 41,782. Customer usage of the elevator has not increased - less people are using the elevator.

KPI: Elevator maintenance, safety, emergency and management systems will meet the requirements of the annual Certificate of Inspection.



RESPONSIBLE OFFICER:

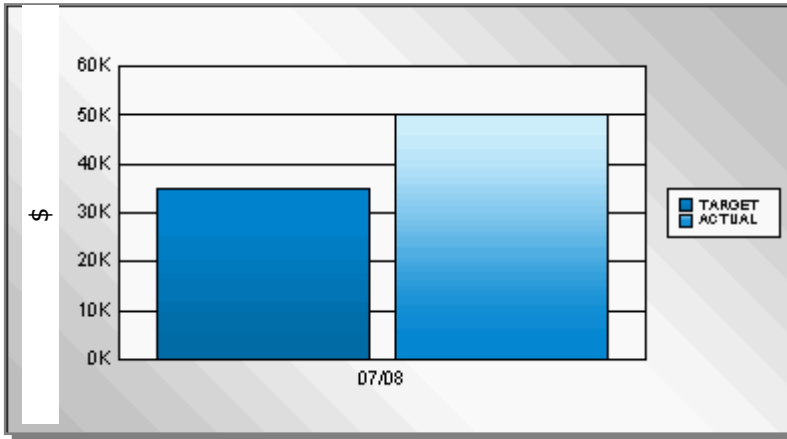
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% Pass was met. All requirements of the annual certificate of inspection were met.

Minor transport

KPI: Ratepayer contribution requirements will be reduced to annual operating cost (Airport)



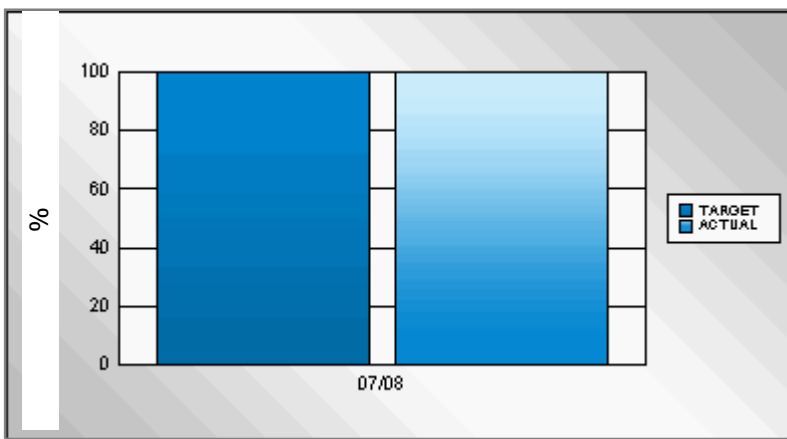
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of less than \$35,000 shortfall was not achieved. \$24,000 of additional net cost was incurred as a result of the decision to bring the cafe under the airports control. This includes establishment costs but these will reduce in future years.

KPI: Runway maintenance, security, safety, emergency and management systems will meet the requirements of the annual Civil Aviation Authority Part 139 Certification.



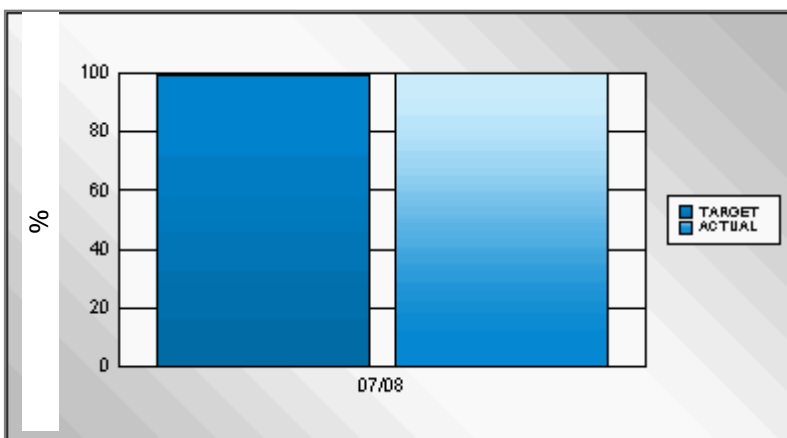
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. The actual result was all runway maintenance, security, safety, emergency and management systems met the requirements.

KPI: The elevator service will be available 52 weeks of the year from 7.30am to 6pm weekdays, 9am to 6pm Saturdays and 10am to 5pm Sundays.



RESPONSIBLE OFFICER:

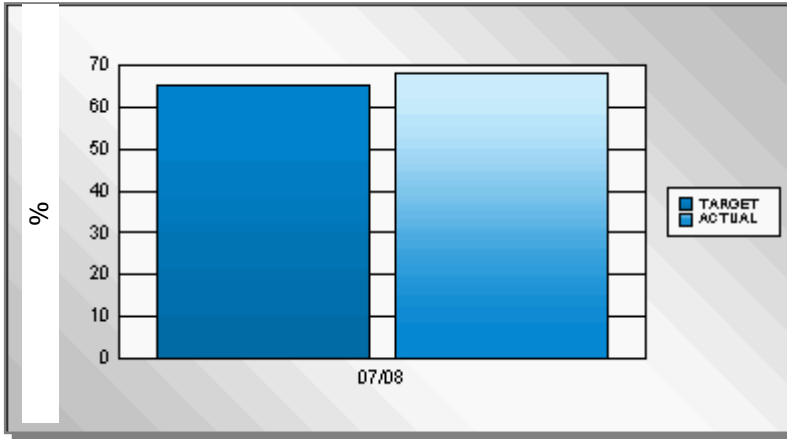
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 99% was exceeded. The actual result was that elevator services were available 100% of operating hours.

Minor transport

KPI: Users will be fairly or very satisfied that the terminal facilities and other passenger services are to a standard expected of a provincial airport.



RESPONSIBLE OFFICER:

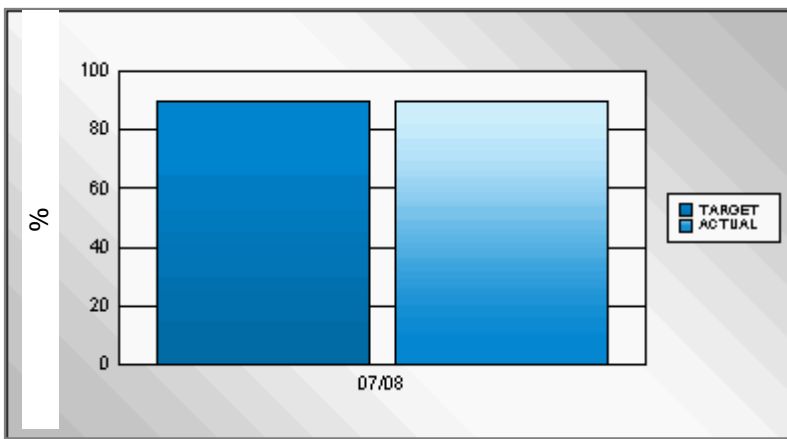
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 65% was exceeded. The actual result was 68%. User satisfaction increased in line with improvements to the facilities.

Parks and reserves

KPI: Open Space will be provided within 10 minutes walk or 500 metres of residential properties in the urban area.



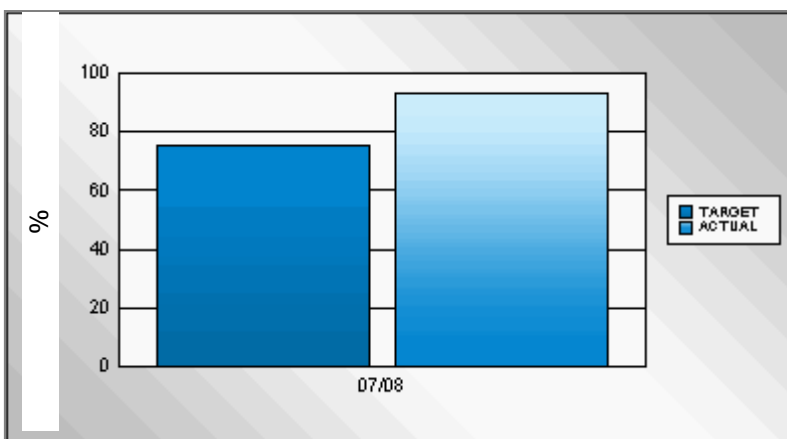
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% was met. However, this measure is no longer included in the Parks and Open Spaces Strategy adopted by Council and will be deleted from the next 10-Year Plan.

KPI: Play equipment maintained in a safe condition.



RESPONSIBLE OFFICER:

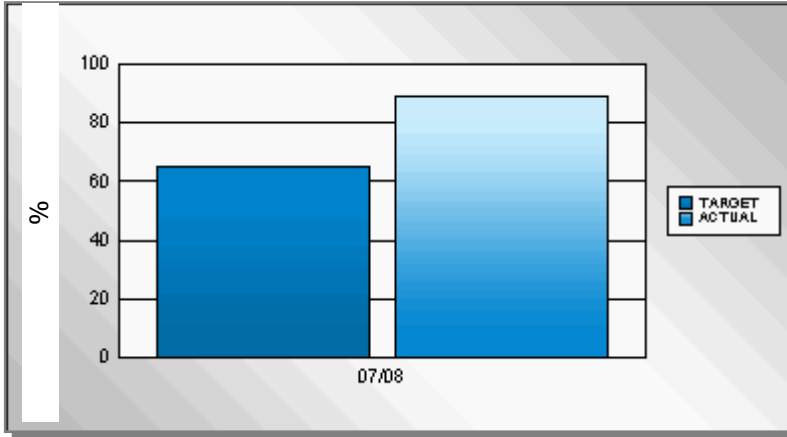
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 75% was exceeded. The actual result average was 93.5% of play equipment was maintained in safe condition. One incident was reported at Kowhai Park due to a worn rope on the flying fox.

Parks and reserves

KPI: Reported graffiti will be removed within 48 hours.



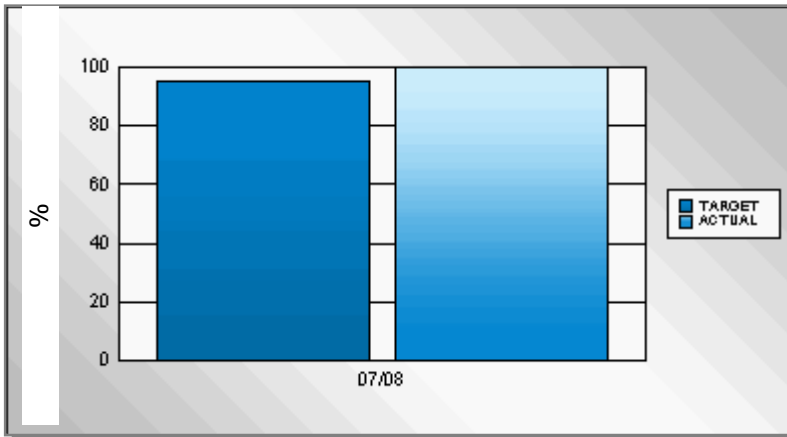
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 65% was exceeded. The actual result was 88.75%. All non-offensive graffiti reported on Council property was removed within 48 hours. The new Graffiti Team is exceeding this required target.

KPI: Resource consent conditions will be complied with.



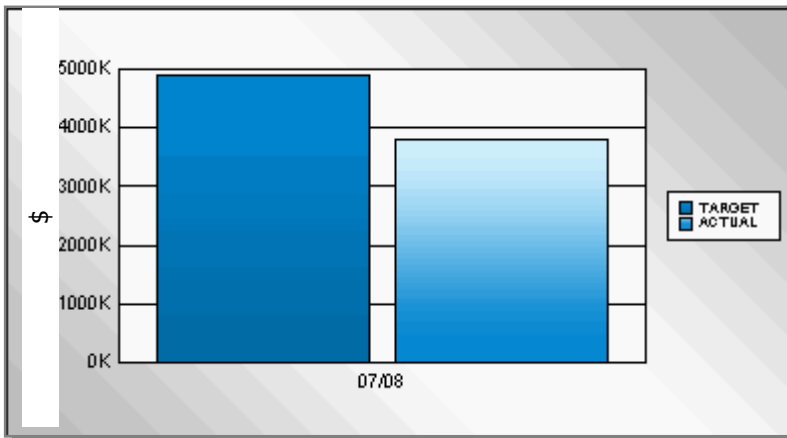
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was 100% of Resource Consent conditions were complied with.

KPI: The service will be managed within the allocated budget.



RESPONSIBLE OFFICER:

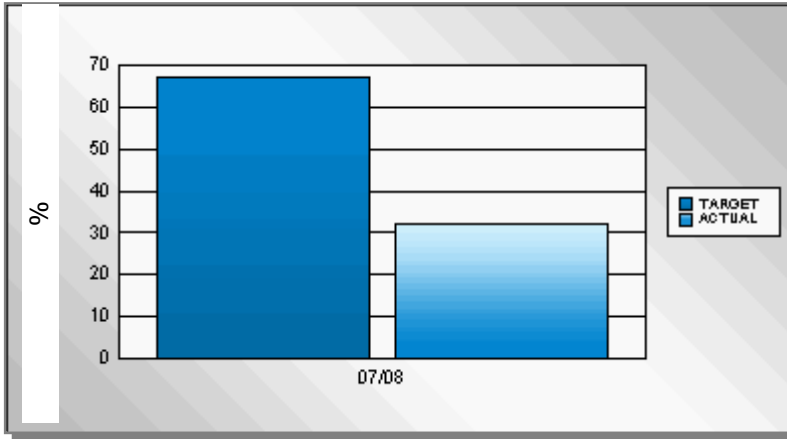
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of maximum expenditure of \$4,908,000 was met. The actual result was of \$3,812,000 expenditure. A number of maintenance contracts were rolled over or re-tendered at better than expected prices.

Parks and reserves

KPI: Users of parks and reserves grounds and associated facilities will be very satisfied with the quality.



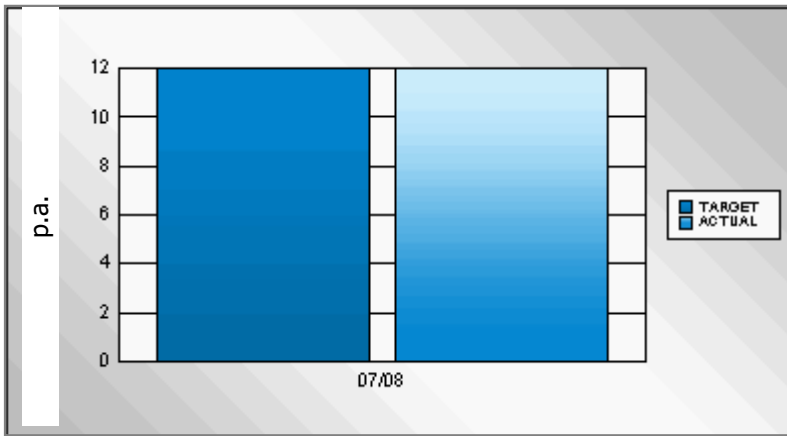
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 67% was not met. The actual result was 32% of users were Very Satisfied. However, an additional 59% were Satisfied. Overall, 91% of users were either Satisfied or Very Satisfied with the facilities and quality of Parks and Reserves.

KPI: Walkways within the parks and reserve network will be inspected for safety on a monthly basis.



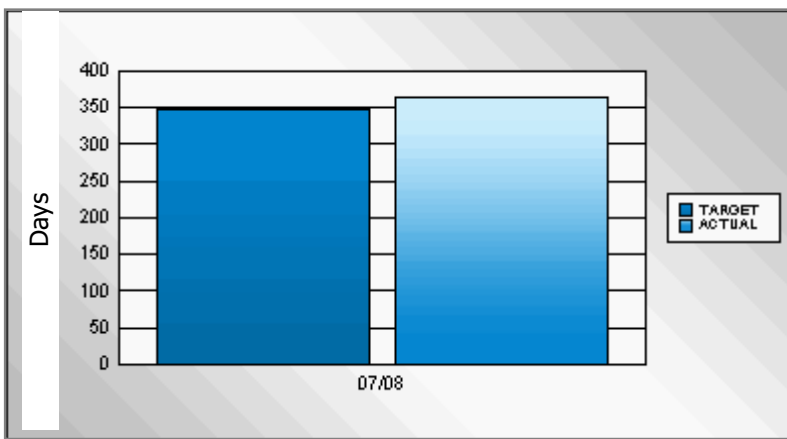
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 12 inspections was met. All walkways with the parks and reserves were inspected monthly.

KPI: Walkways, public facilities and open park spaces will be available for public use 365 days per annum.



RESPONSIBLE OFFICER:

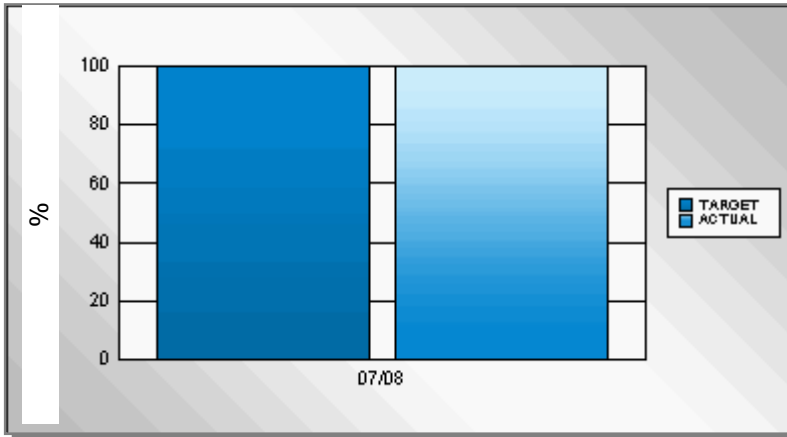
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% of the year (347 days) was exceeded. The actual result was walkways, public facilities and open park spaces were available 365 days (100%).

Pensioner Housing

KPI: Pensioner housing will be self funding, apart from asset replacements.



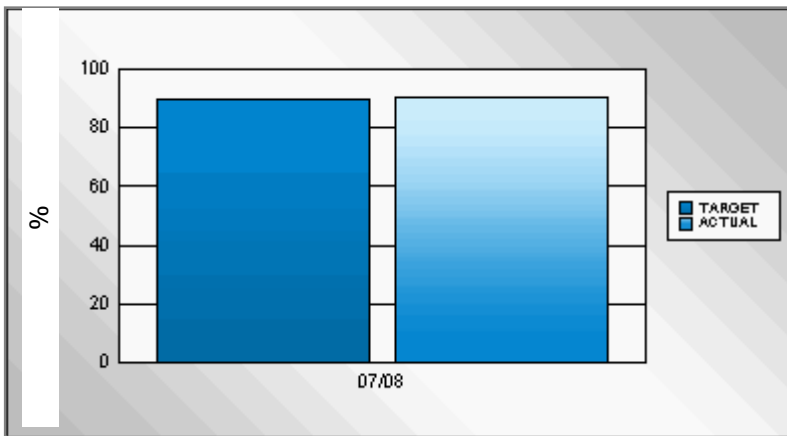
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. All pensioner housing was self-funded, apart from asset replacements.

KPI: Tenants will rate their level of satisfaction with pensioner housing as good or very good.



RESPONSIBLE OFFICER:

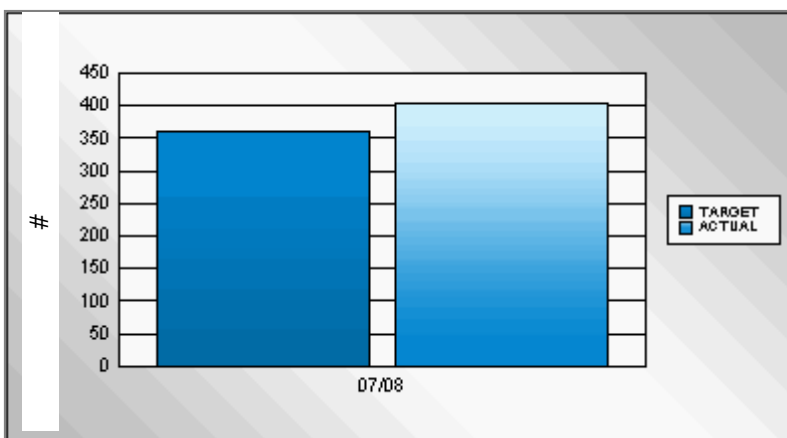
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 90.70% of tenants rated their level of satisfaction with pensioner housing as Good or Very Good.

Regional Museum

KPI: 400 items will be added annually to the collection (that meet the criteria).



RESPONSIBLE OFFICER:

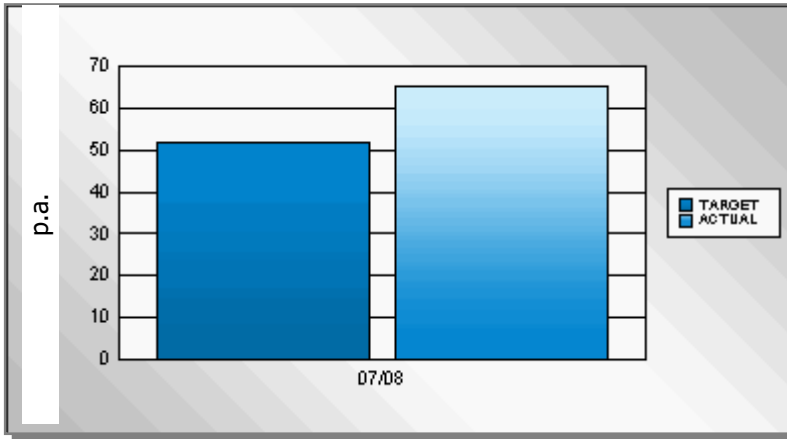
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 360 (90% of the 400 items to be added) was exceeded. The actual result was 405 items added to the collection.

Regional Museum

KPI: 52 Community media releases will be provided per annum.



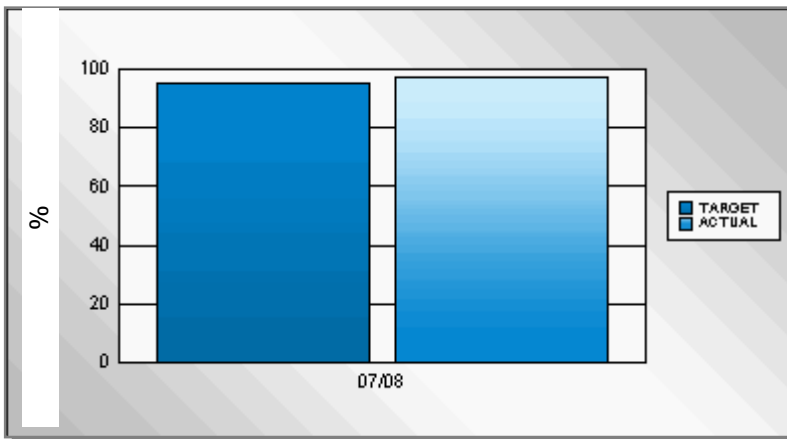
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 52 was exceeded. The actual result was 65 Community media releases.

KPI: Archive services will be provided from 10am to 1pm Monday to Friday (excluding public holidays).



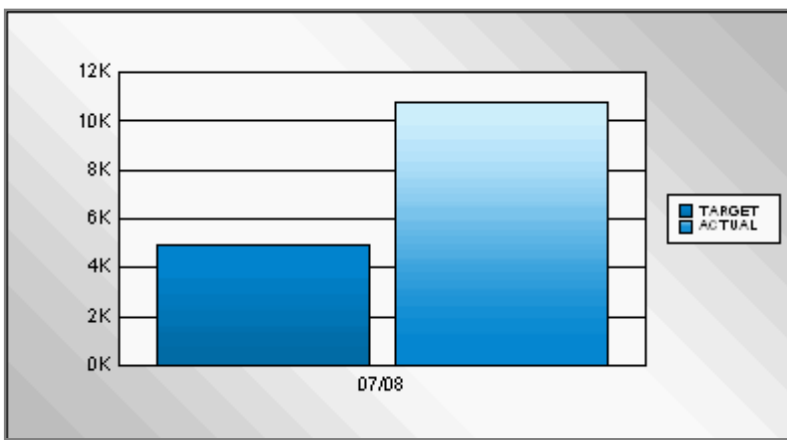
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was archive services were provided 97.25% of available hours.

KPI: Contract targets for the Ministry of Education's education programmes will be met.



RESPONSIBLE OFFICER:

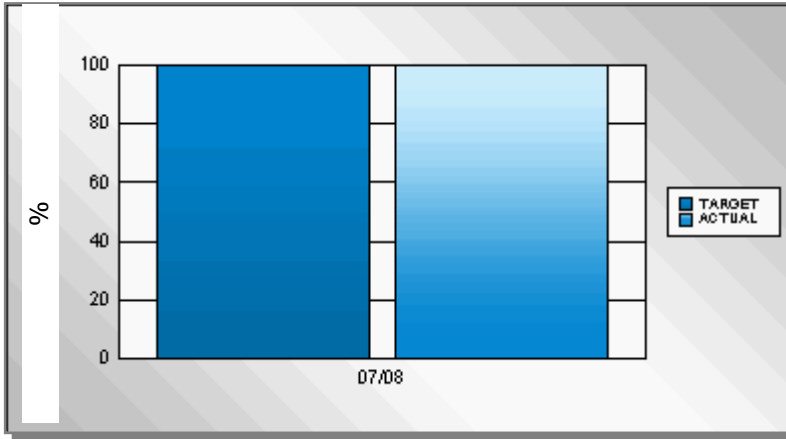
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The Ministry of Education sets a target of 5500 education programmes to be delivered. Our target of 90% (of 5,500) was exceeded. The actual contracted Ministry of Education programmes was 10,749.

Regional Museum

KPI: Public access will be provided between 10am and 4.30pm, 7 days per week, 363 days per year (closed Good Friday and Christmas Day)



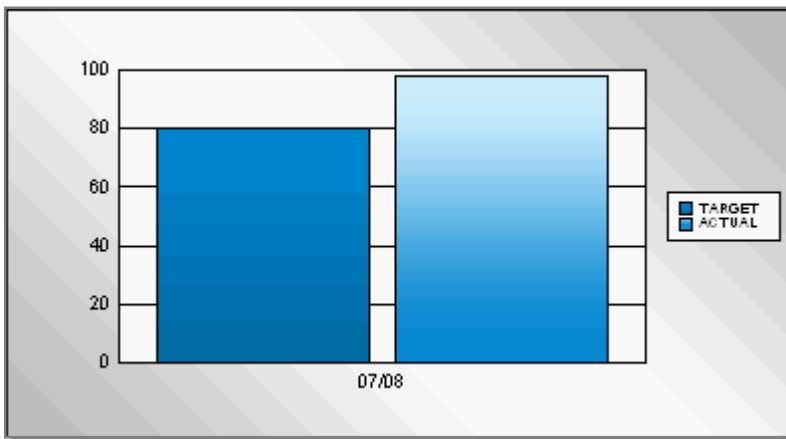
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 100% was met. The Regional Museum provided public access for 363 days of the year.

KPI: Responses to research enquiries will be provided within four weeks of the enquiry.



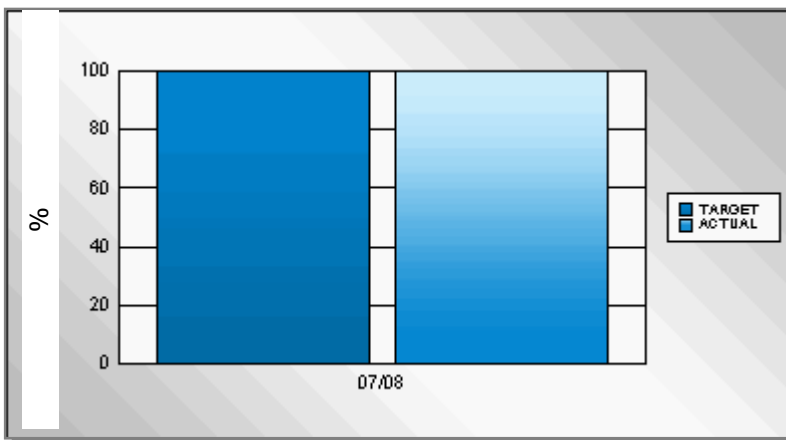
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 80% was exceeded. The actual result was 98%.

KPI: The building will have a current "Building Warrant of Fitness"



RESPONSIBLE OFFICER:

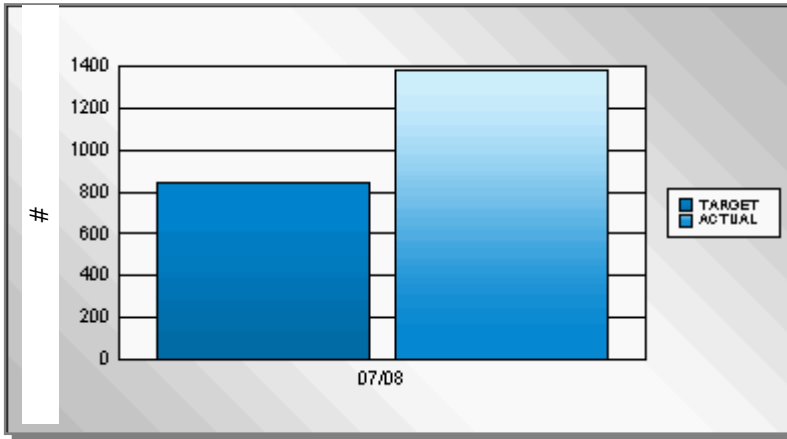
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 100% was achieved. The building has a current Warrant of Fitness.

Regional Museum

KPI: There will be an increase in items housed in conditions that will prevent deterioration.



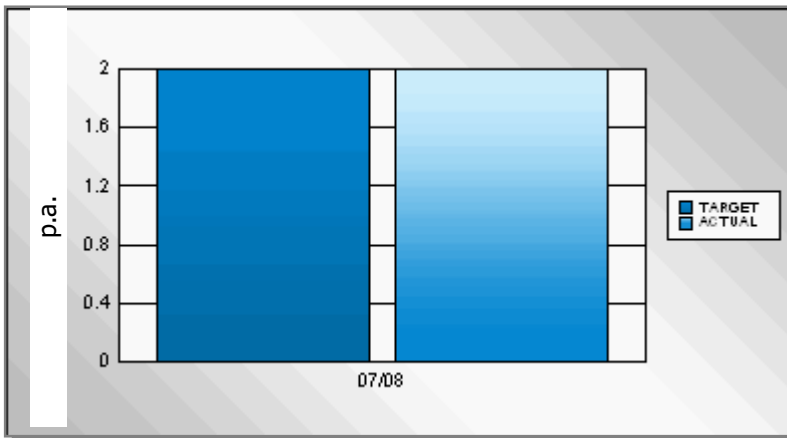
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 840 pieces was exceeded. The actual result was 1,382 Items housed in the Regional Museum in conditions that will prevent deterioration.

KPI: Two community interest exhibitions will be provided per year.



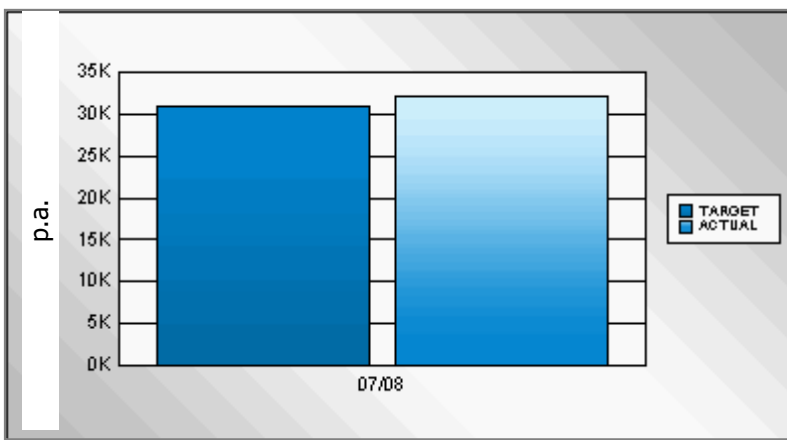
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of two was met. There were two community interest exhibitions provided for the year. The exhibitions were Anzac and Te Pihi Mata.

KPI: Visitors to exhibitions and events will be increased.



RESPONSIBLE OFFICER:

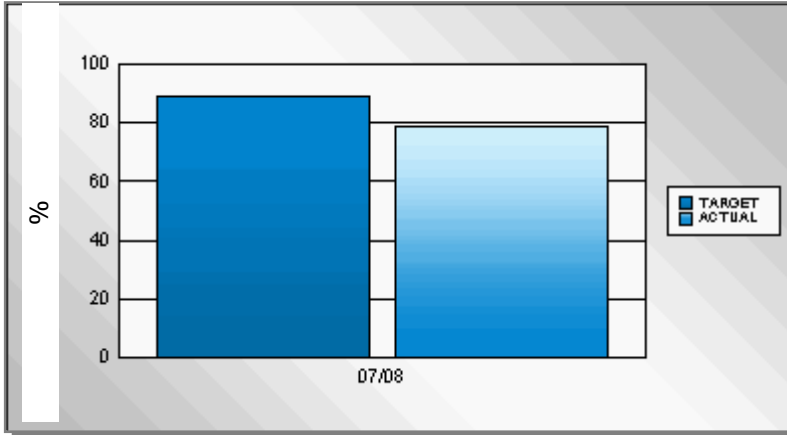
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 30,900 was exceeded. The actual result was 32,044 visitors to exhibitions and events.

Regional Museum

KPI: Visitors to the Museum will be fairly or very satisfied.



RESPONSIBLE OFFICER:

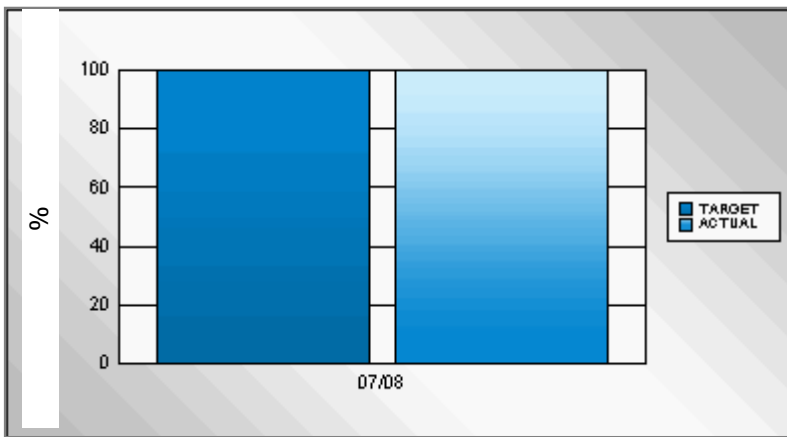
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 89% was not met. The actual result was 79% of visitors to the Museum were either Fairly Satisfied or Very Satisfied.

Royal Wanganui Opera House

KPI: The building will have a current "Building Warrant of Fitness".



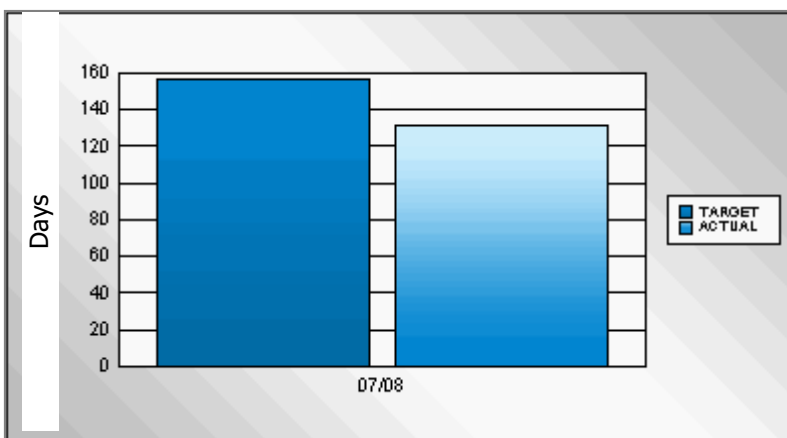
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. The building has a current Warrant of Fitness.

KPI: The number of days the Opera House is used increases.



RESPONSIBLE OFFICER:

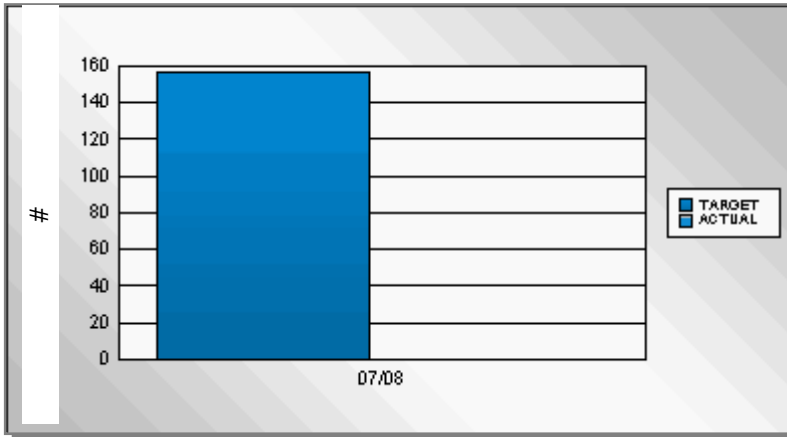
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 10% increase (157 days) was not met. The actual result was the Opera House was used 131 days.

Royal Wanganui Opera House

KPI: *There is an increasing number of events held at the Opera House.*



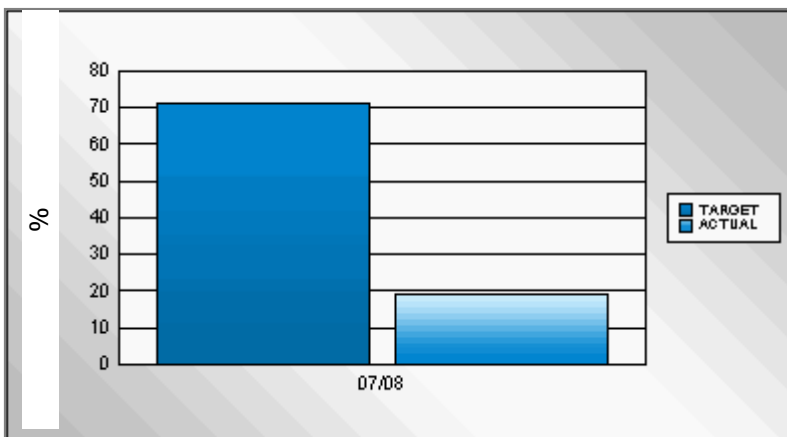
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 157 events was not met. This KPI is an error. It appears that the target of a 10% increase on the baseline of 143 has not been achieved. However, the baseline figure stated in the LTCCP and the target is incorrect and it duplicates the "Opera House Usage" KPI. There has been no measure in place to monitor this accurately, but has now been set up for the new year.

KPI: *Users will be very satisfied with the Opera House facilities.*



RESPONSIBLE OFFICER:

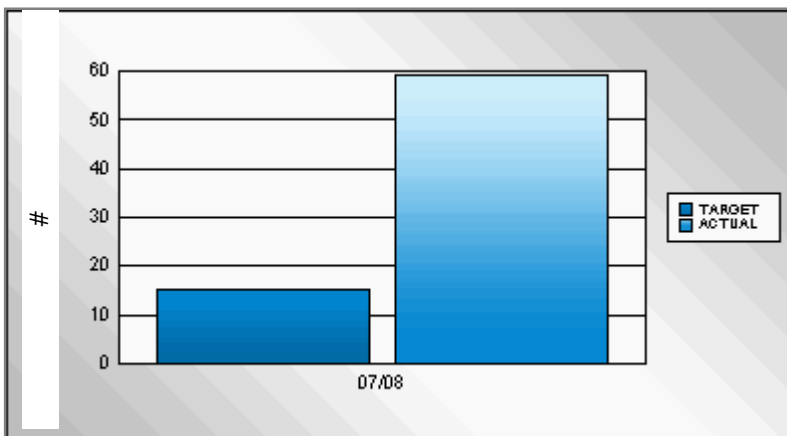
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 71% was not met. Only 19% of users indicated they were Very Satisfied. However, an additional 56% were Satisfied with the Opera House. This gives a total of 75% users either Satisfied or Very Satisfied, which is considered a more realistic measure than solely Very Satisfied.

Sarjeant Gallery

KPI: *A total of 15 public exhibitions, forums or events will be provided per year.*



RESPONSIBLE OFFICER:

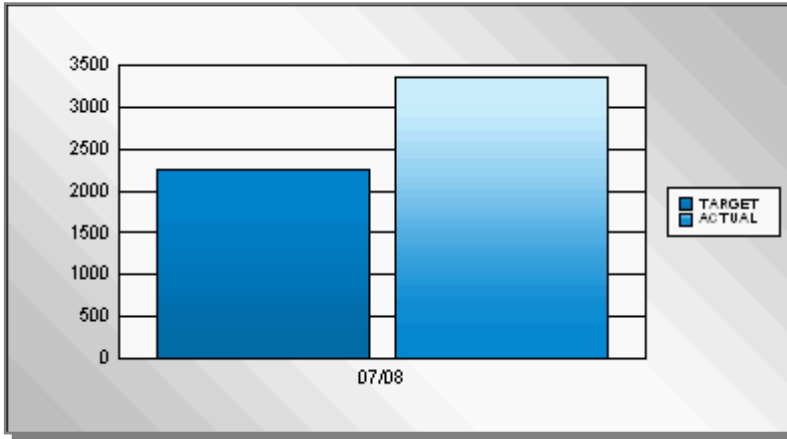
Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 15 was exceeded. The actual result was 59 public exhibitions, forums or events per year. The exhibitions/forums were targeted for improved community relations.

Sarjeant Gallery

KPI: Contract targets for Ministry of Education contracts will be met.



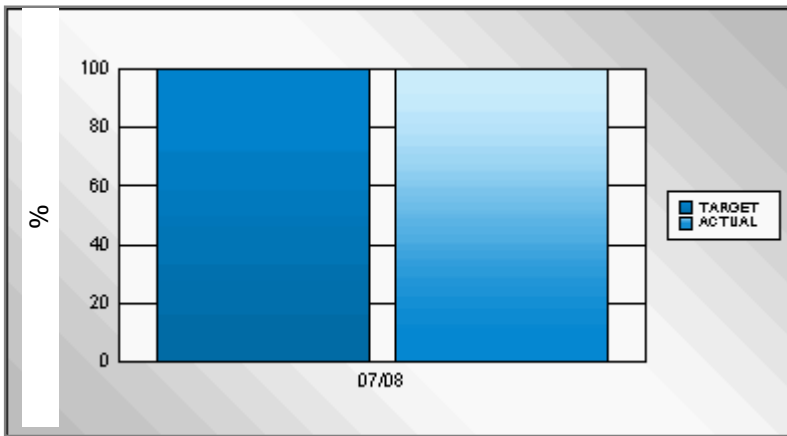
RESPONSIBLE OFFICER:

Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The Ministry of Education sets its contract target at 2500. Our target of >90% of 2500 was exceeded. The actual result was 3351. This was due to the success of the Matariki programme and further networking.

KPI: Public access will be provided from 10.30am-4.30pm Monday-Saturday and 1pm-4.30pm Sunday and public holidays 363 days per year. (Closed Good Friday and Christmas Day)



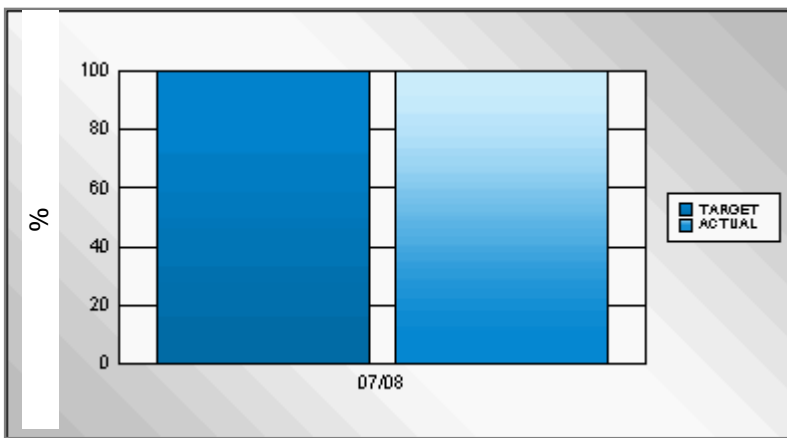
RESPONSIBLE OFFICER:

Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 100% was achieved. The Sarjeant Gallery was open 100% of stated opening hours.

KPI: The Sarjeant Gallery's architectural significance Category 1 status (NZHPT) will be retained.



RESPONSIBLE OFFICER:

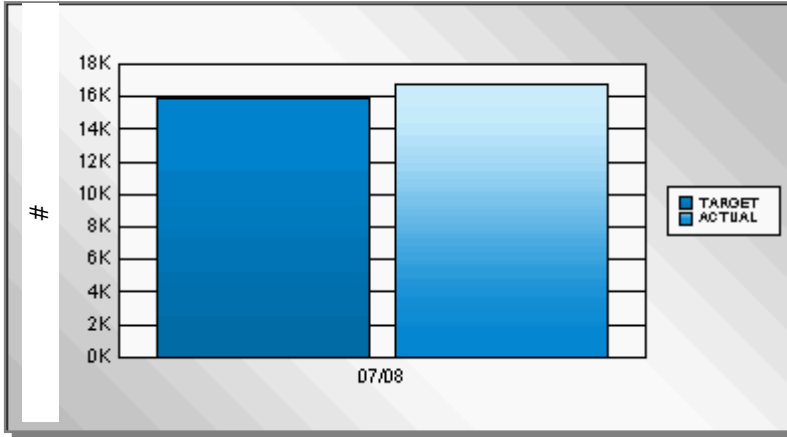
Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 100% was achieved. Category 1 status was retained.

Sarjeant Gallery

KPI: *There is an increase in the number of local visitors(Note: by 10% over the next three years).*



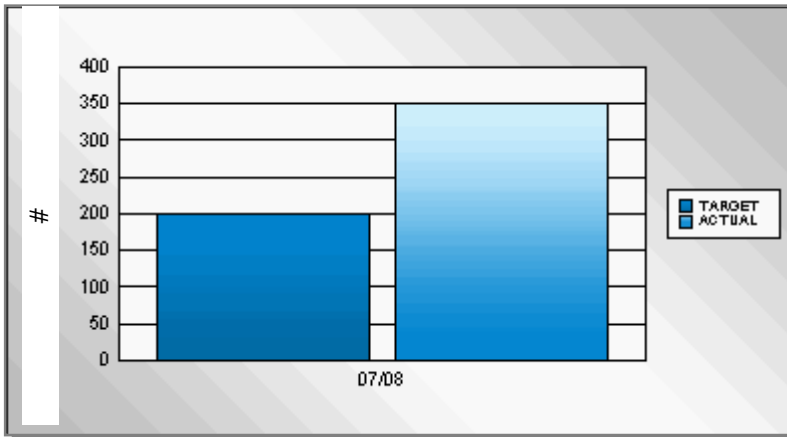
RESPONSIBLE OFFICER:

Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 15,862 was exceeded. The actual result was 16,794 local visitors.

KPI: *Tylee Cottage will be occupied by an Artist in Residence 200 days per year.*



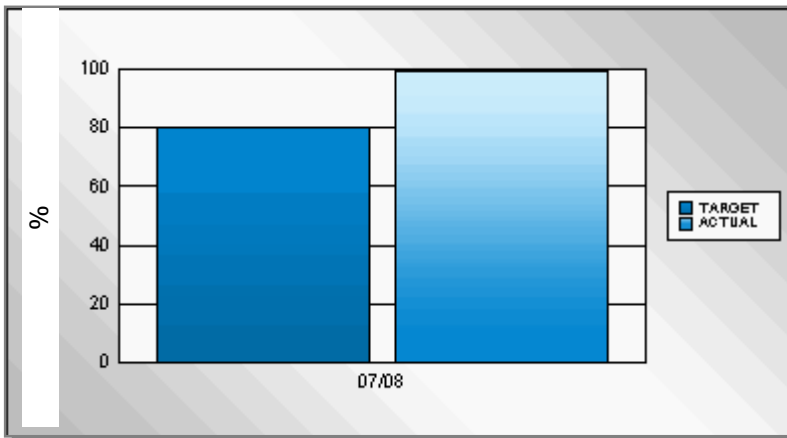
RESPONSIBLE OFFICER:

Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 200 days was exceeded. The actual result was 351 days occupancy due to quick succession between artists in residence.

KPI: *Visitors will be fairly or very satisfied with the Gallery.*



RESPONSIBLE OFFICER:

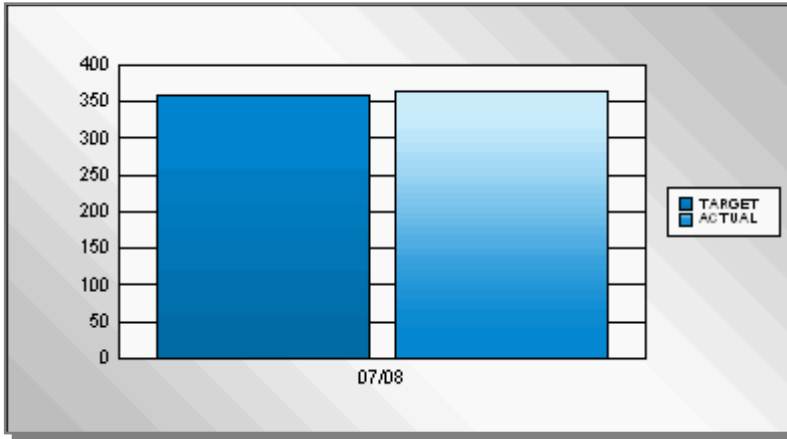
Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 80% was exceeded. The actual result was 99%. Satisfaction levels were up due to more accurate and direct data gathering and improved visitor services.

Sports grounds

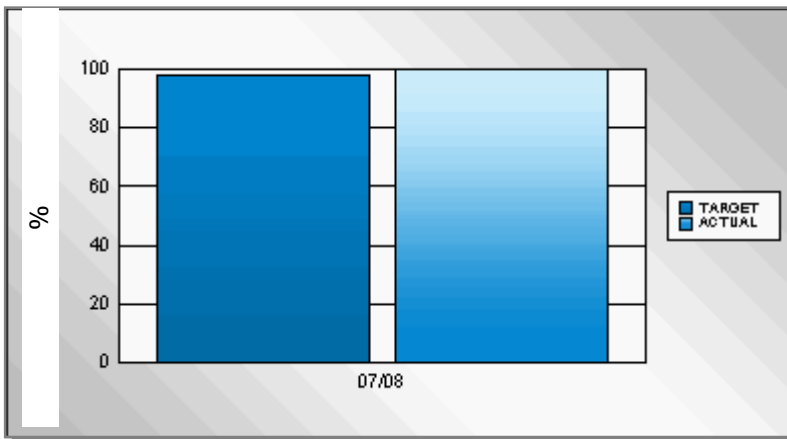
KPI: Floodlit Sports Grounds will be available for use, 365 days per year.



RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 98% availability was exceeded. The actual result was flood-lit sports grounds were available for use 365 days of the year (100%).

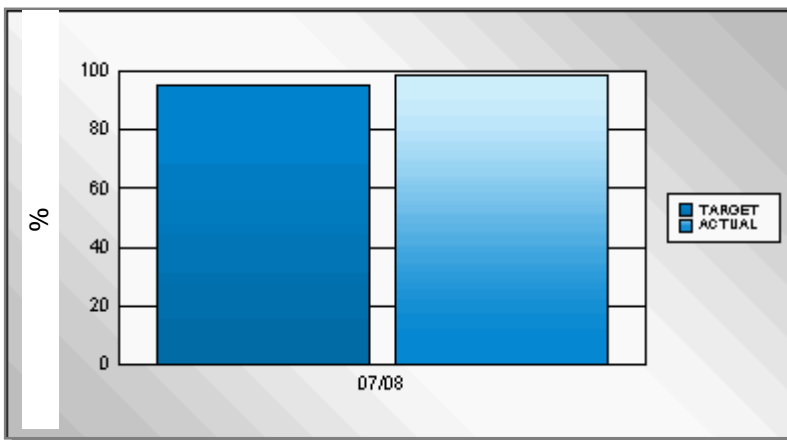
KPI: Leases and licences will be current for all applicable user groups.



RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 98% was exceeded. The actual result was 100% of the time leases and licences were current.

KPI: Public conveniences will be available for use.

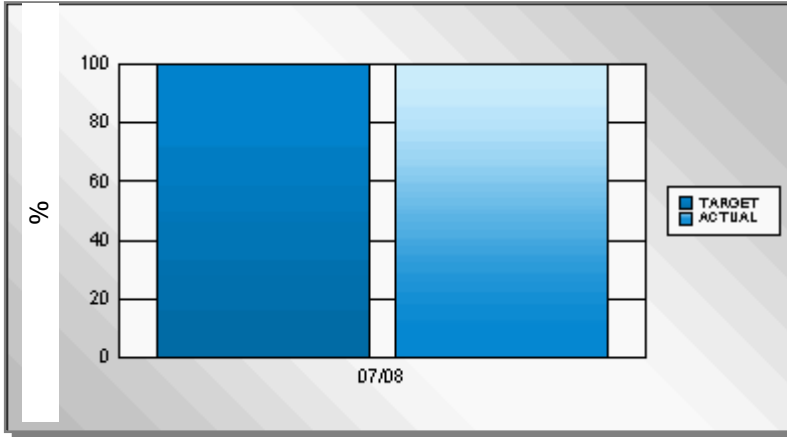


RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 95% was exceeded. The actual result was that public conveniences were available 98.75% of the time.

Sports grounds

KPI: Resource consents to take water will be complied with.



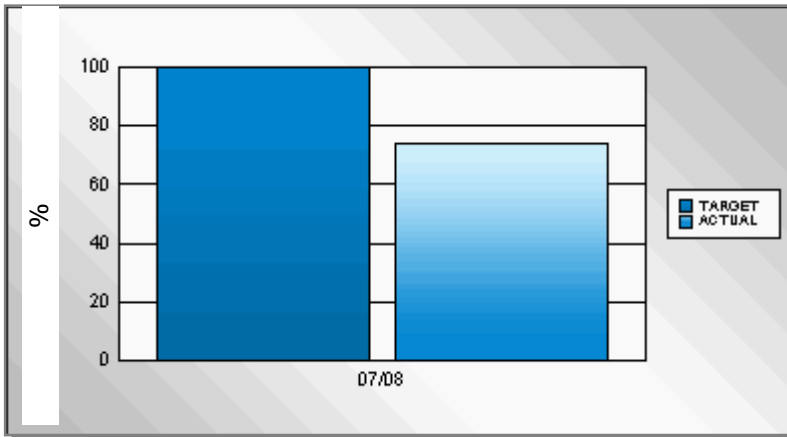
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. All Resource Consent conditions were met to take water were complied with.

KPI: Sports ground maintenance specifications will meet all contract specifications on all inspections.



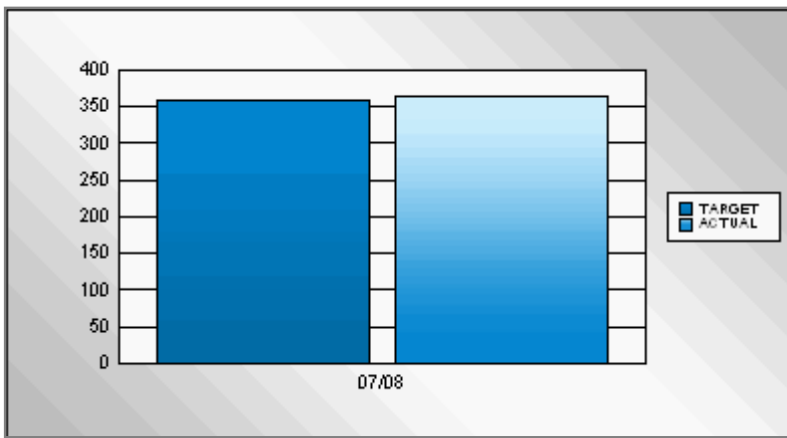
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was not achieved. Earlier issues with contractor performance contributed to low performance in the first 2 quarters of the year. In the final 2 quarters 100% was achieved. The actual annual result was 73.75%.

KPI: Unlit sports grounds availability will be available for use, 365 days per year.



RESPONSIBLE OFFICER:

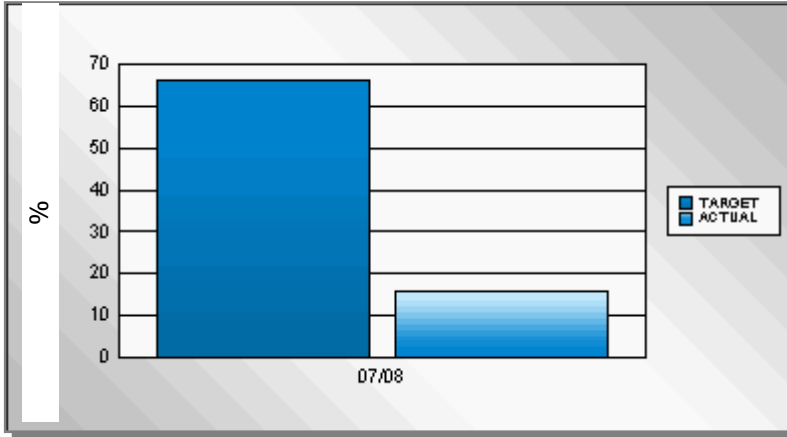
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% was achieved. The actual days unlit sports grounds were open and available was 364, with a 1-day closure at Springvale Park due to rain-affected turf.

Sports grounds

KPI: Users will be very satisfied with sports grounds and associated facilities.



RESPONSIBLE OFFICER:

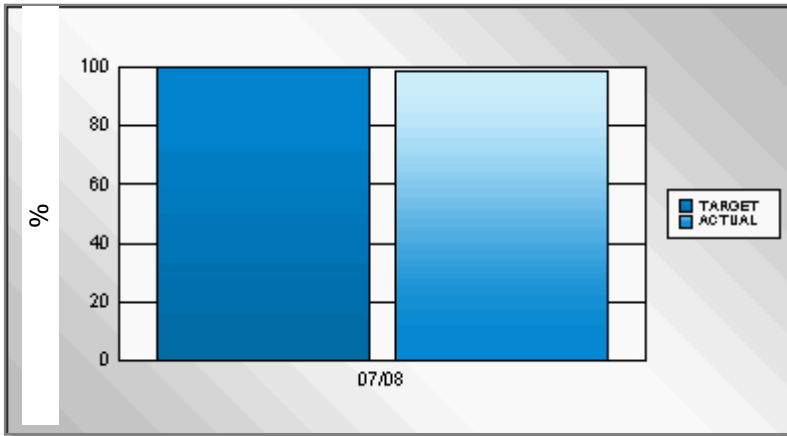
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 66% was not achieved. Only 16% of users were Very Satisfied with sports grounds. However, an additional 60% of users were Satisfied. Overall, 76% of users were either Satisfied or Very Satisfied with the sports grounds and associated facilities.

Swimming pools

KPI: The Splash Centre main pool water temperature will be maintained at 29° +/- 2°.



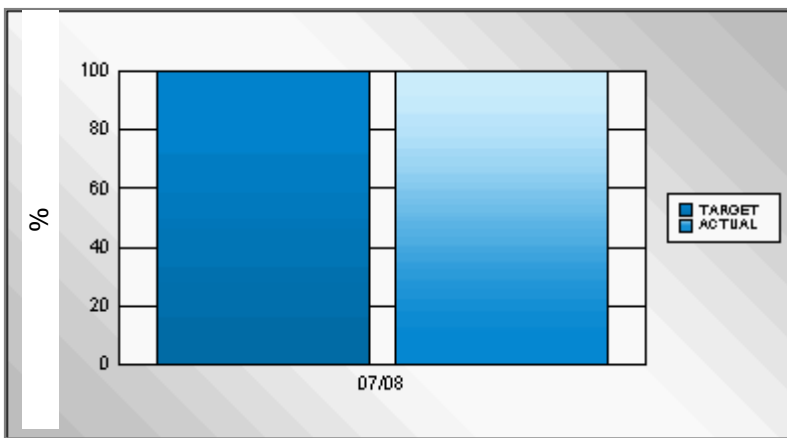
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 98.75%. The temperature was outside the parameter on some days during the commissioning period for the new pool plant.

KPI: New Zealand Swimming Pool Water Quality Standards (NZS 5862:2000) will be complied with.



RESPONSIBLE OFFICER:

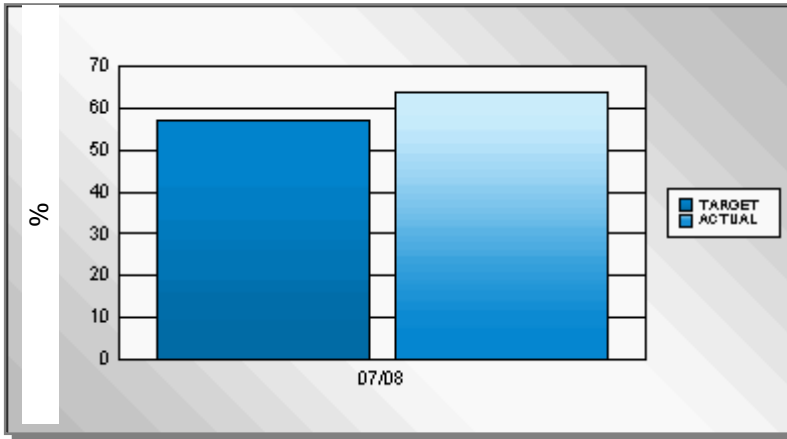
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was achieved. All NZ Swimming Pool Water Quality standards were complied with.

Swimming pools

KPI: The community will be fairly or very satisfied with the swimming pool facilities.



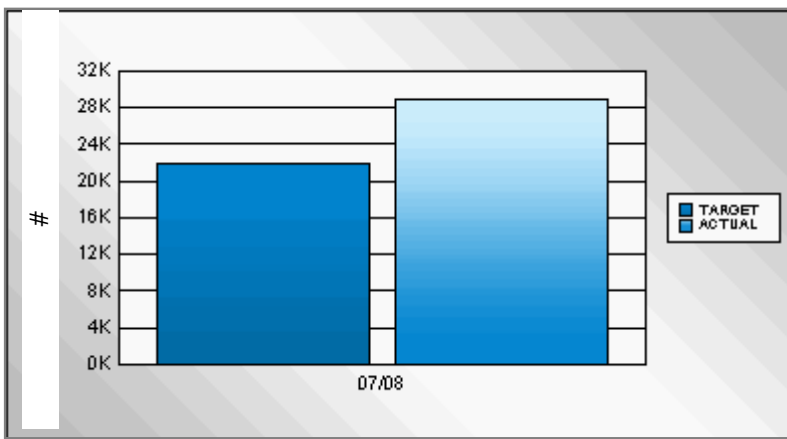
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 57% was exceeded. The actual result was 64% of the community was fairly or very satisfied with the swimming pool facilities.

KPI: The number of pool users at Wanganui East will be maintained.



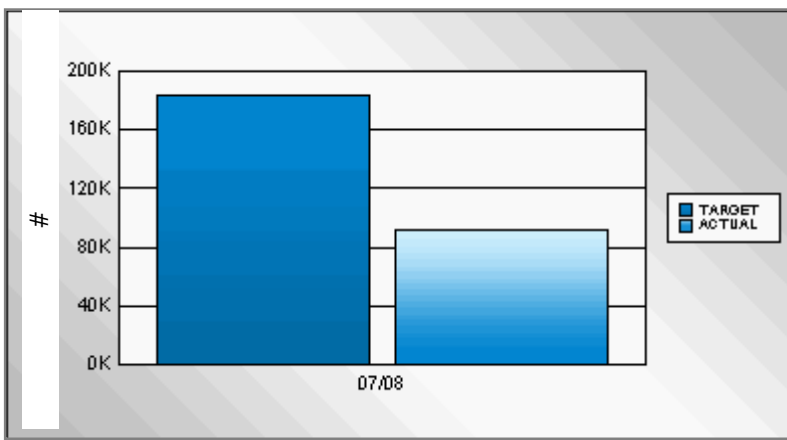
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 22,000 was exceeded. The actual result was 28,950 pool users at Wanganui East.

KPI: The number of Splash Centre pool users will be increased.



RESPONSIBLE OFFICER:

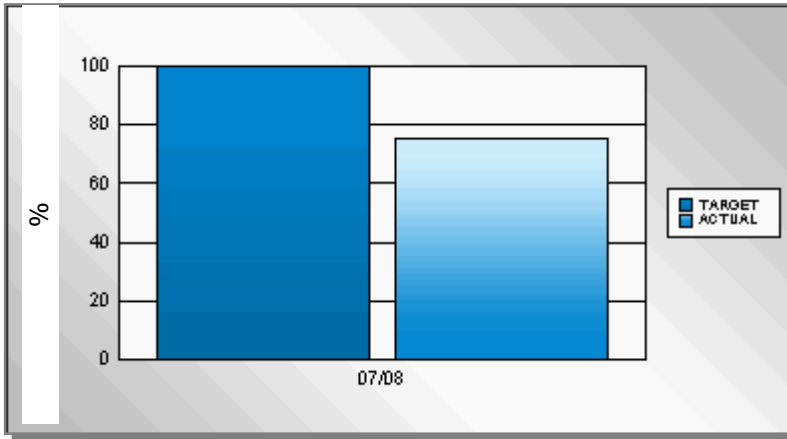
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 183,618 was not met. The actual result was 91,475 pool users. The target was not met due to the Splash Centre being closed for periods during commissioning and while issues of pool heating were being dealt with. Therefore patrons were not able to use the pool.

Swimming pools

KPI: The Splash Centre learners' pool water temperature will be maintained at 33° +/- 2°.



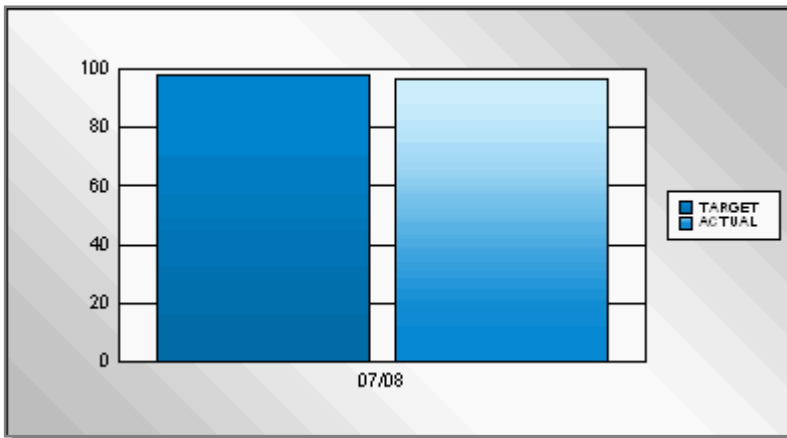
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was not met. The actual result was 75%. The Splash Centre learners' pool was closed during conversion to hydrotherapy pool. There were issues with construction.

KPI: The Splash Centre will be open seven days a week and will offer a range of programmes.



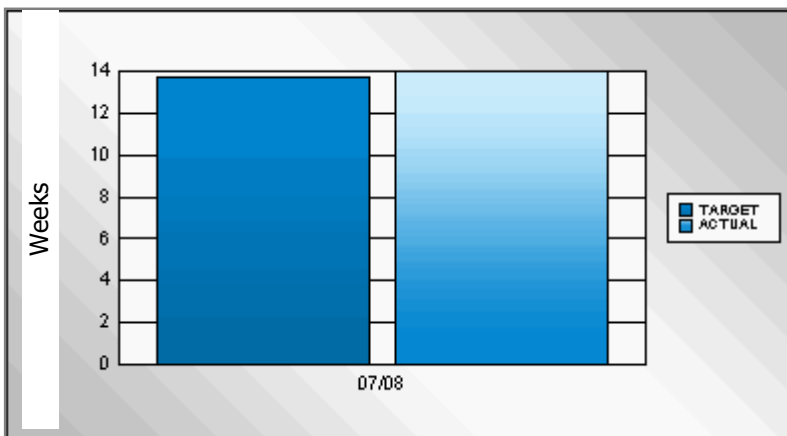
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% was not met. The actual result was 96%. This was due to the pool being closed for two weeks during the commissioning of the new pool facilities.

KPI: The Wanganui East pool will be open for a 14-week period during the summer months.



RESPONSIBLE OFFICER:

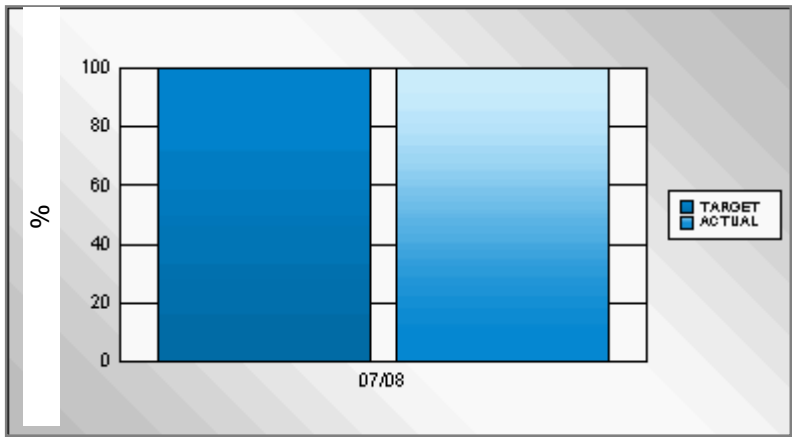
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The Wanganui East pool was open for a 14 week period during the summer months. The original target of 20 weeks was changed as part of the contract renegotiations. Therefore, the target of 13.72 weeks (98% of 14 weeks) was exceeded.

War Memorial Hall

KPI: Physical work on the building structure will comply with the Historic Places Act classification.



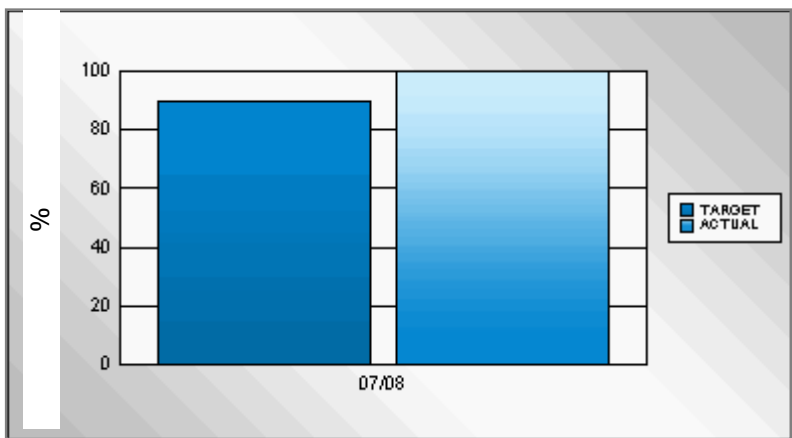
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. All building work complied with the Historic Places Act classification.

KPI: Reported graffiti will be removed within two hours.



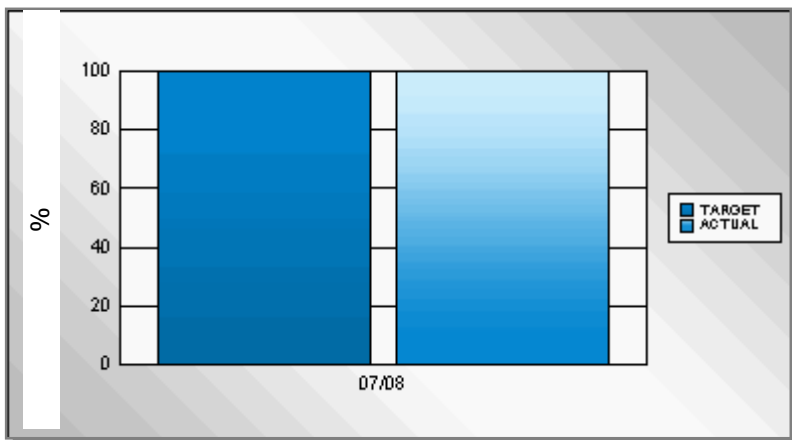
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100%. All obscene graffiti was removed within two hours.

KPI: The building will have a current "Building Warrant of Fitness"



RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. The War Memorial Hall has a current Warrant of Fitness.

Community support group

For the year ended 30 June 2008

	Budget 2008 \$000	Council 2008 \$000	2007 \$000
Income			
User fees and other revenue	2,987	3,512	3,203
Subsidies	28	33	274
Total income	3,015	3,545	3,477
Operating expenditure			
Operating expenditure	5,551	5,876	5,674
Finance costs	375	250	305
Depreciation	158	271	258
Council overhead	1,612	1,870	1,330
Total operating expenditure	7,696	8,267	7,567
Non-funded depreciation	(158)	(271)	(258)
Operational rates requirement	4,523	4,451	3,832
Capital acquisitions	62	227	154
Capital replacements	229	43	40
Total capital expenditure	291	270	193
Total funding requirement	4,813	4,721	4,025
Transfers (to)/from special funds	(167)	120	(225)
New loans/(loans repaid)	77	(263)	(22)
Total capital funding	(90)	(143)	(247)
Rate requirement	4,903	4,864	4,272

Community support group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Community Support Group. Significant variations to the Annual Plan are discussed below if necessary.

Activity	Item	Budget \$	Actual \$
Community development	CCTV cameras	25,000	81,247
	Moutoa Statue	-	19,444
Emergency management	Power generator	80,000	90,958
	Civil Defence and rural fire equipment	56,000	35,075
Economic development	I-site relocation	100,000	-
Regulatory services	Vehicles	35,000	-
CBD parking	Parking meters	43,000	34,108

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

Community development

This expenditure continues the programme of installing CCTV cameras within the Central Business District. The expenditure was financed from current rates, carry overs and external grants. The Moutoa Statue payments were financed from special funds.

Emergency management

The power generator was installed during the year. This was funded from this years rates and a carry over from last year. The equipment purchased included sirens and rural fire pumps and hoses.

Economic development

The relocation of I-site has been postponed until a later date.

Regulatory services

The underspend relates to the vehicle budget being transferred to administration.

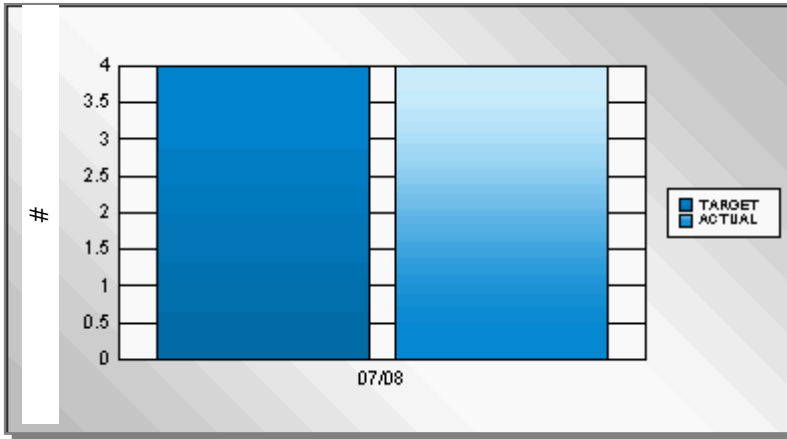
CBD parking

The expenditure relates to replacement of parking meters, financed from the Parking special fund.

Community Support Group:

Community development

KPI: "Older Peoples" forums will be facilitated four times per year.



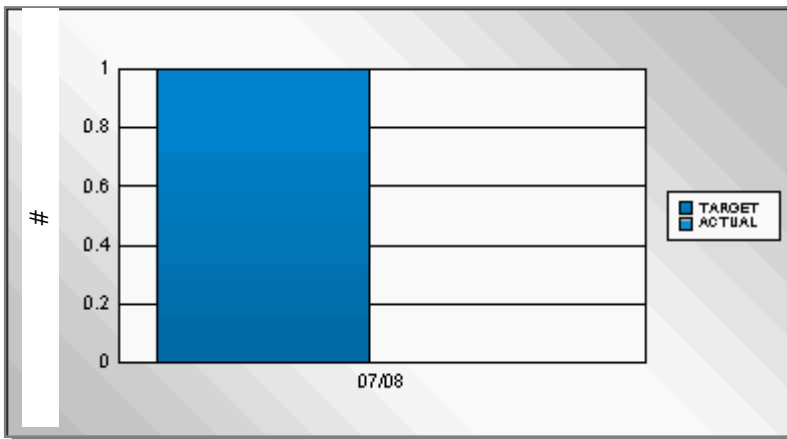
RESPONSIBLE OFFICER:

Sally Patrick
Cultural and Community Manager

LATEST COMMENTS:

The target of 4 was achieved. There were 4 Older Peoples forums facilitated. The Positive Ageing Strategy was completed in 2007/08.

KPI: A Social Indicators Report will be produced annually.



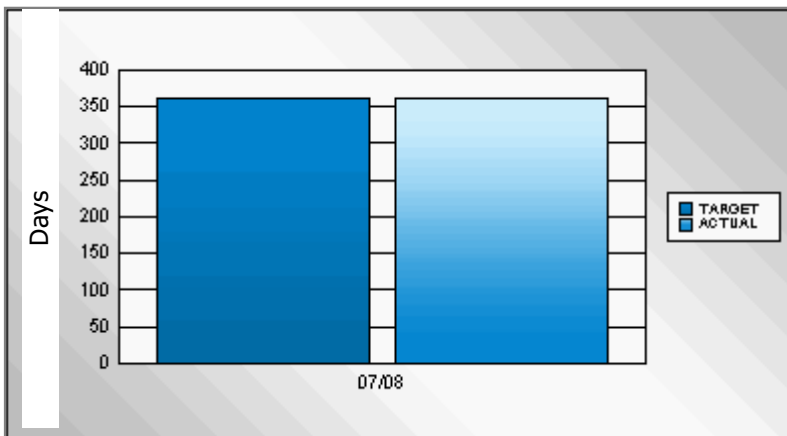
RESPONSIBLE OFFICER:

Sally Patrick
Cultural and Community Manager

LATEST COMMENTS:

Report no longer being produced. This has to a large extent been replaced by the Community Outcomes Monitoring Report.

KPI: Closed Circuit Television (CCTV) in the Central Business District will be maintained fit for operation 365 days per year.



RESPONSIBLE OFFICER:

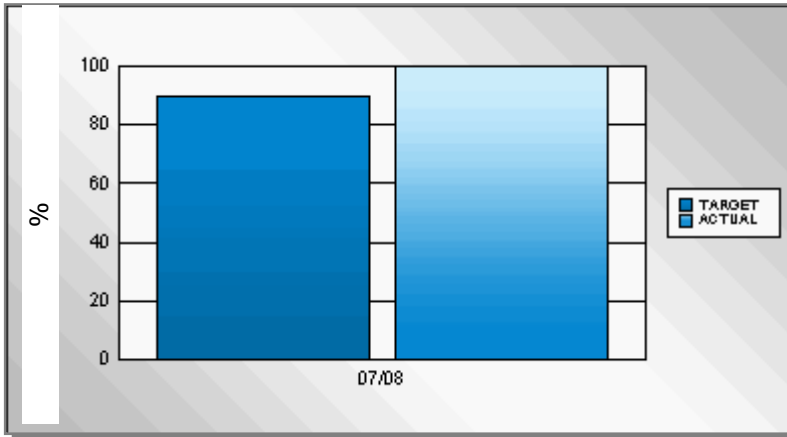
Sally Patrick
Cultural and Community Manager

LATEST COMMENTS:

The target of 99% (361.32 days) was achieved. The closed circuit television in the CBD was maintained fit for operation as per target.

Community development

KPI: Iwi partnership requirements will be complied with.



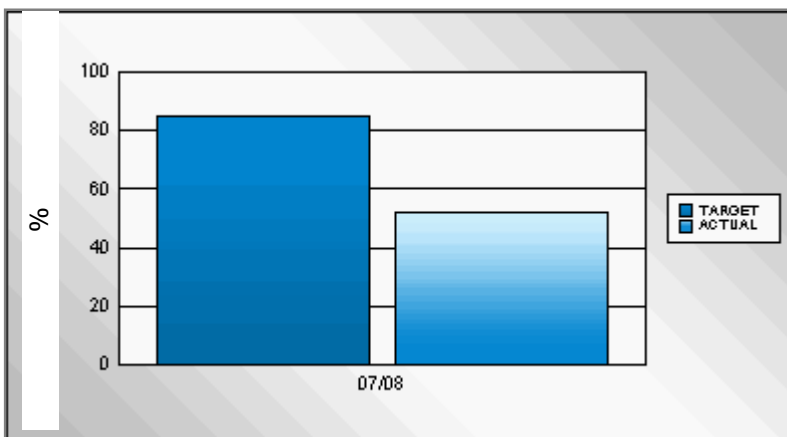
RESPONSIBLE OFFICER:

Sally Patrick
Cultural and Community Manager

LATEST COMMENTS:

The target of 90% was achieved. All Tupoho and TamaUpoko meetings scheduled were held.

KPI: Key stakeholders (eg Police, District Health Board, Community House, youth groups, Iwi, Runanga, Sister City) will be fairly or very satisfied with Community development activity.



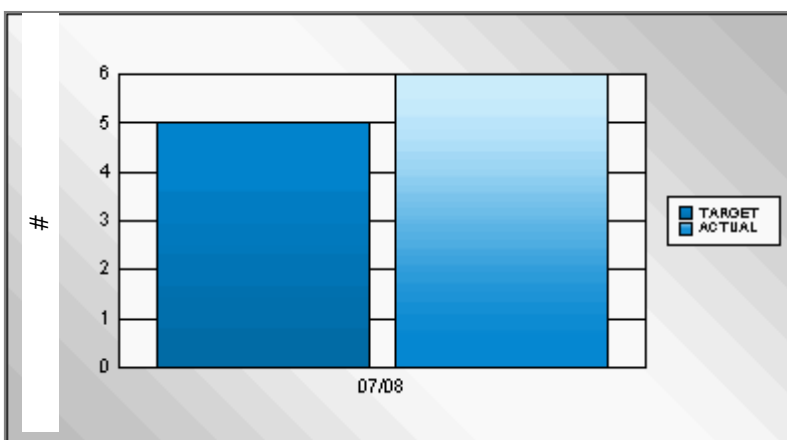
RESPONSIBLE OFFICER:

Sally Patrick
Cultural and Community Manager

LATEST COMMENTS:

The target of 85% was not met. The actual result was 52% of key stakeholders were very (23%) or fairly (29%) satisfied with Community Development activity.

KPI: Youth Committee meetings will be facilitated at least five times a year.



RESPONSIBLE OFFICER:

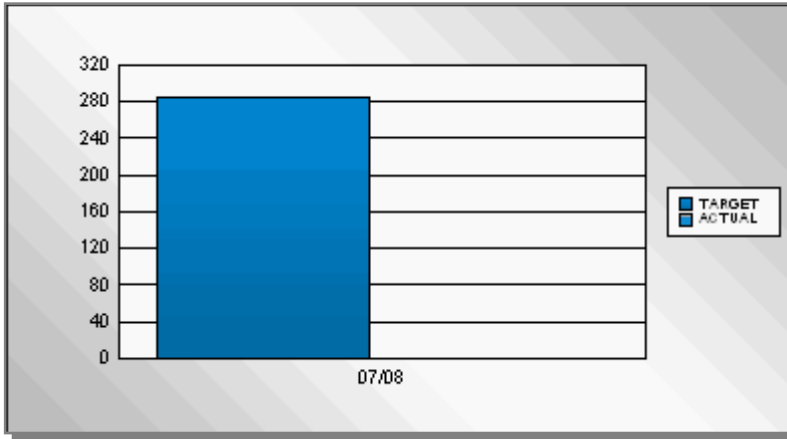
Sally Patrick
Cultural and Community Manager

LATEST COMMENTS:

The target of 5 was exceeded. The actual result was six. Youth Committee meetings, were held in August, September, November 2007 and February, April, May 2008.

Economic Development

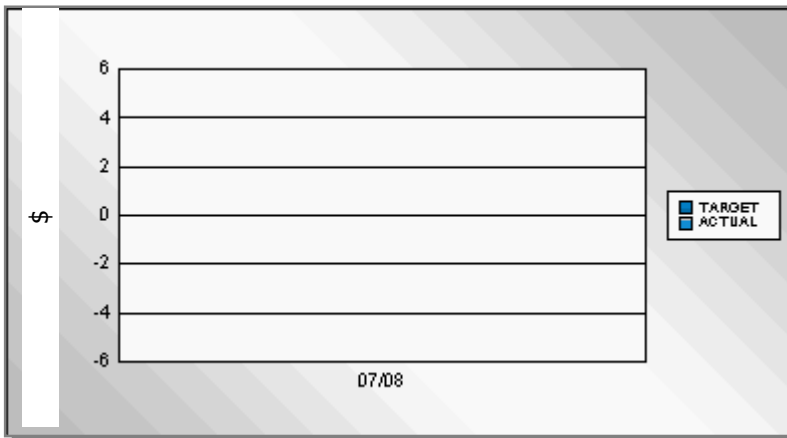
KPI: A regional arts database will be populated and promoted. (Arts, Culture & Heritage)



RESPONSIBLE OFFICER:
Sally Patrick
Cultural and Community Manager

LATEST COMMENTS:
The target of 285 entries was not achieved. This work is on hold until the appointment of an arts developer.

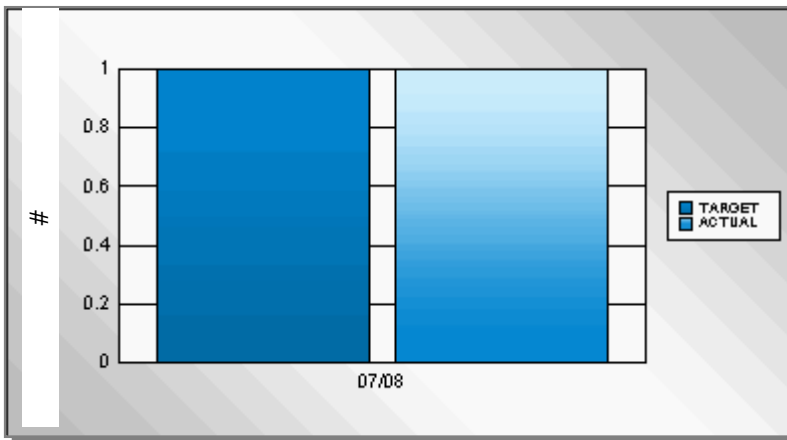
KPI: Government and private sector funding for co-ordination and marketing project work will be secured. (Arts, Culture & Heritage)



RESPONSIBLE OFFICER:
Sally Patrick
Cultural and Community Manager

LATEST COMMENTS:
No longer applicable as Government has changed the way it funds regional economic development, which is now on a macro regional scale.

KPI: One breakfast meeting with key wealth generators will be provided per annum.

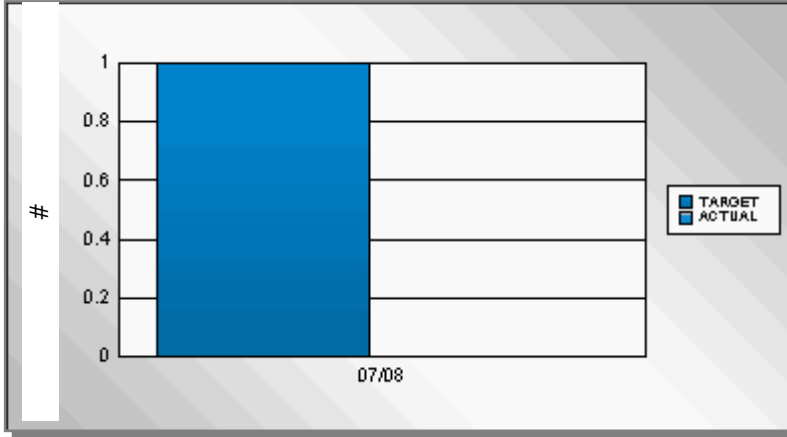


RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte

LATEST COMMENTS:
The target of one breakfast meeting was achieved. A joint breakfast for the business community was held in conjunction with the Wanganui Chamber of Commerce.

Economic Development

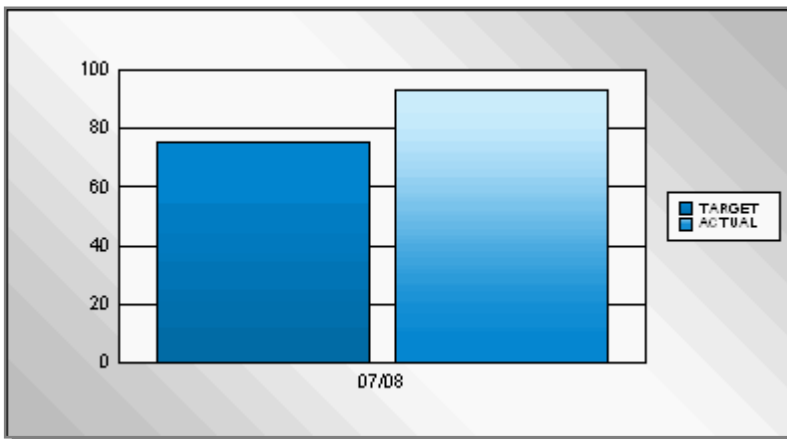
KPI: One Business and Economic Research Ltd (BERL) report on the performance of the Wanganui economy will be provided per annum. (Economic Development Strategy)



RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte)

LATEST COMMENTS:
The Council decided not to commission a BERL report in 2008. However, a regional report is being produced by the Department of Labour towards the end of 2008.

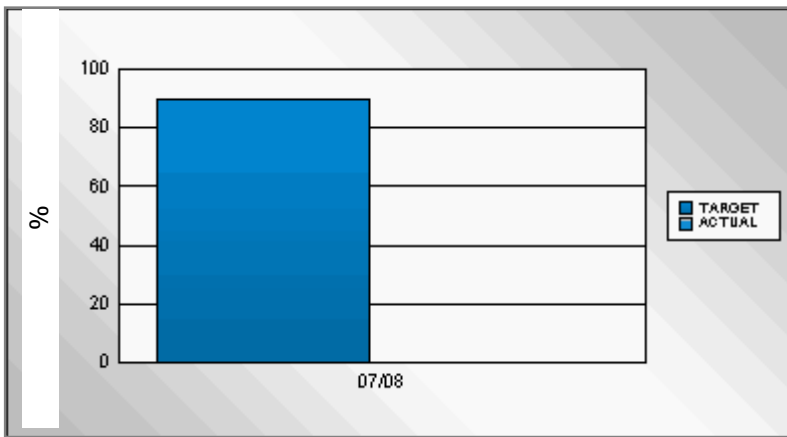
KPI: The business community is fairly or very satisfied with the performance of Wanganui Incorporated.



RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte)

LATEST COMMENTS:
The target of 75% was exceeded. The actual result was 93% of the business community was Fairly or Very Satisfied with the performance of Wanganui Incorporated. The survey was conducted in May 2008.

KPI: The Industrial land strategy will be adopted by December 2008.

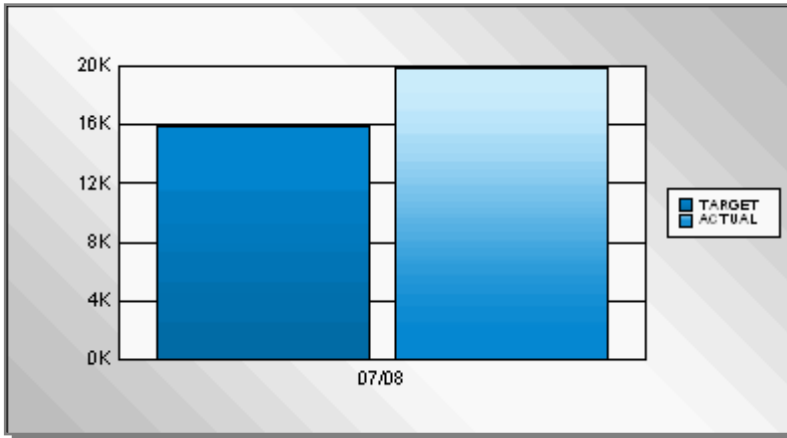


RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte)

LATEST COMMENTS:
This strategy has been incorporated into the proposed Growth Strategy, which is being drafted.

Economic Development

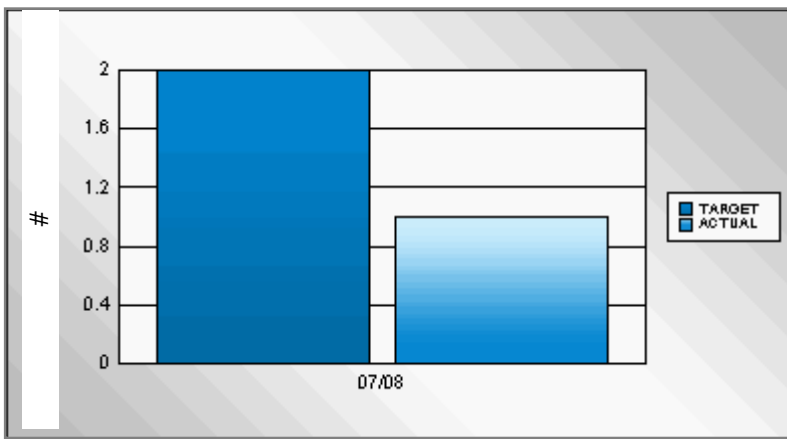
KPI: The number of people employed (full-time equivalents) within the Wanganui District will be increased to 17,000. (Economic Development Strategy)



RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte)

LATEST COMMENTS:
The target of 15880 was met. The actual result was 19800.

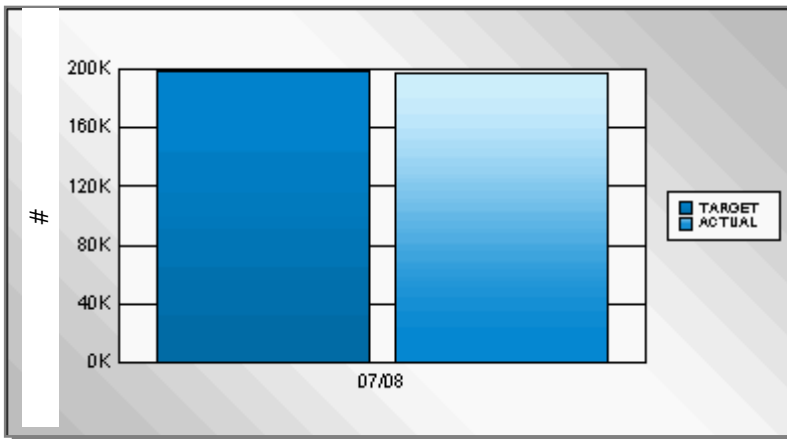
KPI: There will be two targeted major regional initiatives, using New Zealand Trade & Enterprise funding, to improve employment growth, land utilisation, visitor industry and infrastructure preparedness. (Regional partnership)



RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte)

LATEST COMMENTS:
The target of two was not achieved. The actual result was one Major Regional Initiative, Te Kahui Tupua, between Wanganui, Ruapehu and Rangitikei which is progressing well. Significant changes in the MED funding model has seen major regional initiative funding cancelled and therefore, further MRI's cannot be progressed.

KPI: Visitor numbers (guest nights) will be increased to 203,000. (Economic Development Strategy)



RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte)

LATEST COMMENTS:
The target of 199,000 was not achieved. The actual result was 197,867. The number of visitors was not increased to target.

Economic Development

KPI: Wanganui District Council financial support for the biannual Masters Games will be provided (2007 - \$40,000)



RESPONSIBLE OFFICER:

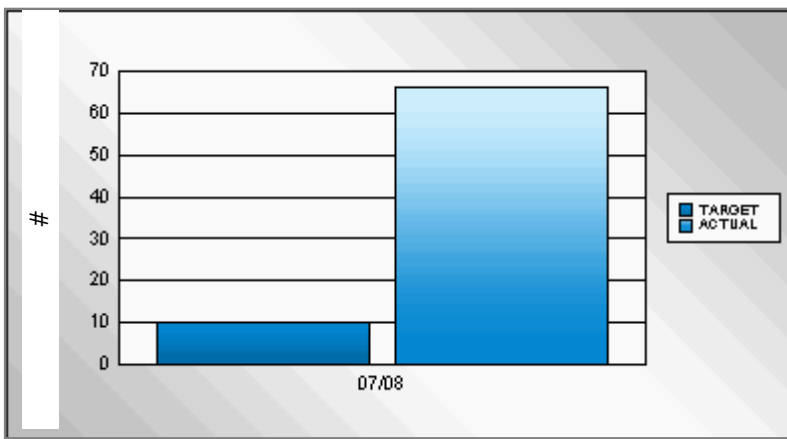
Natalie Rodgers
Financial Controller

LATEST COMMENTS:

Biannual. The target for this year was Nil. Nothing for this financial year.

Emergency Management

KPI: 10 school visits will be made per year.



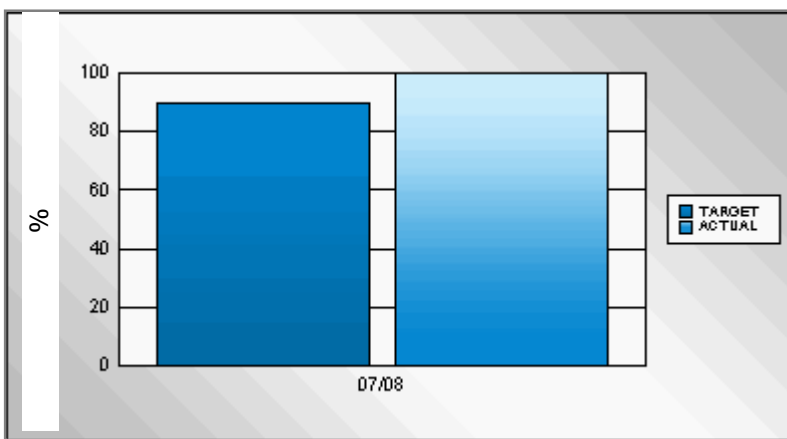
RESPONSIBLE OFFICER:

Max Benseman
Emergency manager

LATEST COMMENTS:

The target of 9 school visits was exceeded. The actual result was 63 visits. This included all Te Kohanga Reo facilities being visited and their emergency plans discussed.

KPI: A continuous 24-hour Duty Officer response to incidents will be provided. Receipt of calls will be acknowledged within 20 minutes. (Civil Defence)



RESPONSIBLE OFFICER:

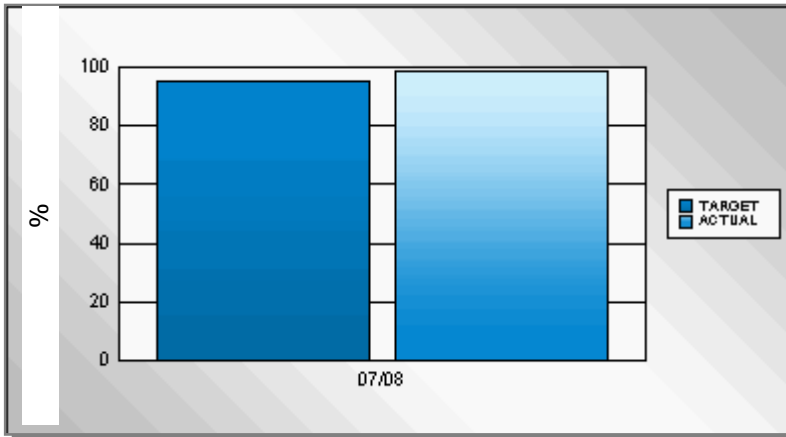
Max Benseman
Emergency manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100% which was achieved by an increase to roster personnel.

Emergency Management

KPI: A continuous 24-hour Duty Officer response to rural fire incidents will be provided. Receipt of calls will be acknowledged within 10 minutes (section 12 Forest and Rural Fire Act 1977). (Rural Fire)



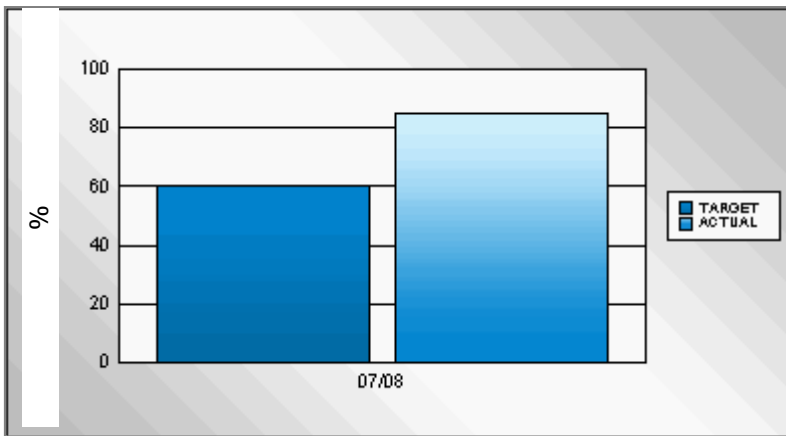
RESPONSIBLE OFFICER:

Max Benseman
Emergency manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was averaged at 98.75% over the year. Fire season closed 4 May, but a duty officer was on roster throughout year.

KPI: Community awareness of the need to be self-sufficient for 3 days (section 64 Civil Defence Emergency Management Act 2002) will be promoted. (Civil Defence)



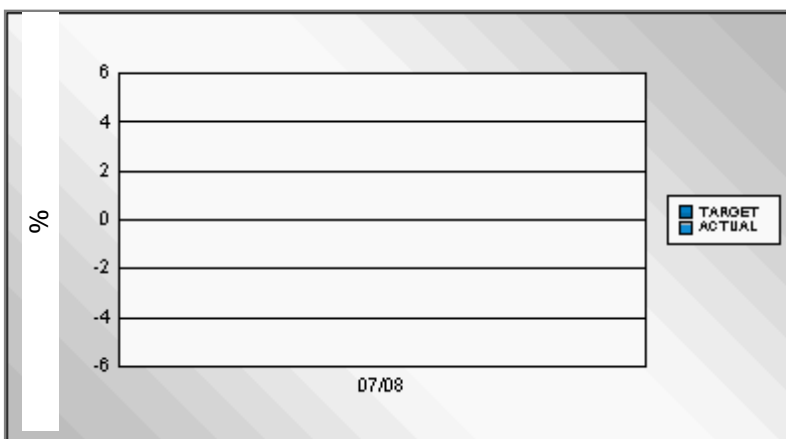
RESPONSIBLE OFFICER:

Max Benseman
Emergency manager

LATEST COMMENTS:

The target of 60% was exceeded. The actual result was 85% gauged by the Community Views Survey 2008, which asked people about their ability to cope without outside assistance.

KPI: The Reduction and Recovery sections of the Rural Fire Plan will be reviewed every five years. (Rural Fire)



RESPONSIBLE OFFICER:

Max Benseman
Emergency manager

LATEST COMMENTS:

NA.
Statutory requirement to be reviewed in 2010.

Emergency Management

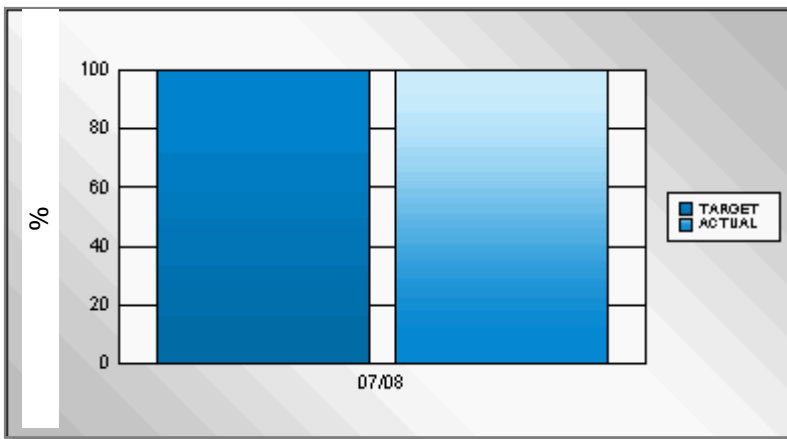
KPI: The Civil Defence Emergency Management Plan will be reviewed and updated every three years. (Civil Defence)



RESPONSIBLE OFFICER:
Max Benseman
Emergency manager

LATEST COMMENTS:
The target was Nil. Last reviewed in 2005. Not applicable as the Regional CDEMG Plan no longer requires each District to have their own Plan.

KPI: The Readiness and Response sections of the Rural Fire Plan will be reviewed every two years. (Rural Fire)



RESPONSIBLE OFFICER:
Max Benseman
Emergency manager

LATEST COMMENTS:
The target of 100% was achieved. The Readiness and Response sections of the Rural Fire Plan were reviewed and the relevant sections were published in October 2007.

Environmental policy

KPI: A state of the environment monitoring report will be produced every two to three years to coincide with census data.

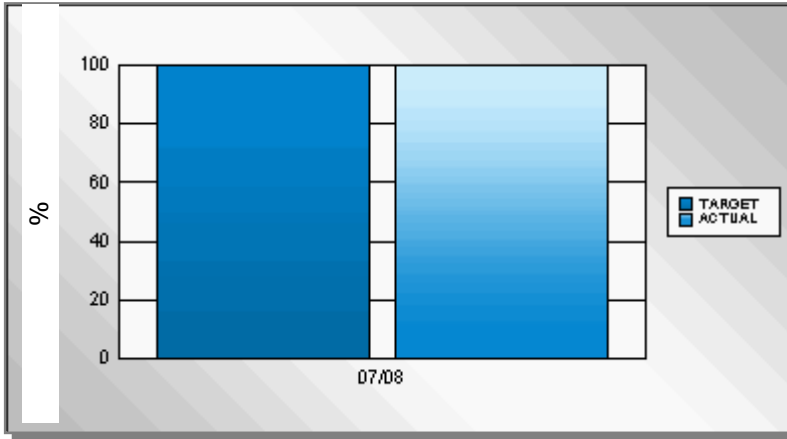


RESPONSIBLE OFFICER:
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:
The target was nil as this will occur and be produced in 2009/10.

Environmental policy

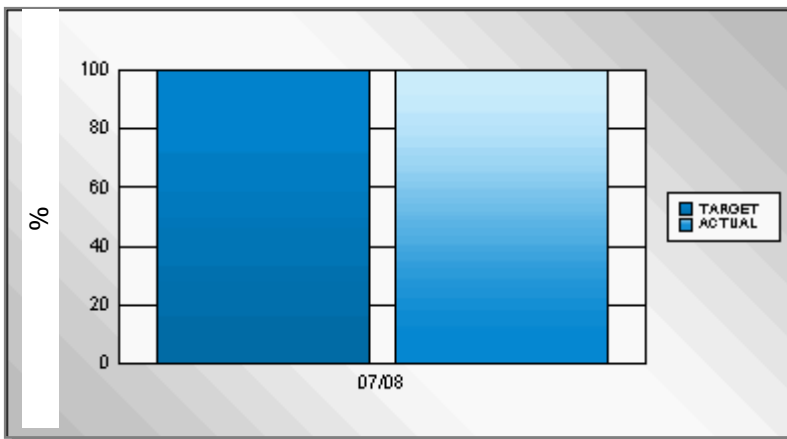
KPI: Appeals to the District Plan will be resolved by June 2007 or within two years of their lodgement, whichever is the latter.



RESPONSIBLE OFFICER:
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:
The target of 100% was achieved. All appeals were resolved.

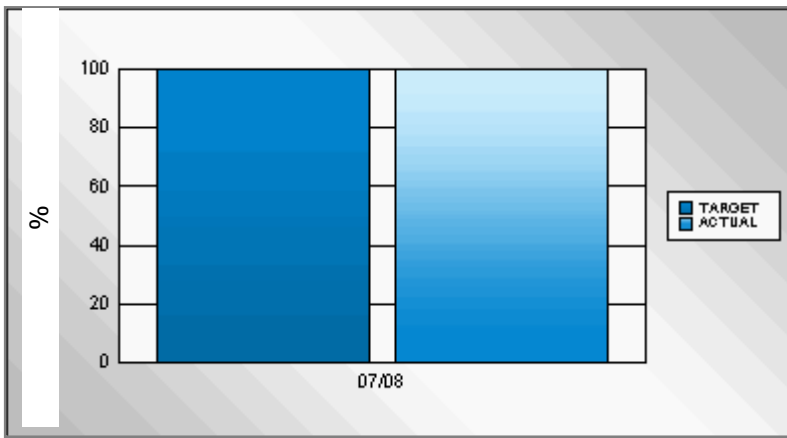
KPI: Matters of national, regional or local significance (i.e. legislative changes) will be reported to Council within one month of the event.



RESPONSIBLE OFFICER:
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:
The target of 100% was achieved. All relevant new legislation and matters of significance to Council were identified and reported.

KPI: Professional opinion or advice will be provided to Council within two weeks of request or next Council meeting.

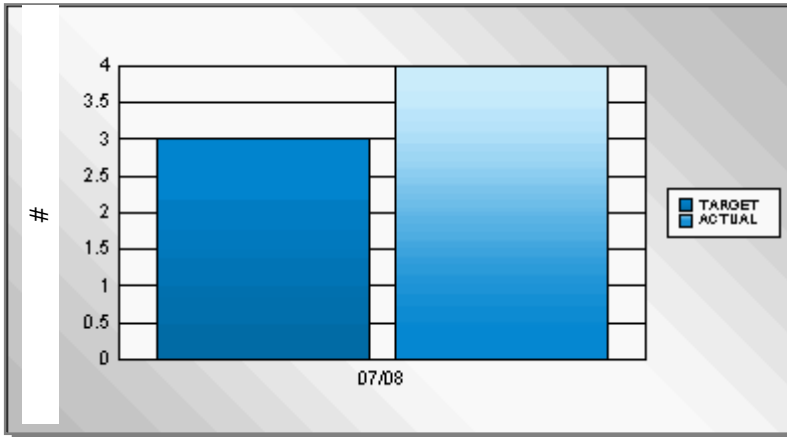


RESPONSIBLE OFFICER:
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:
The target of 100% was met. All requests for information were met within the required timeframe.

Environmental policy

KPI: Staff will attend at least three school or education centre events per year.



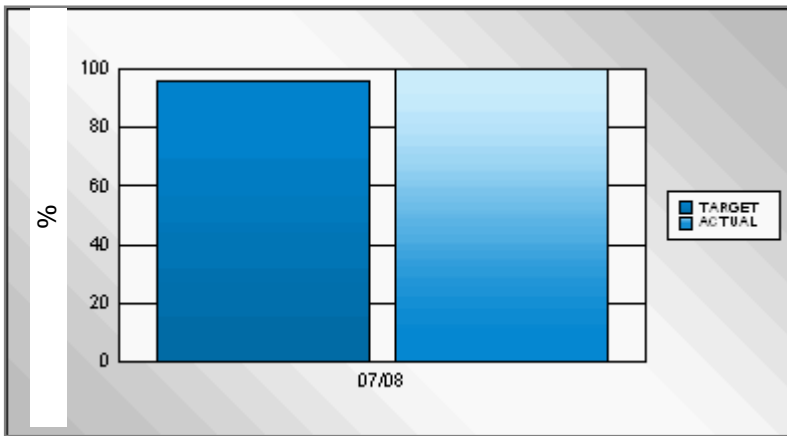
RESPONSIBLE OFFICER:

Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:

The target of three was exceeded. The actual result was four visits in conjunction with DOC and the Regional Council including a visit to see the city's water cycle and how the Green Rig is used.

KPI: The statutory requirements of the District Plan will be complied with.



RESPONSIBLE OFFICER:

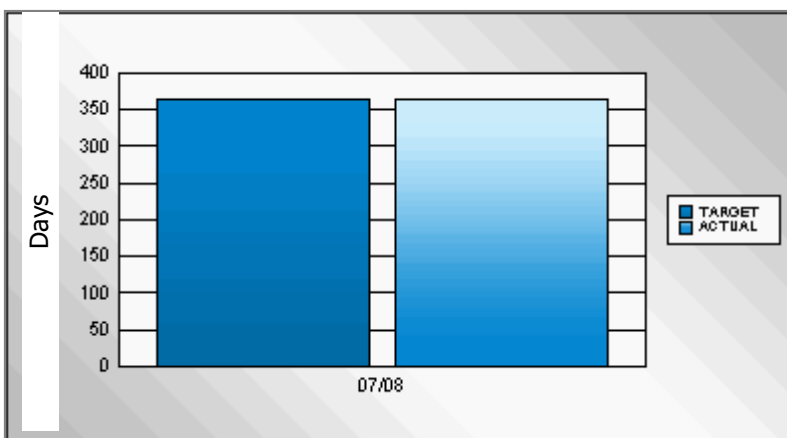
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:

The target of >95% was met. All statutory requirements of the District Plan were complied with.

Regulatory Services

KPI: A dog impounding facility will be provided 365 days per year. (Animal Control)



RESPONSIBLE OFFICER:

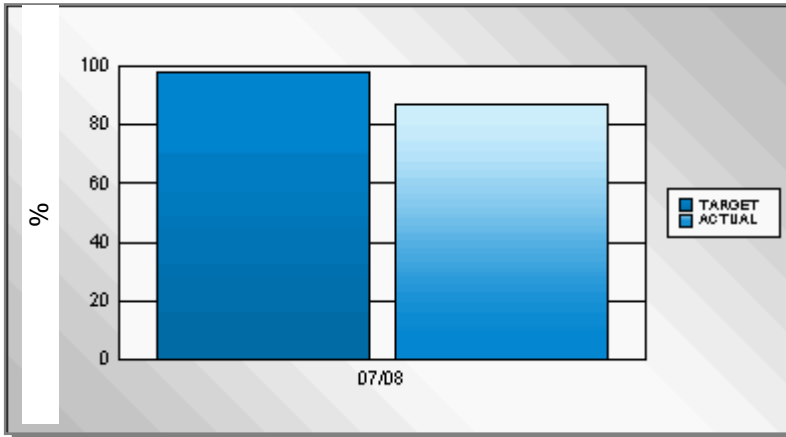
Kevin Ross
Deputy Chief Executive

LATEST COMMENTS:

The target of 100% was met. A dog impounding facility was provided every day in 2007/08.

Regulatory Services

KPI: All complaints of excessive noise will be responded to within 30 minutes. (Environmental health)



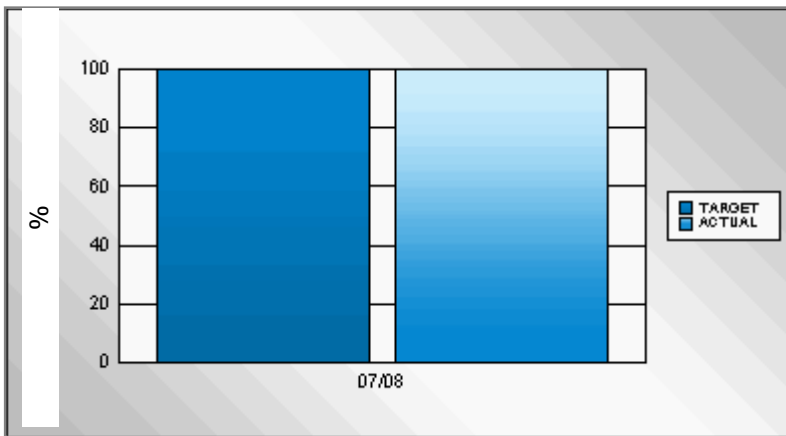
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 98% was not achieved. The actual result was 87% of complaints received about excessive noise were responded to within 30 minutes. The contract for service is being re-tendered, which may assist future performance.

KPI: All food premises will be registered and inspected at least once a year. (Environmental health)



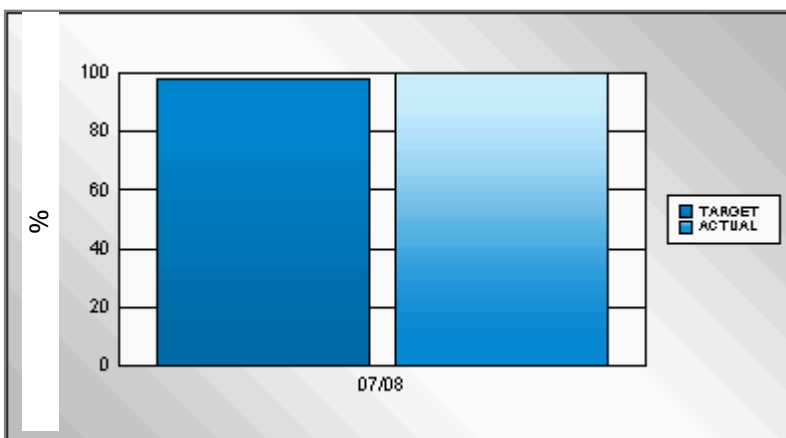
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was met. All food premises were registered and inspected at least once a year.

KPI: All notified planning application reports will be available five working days before scheduled hearing dates. (Resource Management)



RESPONSIBLE OFFICER:

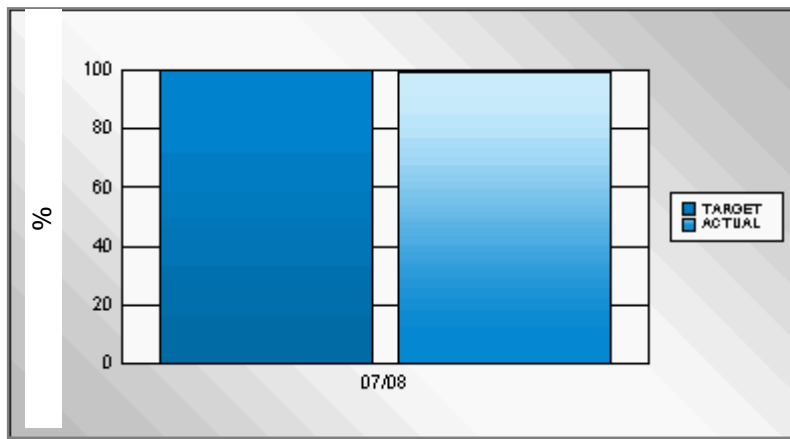
Kathryn Barnes
Senior Resource Management Planner

LATEST COMMENTS:

The target of 98% was exceeded. 100% of notified planning reports were available five working days before scheduled hearing dates.

Regulatory Services

KPI: An animal control service will be provided on a 24/7 basis, with a 10 minute response time. (Animal Control)



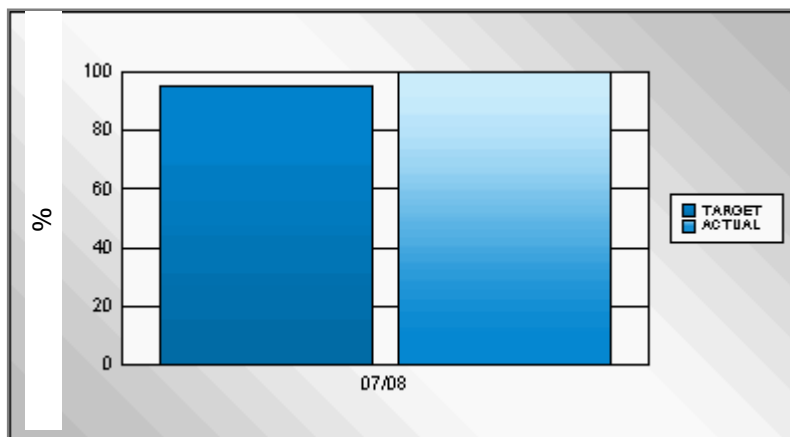
RESPONSIBLE OFFICER:

Kevin Ross
Deputy Chief Executive

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 99.25%. The target was slightly down due to loss of staff. All urgent animal incidents/attacks were responded to within the prescribed timeframe.

KPI: An up-to-date register of dogs will be maintained. (Animal Control)



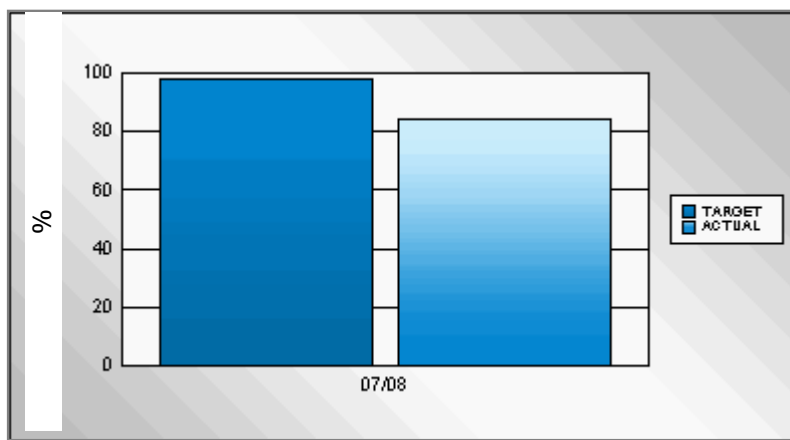
RESPONSIBLE OFFICER:

Kevin Ross
Deputy Chief Executive

LATEST COMMENTS:

The target of 95% was exceeded. An up-to-date register of all Council registered dogs was maintained.

KPI: Building consents will be processed within statutory timeframes. (Building control)



RESPONSIBLE OFFICER:

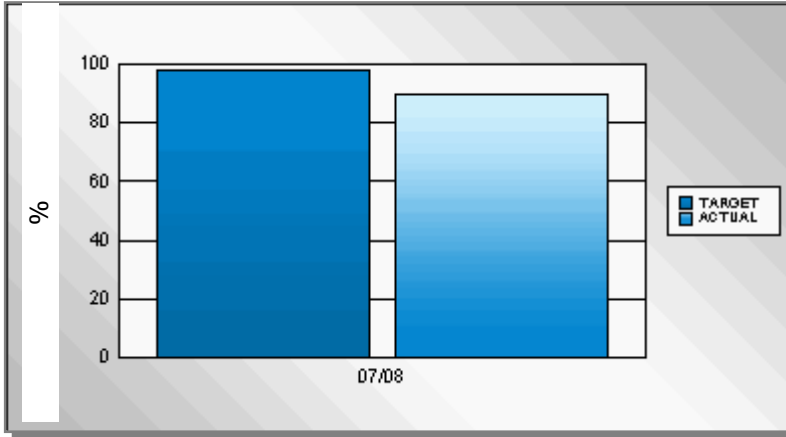
Jeff Jamieson
Building Control Officer

LATEST COMMENTS:

The target of 98% was not achieved. The actual result was 84.20%. This was due to 'clock issues' and the increased requirements on staff preparing for accreditation.

Regulatory Services

KPI: Building inspections will be completed within 24 hours of request. (Building control)



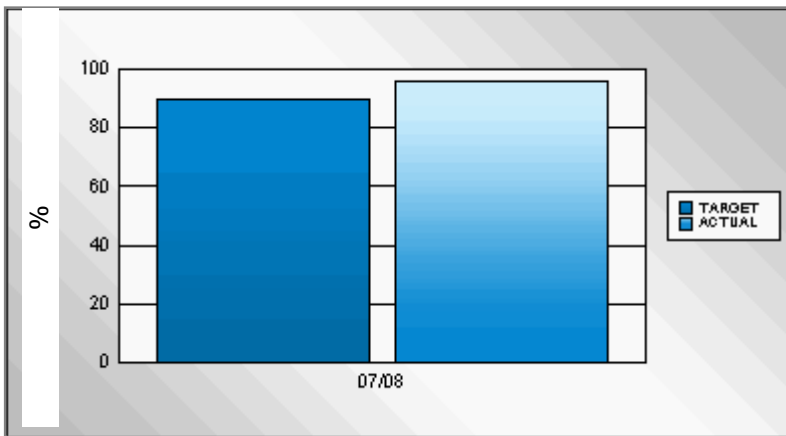
RESPONSIBLE OFFICER:

Jeff Jamieson
Building Control Officer

LATEST COMMENTS:

Although Council's policy is to complete inspections within 24 hours of the request and inspections sheets are completed, there is currently no formal system for measuring the time taken. It is estimated that only 90% of inspections were completed within 24 hours due to additional pressures associated with preparing for Accreditation.

KPI: Liquor licences will be issued within 20 working days of receipt if approved. (Liquor licencing)



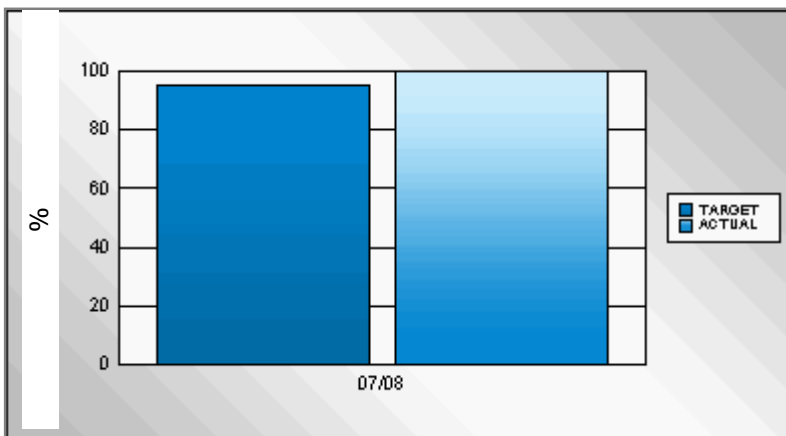
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 95.75% of liquor licenses were issued within 20 working days of receipt, if approved. The target was exceeded due to improvements with staff stability.

KPI: Parking areas will be patrolled Monday-Saturday (excluding public holidays). (Parking control)



RESPONSIBLE OFFICER:

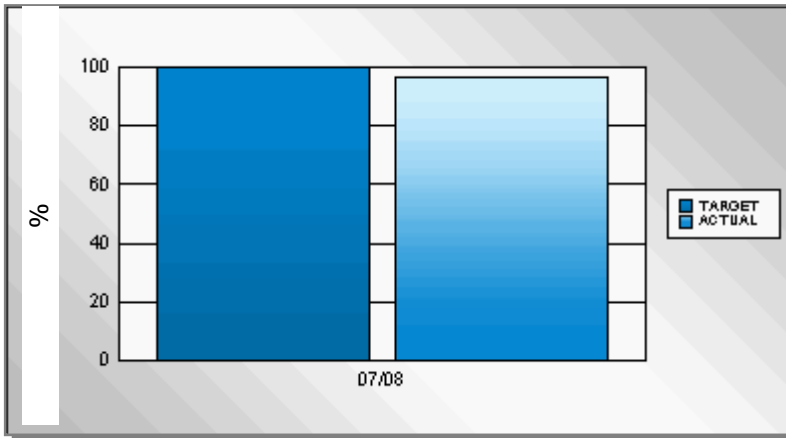
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 95% was exceeded. Parking areas were patrolled Monday-Saturday (excluding public holidays).

Regulatory Services

KPI: Properties above the Cobham Bridge will have their stormwater systems separated before 1 July 2007. (Private stormwater)



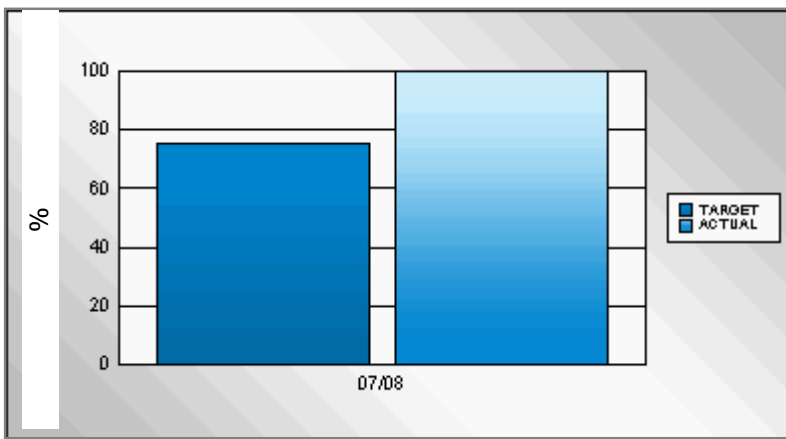
RESPONSIBLE OFFICER:

Julian Reweti
Infrastructure manager

LATEST COMMENTS:

The target of 100% was not met. This is due to private properties requiring a process of follow up for non-compliance and technical issues associated with linking to public separation, particularly in the CBD. Private property legal agreements have delayed solutions, particularly where there are multiple owners.

KPI: Resource consents will be monitored within two years of being issued. (Resource management)



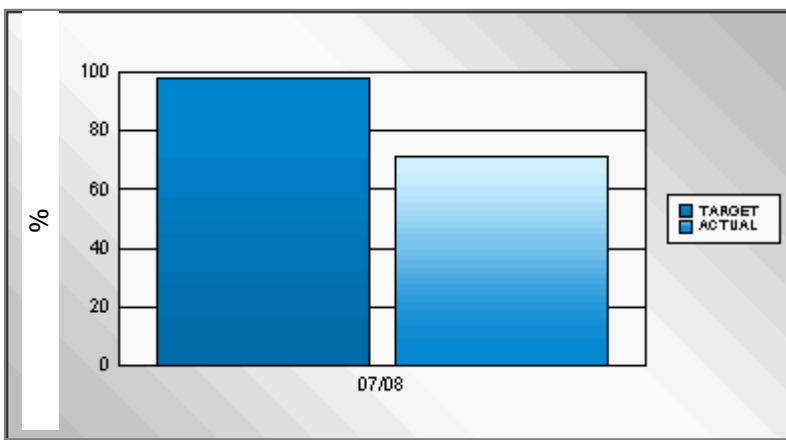
RESPONSIBLE OFFICER:

Kathryn Barnes
Senior Resource Management Planner

LATEST COMMENTS:

The target of 75% was exceeded. 100% of resource consents were monitored within two years of being issued.

KPI: Resource consents will be processed within the statutory timeframes. (Resource management)



RESPONSIBLE OFFICER:

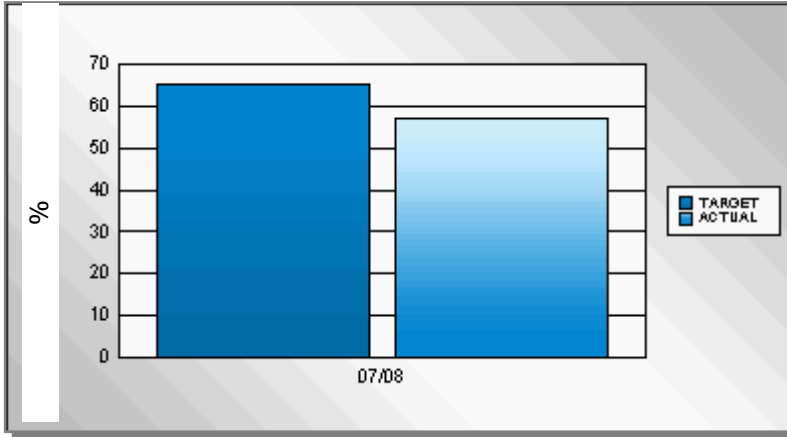
Kathryn Barnes
Senior Resource Management Planner

LATEST COMMENTS:

The target of 98% was not met due to ongoing staff resourcing issues. 83% of land use consents were processed within the statutory time frames. 58% of subdivision consents were processed within the statutory time frames. This equated to an overall percentage of 75% of all consents being processed on time.

Regulatory Services

KPI: The community will be fairly or very satisfied with the services provided. (Animal control)



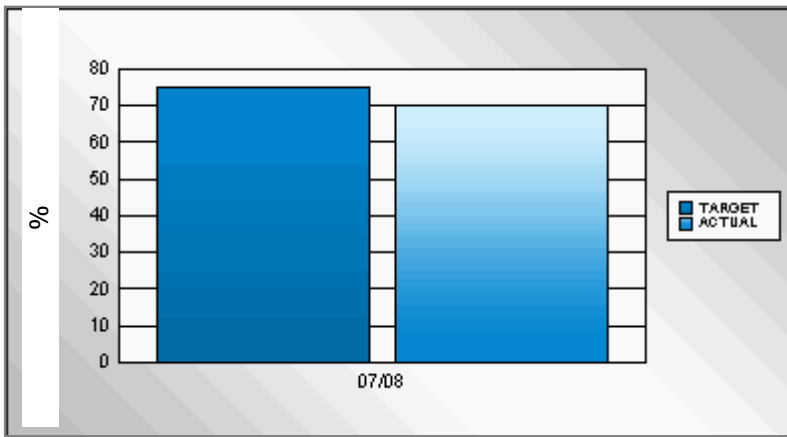
RESPONSIBLE OFFICER:

Kevin Ross
Deputy Chief Executive

LATEST COMMENTS:

The target of 65% was not met. The actual result was 57% of the community was fairly or very satisfied with the services provided.

KPI: Users will be fairly or very satisfied with the services provided. (Building control)



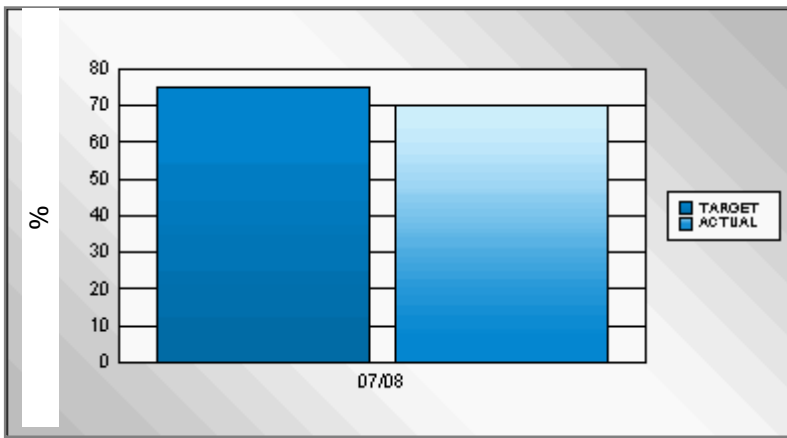
RESPONSIBLE OFFICER:

Jeff Jamieson
Building Control Officer

LATEST COMMENTS:

The target of 75% was not achieved. The actual result was 70% of users were fairly satisfied with the services provided.

KPI: Users will be fairly or very satisfied with the services provided. (Environmental health)



RESPONSIBLE OFFICER:

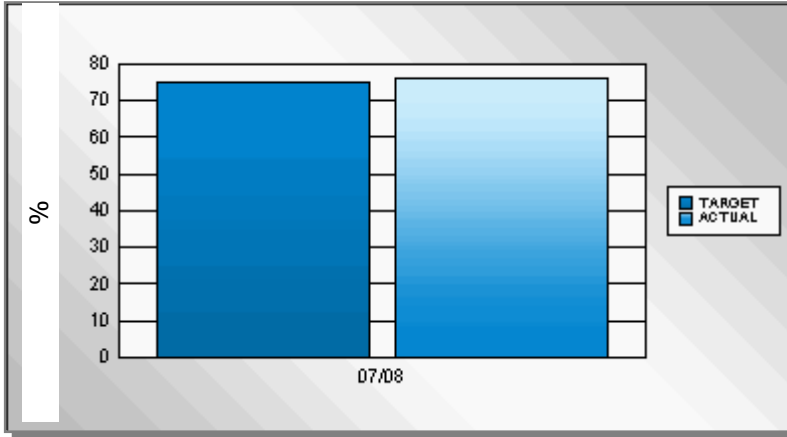
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 75% was not achieved. The actual result was 70% of users were fairly satisfied with the services provided.

Regulatory Services

KPI: Users will be fairly or very satisfied with the services provided. (Resource management)



RESPONSIBLE OFFICER:

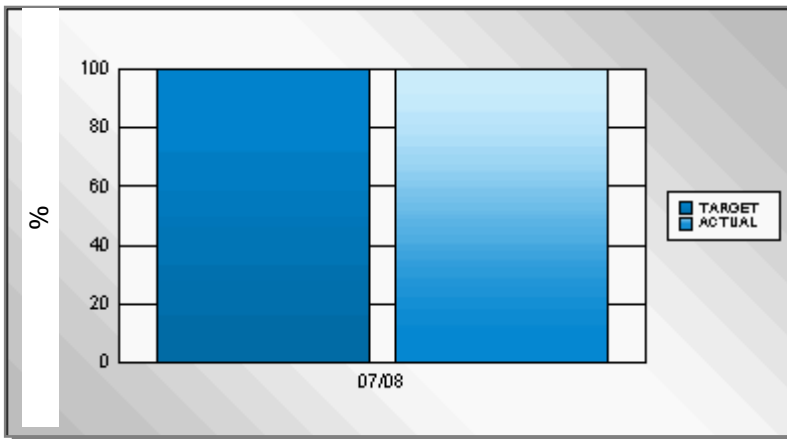
Kathryn Barnes
Senior Resource Management Planner

LATEST COMMENTS:

The target of 75% was met. 76% of customers seeking resource consent were fairly or very satisfied with the services provided.

Waste minimisation

KPI: A free community recycling service centre will be provided at Peat Street, 24 hours per day, 365 days per year.



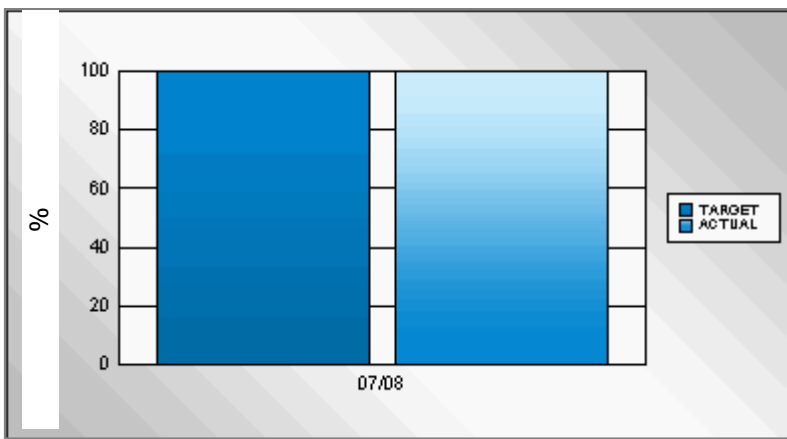
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was achieved. The service continues to be popular and meets public demand.

KPI: A monthly kerbside recycling pick-up service will be provided for households unable to access the Peat Street drop-off centre.



RESPONSIBLE OFFICER:

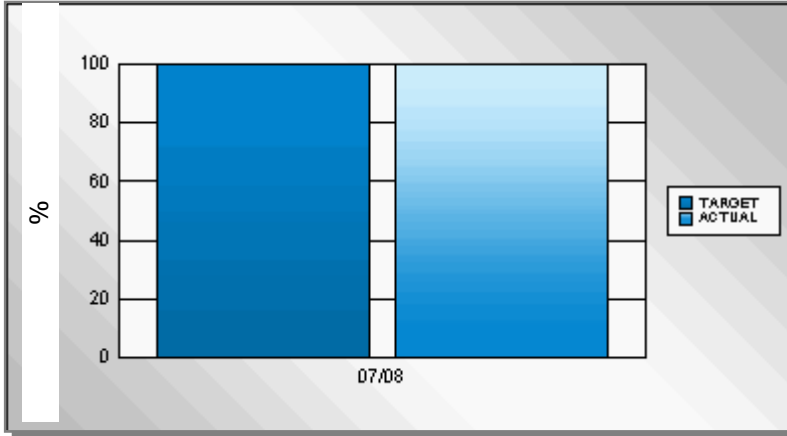
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was achieved. A one monthly kerbside recycling pick-up service was provided. This allows us to meet national standards by allowing all people access to recycling services.

Waste minimisation

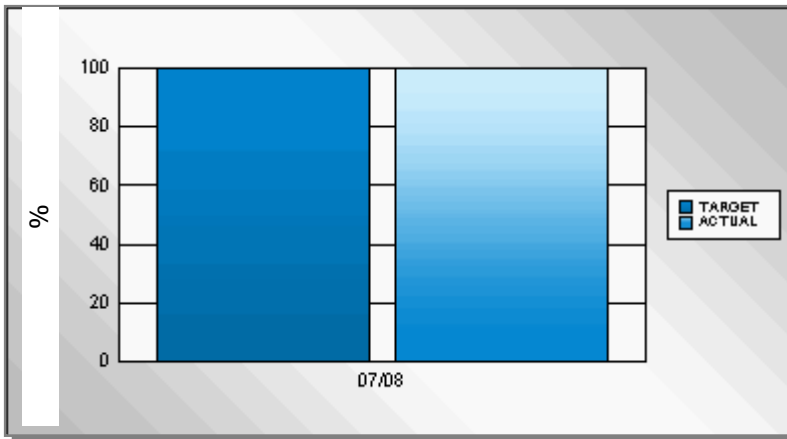
KPI: Advice and a 'haz-wheel' brochure will be provided via Customer Services during normal office hours and on the Council's 24 hour website, to waste producers on substances not accepted as part of the normal waste collection. (Disposal)



RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The target of 100% was achieved. The advice and 'haz-wheel' brochure were available through Customer Services during normal office hours and on the 24 hour website.

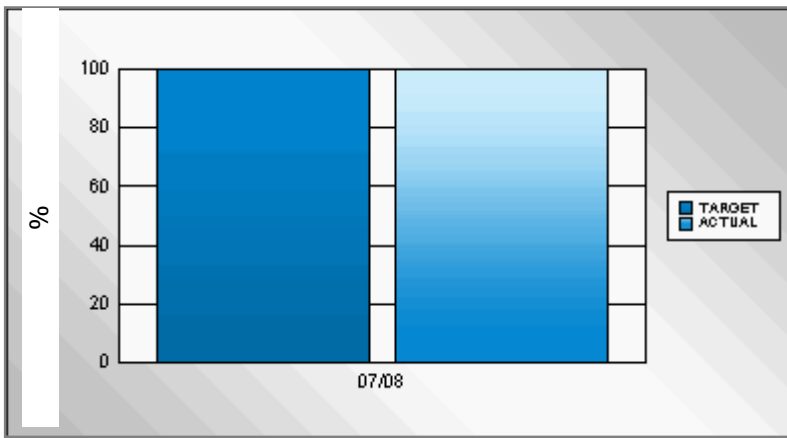
KPI: Facilities for domestic hazardous wastes' disposal will be provided at the two transfer stations.



RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The target of 100% was achieved. Facilities for domestic hazardous waste disposal were provided at the two transfer stations.

KPI: Resource consents for Balgownie Landfill (monitored for gas and leachates) will be complied with.

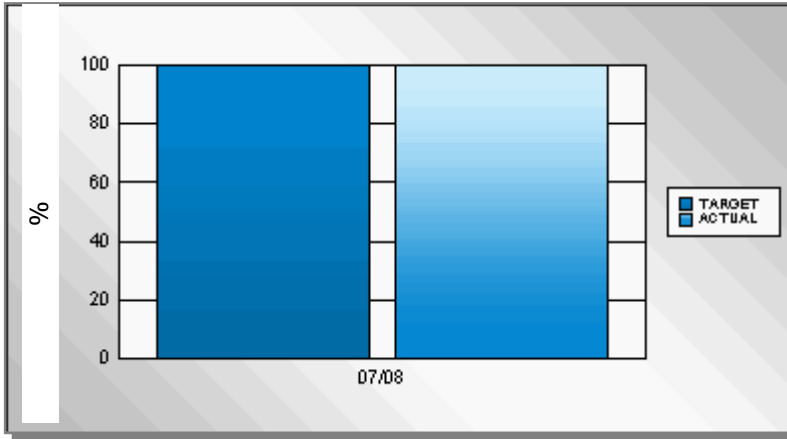


RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The target of 100% compliance with Resource Consents for Balgownie Landfill was achieved. Regional Council (consenting authority) was happy with our results.

Waste minimisation

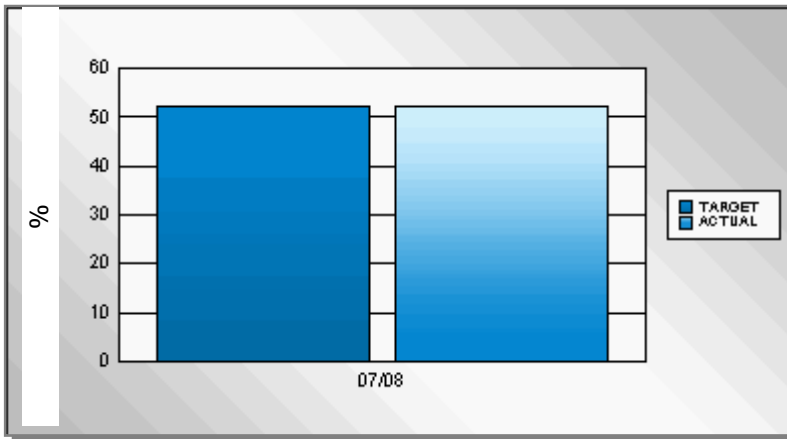
KPI: Rural agri-chemicals will be collected in conjunction with the Regional Council/District Council programmes.



RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The five yearly collection service target in the LTCCP was changed to a monthly collection service through the recycling centre. The revised target of 100% per annum was achieved. This is a more sustainable regular solution.

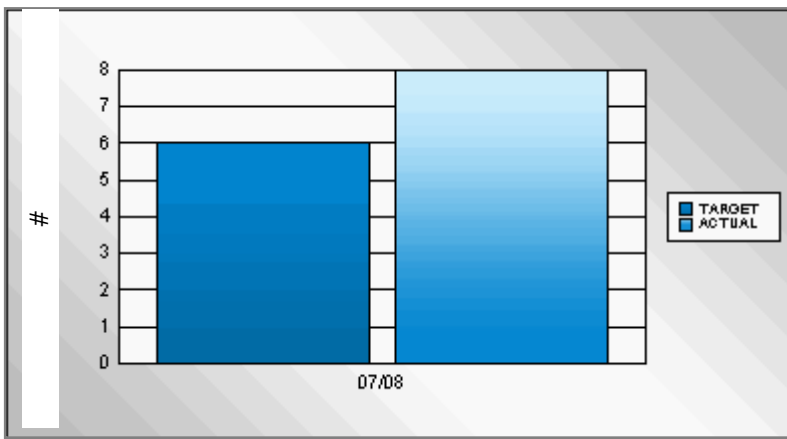
KPI: Rural refuse will be collected 52 weeks per year.



RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The target of 52 was achieved. The actual result was rural refuse was collected weekly.

KPI: Six school information and education visits per annum about waste minimisation opportunities will be made.

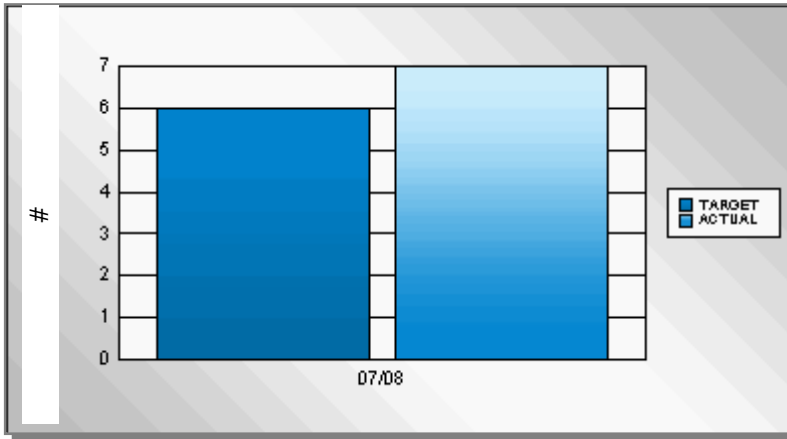


RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The target of six information and education visits per annum about waste minimisation was exceeded. The actual was eight school visits. This was achieved because the service is popular.

Waste minimisation

KPI: Six school visits to the recycling centre will be provided per annum.



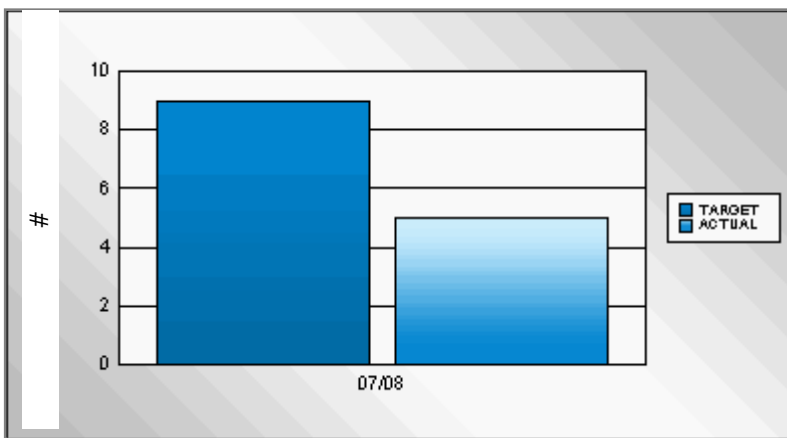
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of six school visits p.a. to the recycling centre was exceeded. The actual result was seven visits to the recycling centre, which was achieved due to this facility proving popular with schools.

KPI: The number of complaints about the rural bin sites reduce over time.



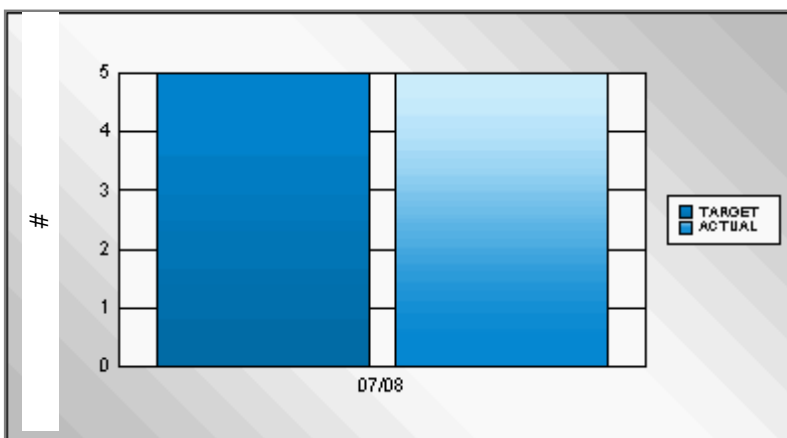
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of less than 10 complaints p.a. about the rural bin sites was met. The actual number of complaints received was five. This was due to the sites being more established now.

KPI: The number of complaints received about the service will reduce over time.



RESPONSIBLE OFFICER:

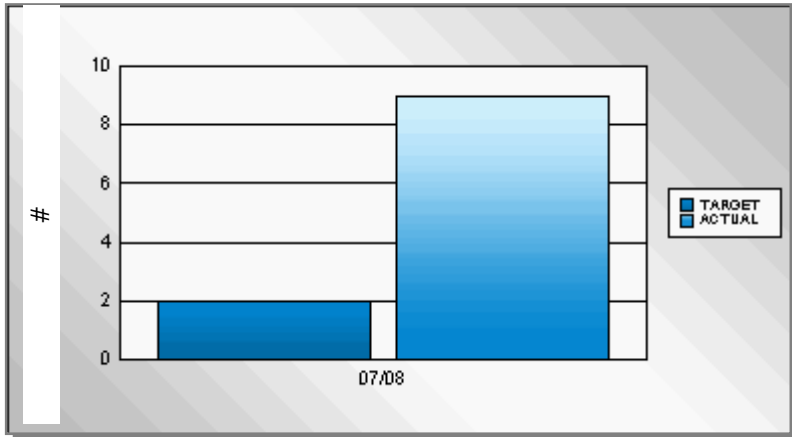
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of less than six complaints received about the recycling centre service was met. The actual number of complaints received for the year was five.

Waste minimisation

KPI: The number of school education programmes will increase.



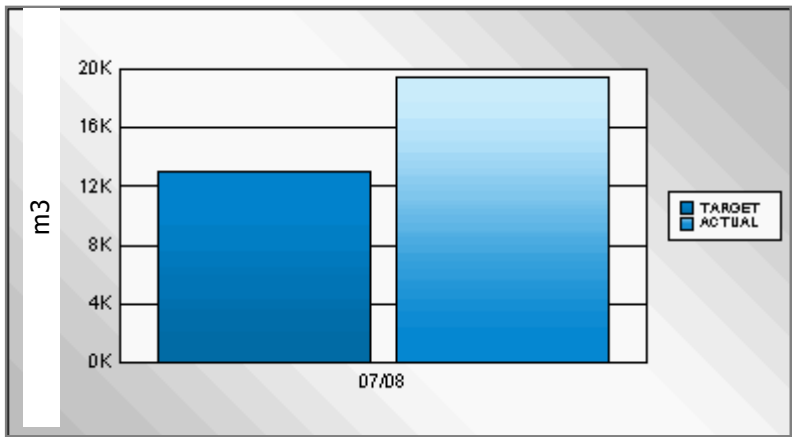
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of two education programmes was exceeded. The actual result was nine. The target was exceeded due to schools responding well to this service opportunity.

KPI: The volume of waste recycled will be increased.



RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 13,000 cubic metres of waste recycled was exceeded. The actual volume of waste recycled was 19,434 cubic metres for the year. There has been a continued gradual trend upwards of volumes of waste recycled.

Governance group

For the year ended 30 June 2008

	Budget 2008 \$000	Council 2008 \$000	2007 \$000
Income			
User fees and other revenue	48	72	34
Subsidies	-	-	-
Total income	48	72	34
Operating expenditure			
Operating expenditure	1,160	1,147	956
Finance costs	27	20	29
Depreciation	7	27	19
Council overhead	253	294	229
Total operating expenditure	1,447	1,488	1,233
Non-funded depreciation	(7)	(27)	(19)
Operational rates requirement	1,392	1,389	1,179
Capital acquisitions	78	56	61
Capital replacements	12	-	-
Total capital expenditure	90	56	61
Total funding requirement	1,482	1,445	1,240
Transfers (to)/from special funds	-	-	-
New loans/(loans repaid)	-	(37)	(10)
Total capital funding	-	(37)	(10)
Rate requirement	1,482	1,482	1,250

Governance group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Governance Group. Significant variations to the Annual Plan are discussed below if necessary.

Activity	Item	Budget \$	Actual \$
Governance	Mayors car and stained glass windows project	90,000	56,482

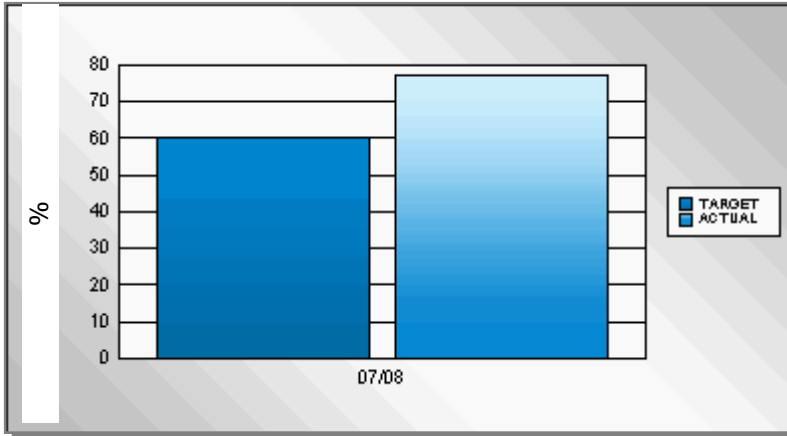
Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

The stained glass work is a ongoing project.

Governance Group:

Governance and democracy

KPI: *The community will be satisfied that Council has responded very well or well to community needs and issues.*



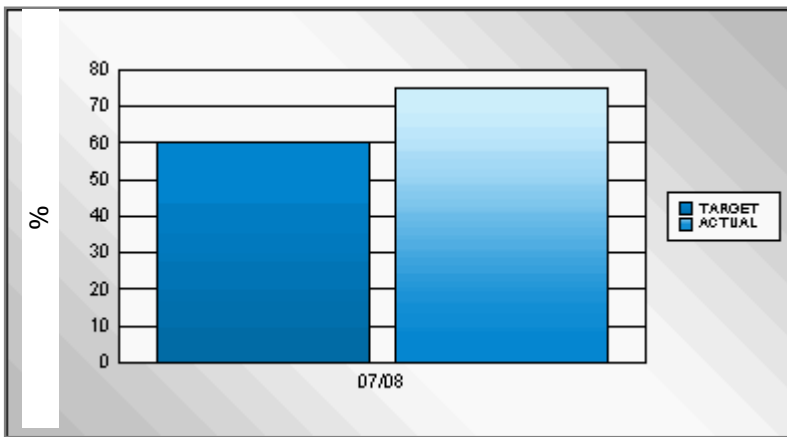
RESPONSIBLE OFFICER:

Malcolm Hunt
Governance services manager

LATEST COMMENTS:

The target of 60% was exceeded. The actual result was 77% community satisfaction with Council's response to community needs and issues.

KPI: *The performance of the Mayor and Councillors will be rated by the community as good or very good.*



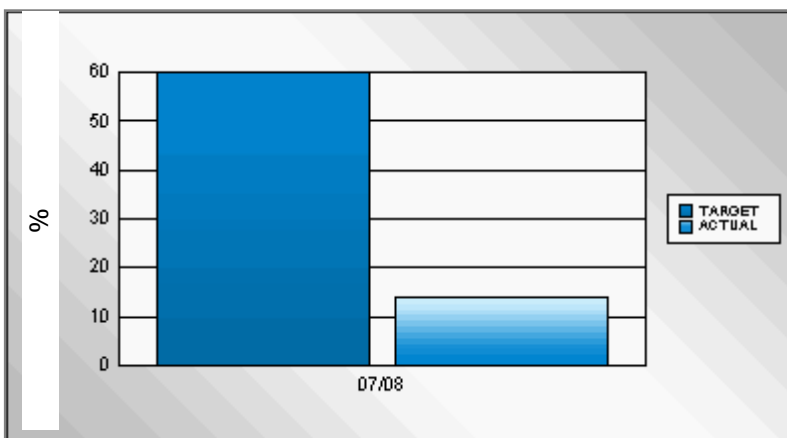
RESPONSIBLE OFFICER:

Malcolm Hunt
Governance services manager

LATEST COMMENTS:

The target of 60% was exceeded. The actual result was 75% community satisfaction with the performance of the Mayor and Councillors.

KPI: *The performance of the Rural Community Board will be rated by the community as good or very good.*



RESPONSIBLE OFFICER:

Malcolm Hunt
Governance services manager

LATEST COMMENTS:

The target of 60% was not met. The actual result was 14%. The Council considered this may reflect the community's lack of awareness of rural representation (Rural Ward no longer exists) as 77% of respondents had a "neutral" view. The Community Board is seeking to improve its communication with the rural community.

Land transport group

For the year ended 30 June 2008

	Budget 2008 \$000	Council 2008 \$000	2007 \$000
Income			
User fees and other revenue	312	356	816
Subsidies	13,263	8,979	14,725
Total income	13,575	9,335	15,541
Operating expenditure			
Operating expenditure	5,816	6,567	6,575
Finance costs	427	274	249
Depreciation	6,108	4,078	3,844
Council overhead	332	385	339
Total operating expenditure	12,684	11,304	11,006
Non-funded depreciation	(6,108)	(4,078)	(3,844)
Operational rates requirement	(7,000)	(2,109)	(8,379)
Capital acquisitions	3,003	2,454	1,954
Capital replacements	11,473	6,021	11,460
Total capital expenditure	14,476	8,475	13,414
Total funding requirement	7,476	6,366	5,035
Transfers (to)/from special funds	204	28	(17)
New loans/(loans repaid)	1,589	146	7
Total capital funding	1,793	174	(10)
Rate requirement	5,683	6,192	5,046

Land transport group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Land Transport Group. Significant variations to the Annual Plan are discussed below if necessary.

Activity	Item	Budget \$	Actual \$
Roading	Feasibility studies	250,000	135,340
	Minor safety projects	650,000	737,380
	Whanganui River Road seal extension	650,000	992,540
	Cycleways	209,000	13,500
	Pavement Smoothing	389,000	413,262
	Rehabilitation	655,000	162,079
	New works	200,000	-
	Emergency management – first response	280,000	287,483
	Flood damage repairs	500,000	-
	Pavement rehabilitation	748,000	64,521
	Road reinstatement – July 2006 storm event	5,200,000	1,251,859
	Sealed road resurfacing	2,318,000	1,881,364
	Traffic services renewals	168,000	218,519
	Unsealed road metalling	464,000	430,005
	Drainage renewals	1,467,000	1,253,851
Pathways	Replacements	328,000	633,713

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

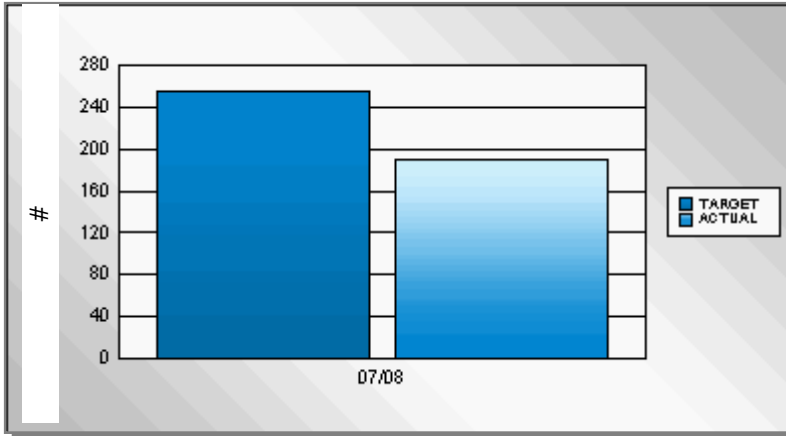
Roading capital expenditure is down on the Annual Plan budget levels. The areas of underspend are highlighted in the table above, being mainly in the storm restoration areas. As well as the Annual Plan budget of \$14.1M, another \$1.6M was carried over from 2006/07, giving a total capital programme of \$15.7M. Actual expenditure came in at only \$7.8M. Land Transport New Zealand has approved capital carry overs from 2007/08 of \$5.8M, with subsidy rates of up to 84%.

Pathways capital replacement expenditure is above budget. This mainly comes about with a reclassification between replacement and maintenance expenditure, and approved additional work carried out in Guyton Street.

Land Transportation Group:

Pathways

KPI: *There will be a reduction in the number of footpath-related defects as reported to Wanganui District Council Customer Services.*



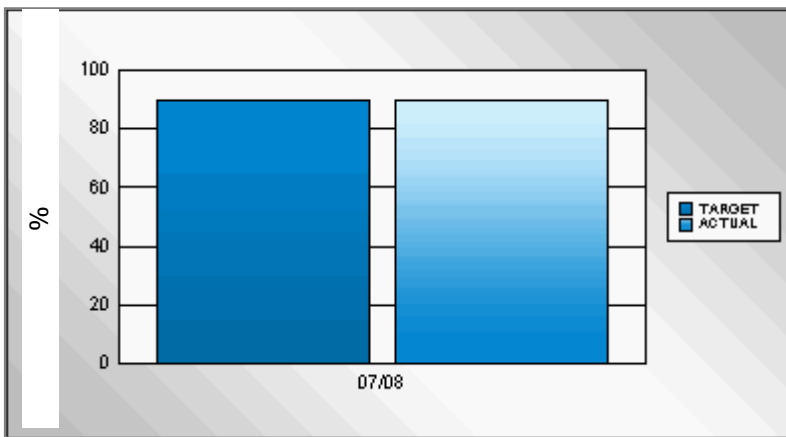
RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of less than 256 reported footpath-related defects was achieved. The actual result was 189 for the year.

KPI: *Tree trimming requests will be responded to within five working days, as identified by six-monthly inspections or by complaints to Customer Services.*



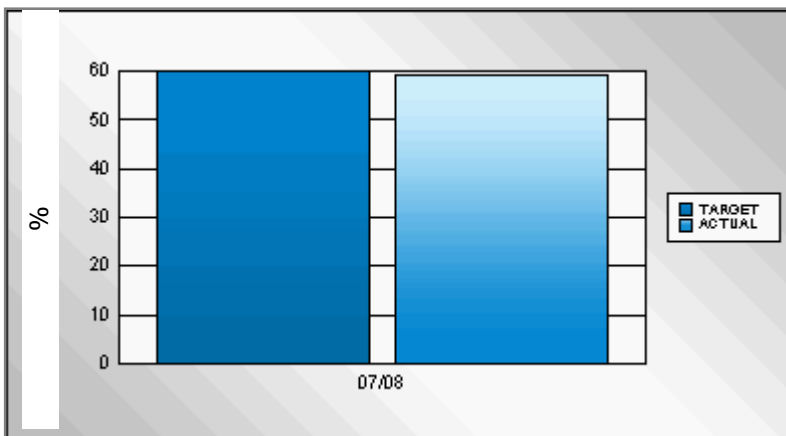
RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of 90% was met.

KPI: *Users of footpaths will be fairly or very satisfied with footpath surface and smoothness.*



RESPONSIBLE OFFICER:

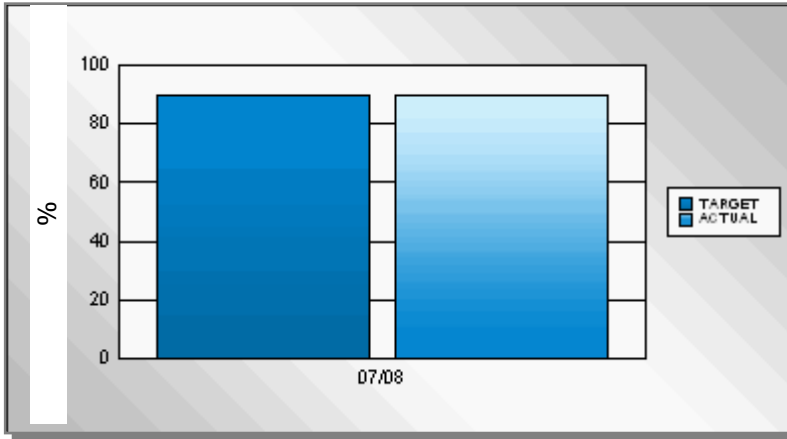
Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of 60% was not achieved. The actual result was 59%.

Pathways

KPI: Written or verbal complaints will be responded to within three working days.

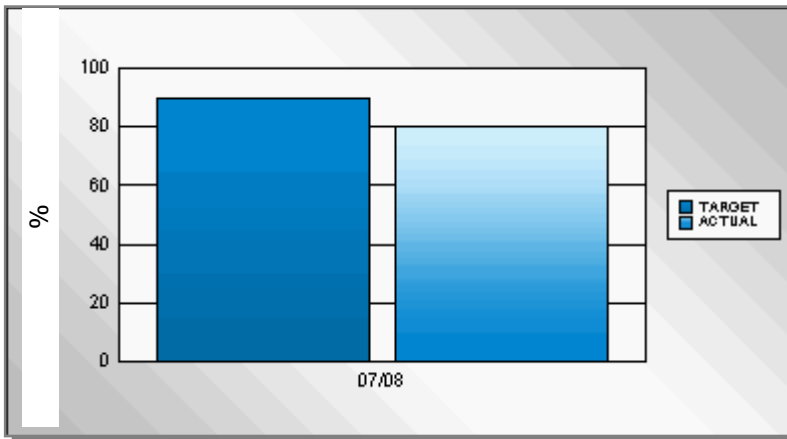


RESPONSIBLE OFFICER:
Rui Leitao
Roading engineer

LATEST COMMENTS:
The target of 90% was met. Time limits are monitored by parking officers and if exceeded, infringement notices are issued.

Roading

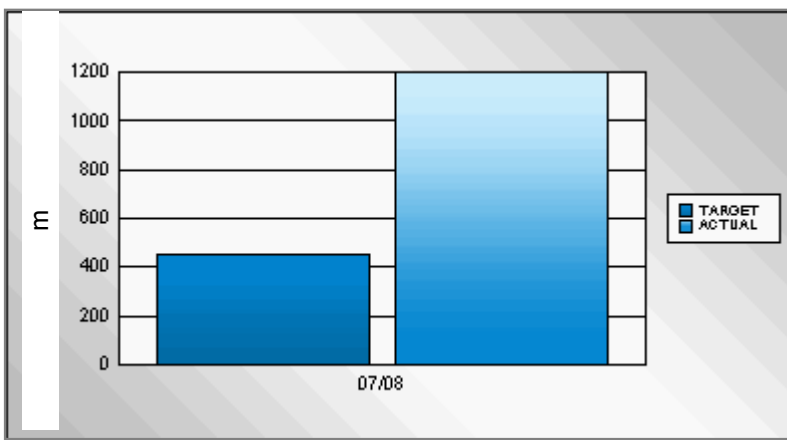
KPI: Compliance with displayed time limits will be enforced. (Parking)



RESPONSIBLE OFFICER:
Rui Leitao
Roading engineer

LATEST COMMENTS:
The target of 90% was not met. The actual result of 80% has been estimated as there is no mechanism to measure this compliance.

KPI: Cycle safety works will be undertaken annually. (Cycle safety)

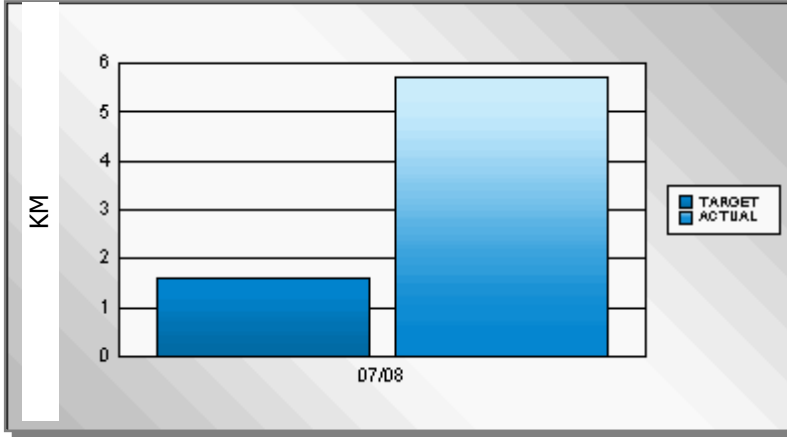


RESPONSIBLE OFFICER:
Rui Leitao
Roading engineer

LATEST COMMENTS:
The target of 90% of 500m cycle safety works was exceeded. The actual result was 1200m completed works were undertaken in Jones St, Duncan St, Victoria Ave/Dublin St and Guyton St.

Roading

KPI: Pavement strengthening and smoothing will be carried out annually to reduce longer-term maintenance costs and to improve ride quality. (Road smoothness)



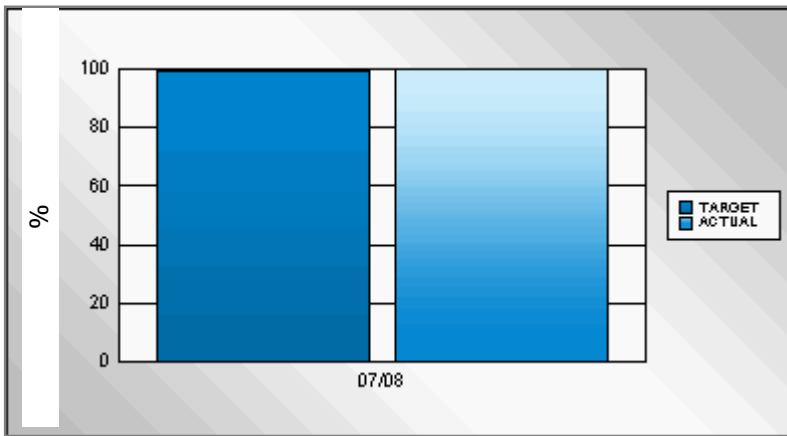
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of >1.60km pavement strengthening was exceeded. The actual result was 5.70km. Pavement smoothing cost effectively improves Smooth Traffic Exposure.

KPI: Physical access to all serviced properties will be available 365 days per year. (Access)



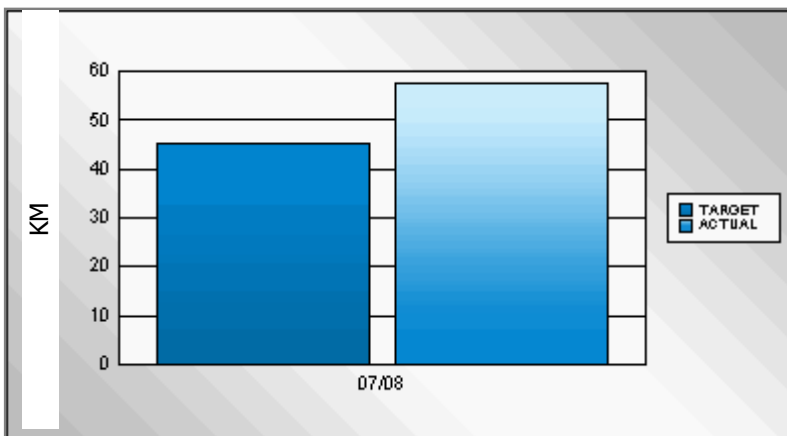
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of 99% was achieved. The actual result is estimated as there is no mechanism for actual measures.

KPI: Reseal and surface roads will be carried out annually to protect the integrity of the road surface. (Road smoothness)



RESPONSIBLE OFFICER:

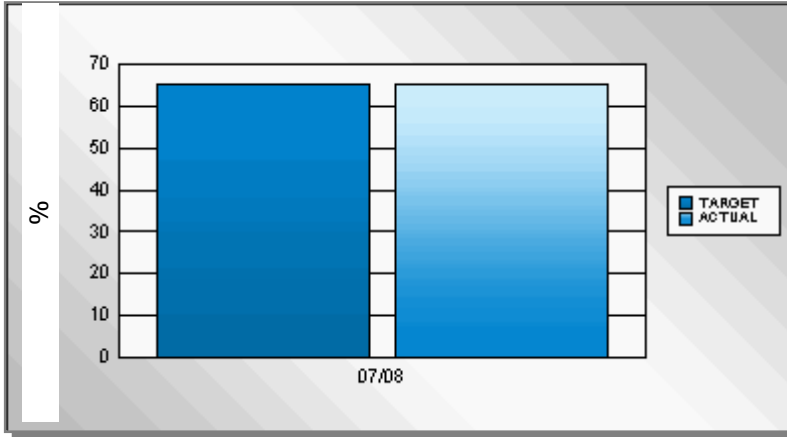
Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of >45km was exceeded. The actual result was 57.50km.

Roading

KPI: Residents will be fairly or very satisfied with the roading network. (Community satisfaction)



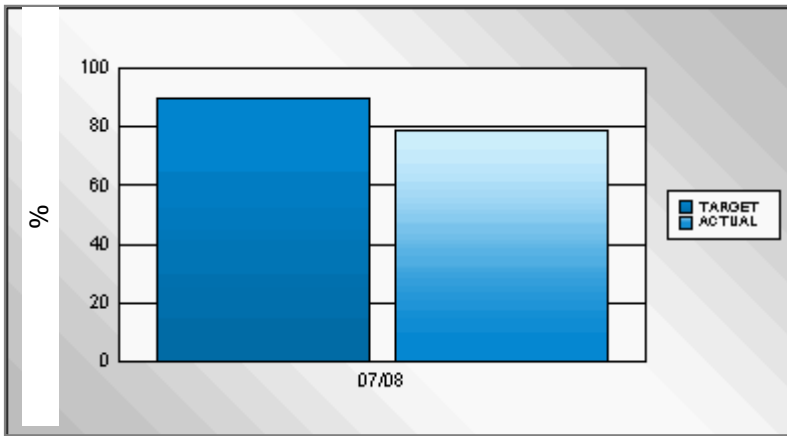
RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of 65% was met. 65% of residents were either Fairly or Very Satisfied with the roading network.

KPI: Road users will travel on smooth urban and rural roads as measured by Smooth Traffic Exposure (STE). (Road smoothness)



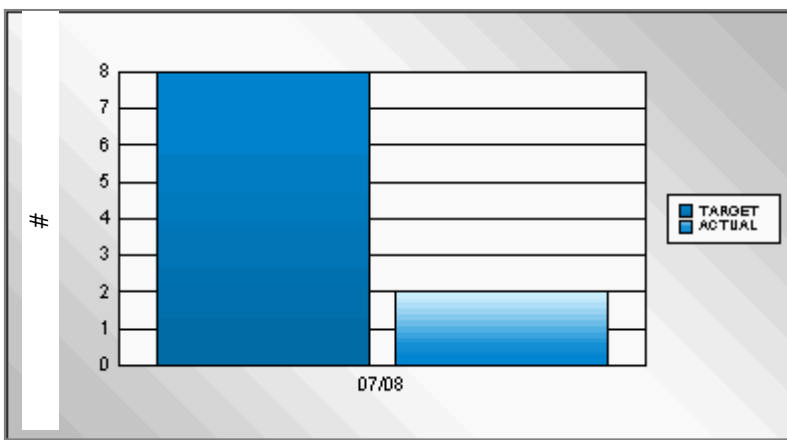
RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of 90% was not achieved. The actual result was 79%. This was due to road openings required to carry out stormwater separation works.

KPI: There will be fewer fatal/serious injury crashes per year. (Rural road safety)



RESPONSIBLE OFFICER:

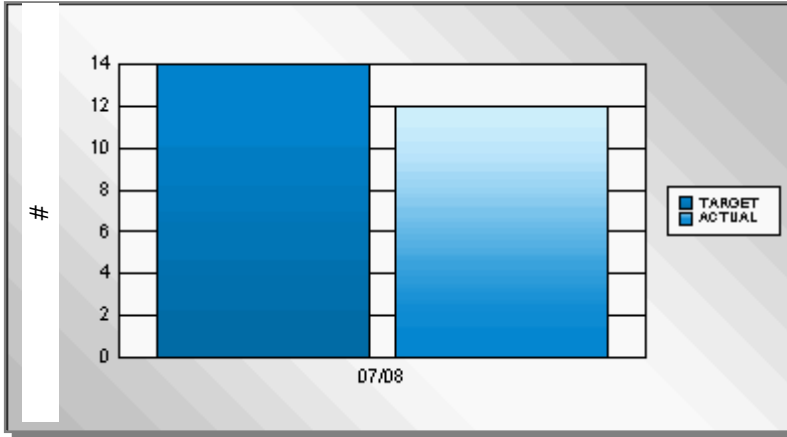
Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of <8 was exceeded. The actual result was two.

Roading

KPI: There will be fewer fatal/serious injury crashes per year. (Urban road safety)



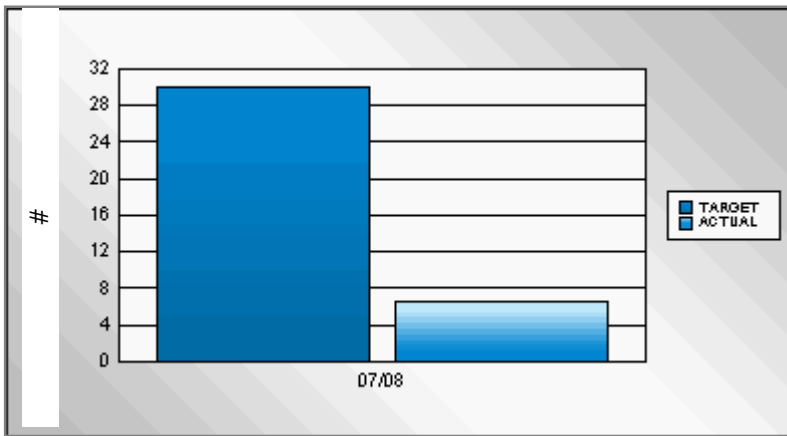
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of <14 was exceeded. The actual result was twelve.

KPI: There will be fewer reported injury crashes per 100 million vehicle kilometres travelled (local urban roads). (Urban road safety)



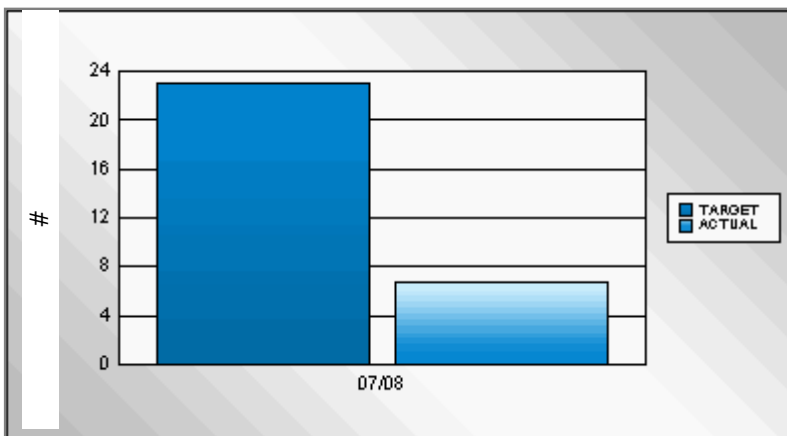
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of <30 was achieved. The actual result was 26.5 reported injury crashes per 100 million vehicle kilometres travelled.

KPI: There will be fewer reported injury crashes per 100 million vehicle kilometres travelled. (Rural road safety)



RESPONSIBLE OFFICER:

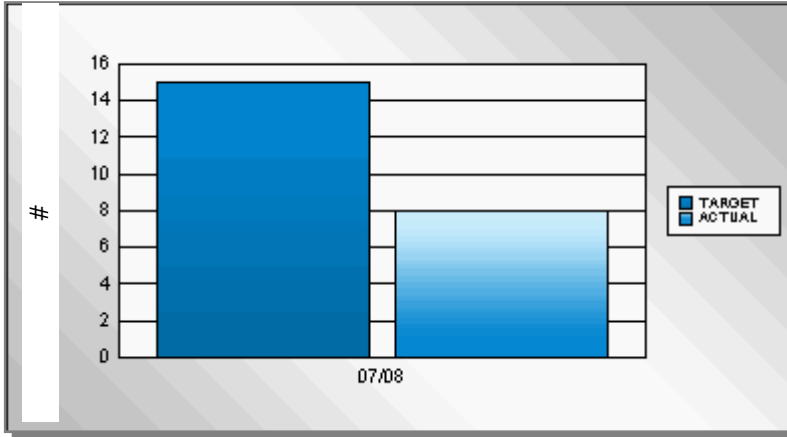
Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of <23 was not met. The actual result was 27 reported injury crashes per 100 million vehicle kilometres travelled on rural roads.

Roading

KPI: *There will be fewer reported injury crashes per year. (Rural road safety)*



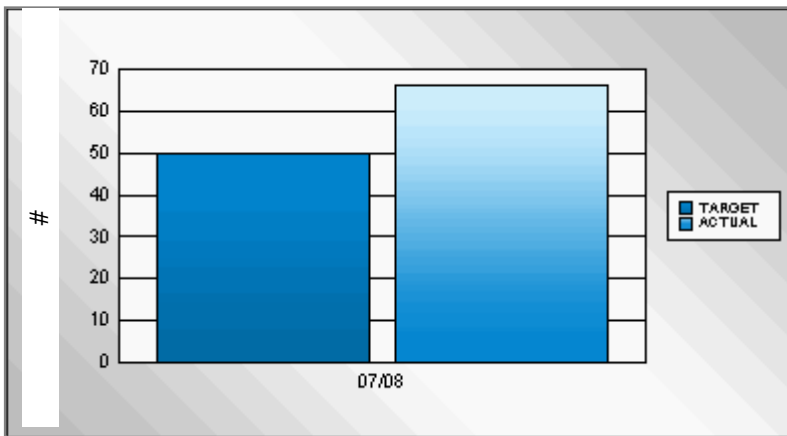
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of <15 was exceeded. The actual result was eight.

KPI: *There will be fewer reported injury crashes per year. (Urban road safety)*



RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of <50 was not achieved. The actual result was 66.

Water

For the year ended 30 June 2008

	Budget 2008 \$000	Council 2008 \$000	2007 \$000
Income			
User fees and other revenue	3,187	3,243	3,376
Subsidies	63	-	-
Total income	3,250	3,243	3,376
Operating expenditure			
Operating expenditure	6,642	6,257	5,340
Finance costs	3,025	2,961	2,016
Depreciation	3,745	5,613	3,152
Council overhead	1,236	1,434	1,209
Total operating expenditure	14,648	16,265	11,717
Non-funded depreciation	(3,745)	(5,613)	(3,152)
Operational rates requirement	7,653	7,409	5,189
Capital acquisitions	9,024	10,737	22,070
Capital replacements	2,992	1,592	2,746
Total capital expenditure	12,016	12,329	24,816
Total funding requirement	19,669	19,738	30,006
Transfers (to)/from special funds	-	87	8,391
New loans/(loans repaid)	7,122	6,349	9,655
Total capital funding	7,122	6,436	18,047
Rate requirement	12,547	13,302	11,959

Water group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Water Group. Significant variations to the Annual Plan are discussed below if necessary.

Activity	Item	Budget \$	Actual \$
Stormwater	Separation project	4,440,000	5,546,965
	Urban reticulation maintenance	287,000	57,435
Wastewater	Treatment Plant	350,000	3,310,923
	Urban reticulation maintenance	1,365,000	257,718
Waterways and Drainage	Natural Capital acquisition	25,000	-
Water Supply	Water softening project	4,000,000	1,428,406
	Urban reticulation replacements	1,340,000	1,276,964

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

Stormwater

The Annual Plan budget included \$4.4M for the Stormwater Separation Project, and we also carried over \$2.9M from 2006/2007, giving a total programme of \$7.3M. Actual expenditure came to \$5.5M for the year. Work slowed on the separation project during the year due primarily to ground conditions. Higher water tables required significantly more dewatering, which also slows the contract. The difference of \$1.8M has been carried forward to 2008-2009, giving a total programme next year of \$5.4M. Expenditure for urban reticulation replacements was well down with less work required due to the slowing of separation works.

Wastewater

The Annual Plan budget included \$0.4M for the Treatment Plant Project, and we also carried over \$1.3M from 2006/2007, giving a total budget of \$1.7M. Actual expenditure came to \$3.3M. These additional costs like the aerators were approved by Council during the year, and also included some expenditure brought forward. Next years Annual Plan has included \$0.8M to complete the Project. Capital replacement expenditure was well down, with \$0.7M being carried over for the Putiki job delayed until next year, and \$0.6M being carried over for the recently commenced Shakespeare Road job.

Waterways and natural drainage

Proposed capital expenditure didn't happen this year.

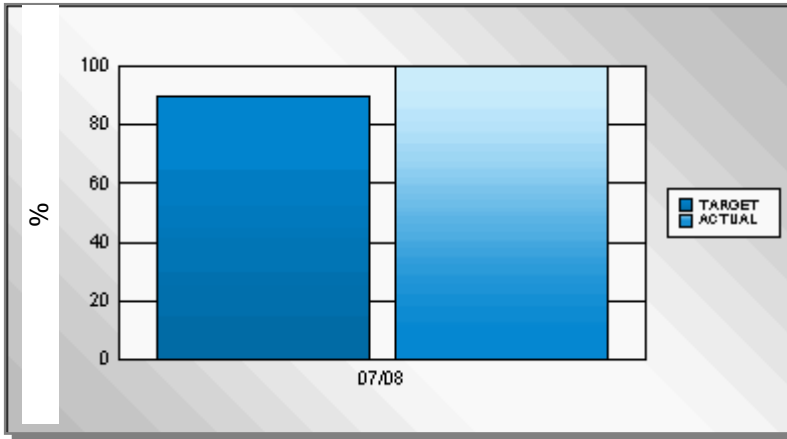
Water supply

The Annual Plan budget included \$4.0M for the water softening project. Actual expenditure was only \$1.4M, due to delays pending further investigations. Thus \$2.6M has been carried forward to 2008-2009, to add to next years Annual Plan budget of \$1.5M. Urban reticulation replacements were carried out as programmed, with \$0.2M being carried over to complete the Great North Road job.

Water Group:

Stormwater

KPI: High priority repairs will commence within six hours of notification.



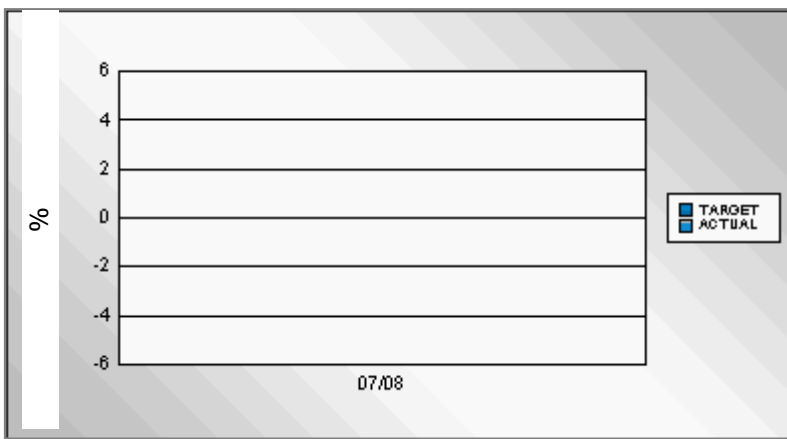
RESPONSIBLE OFFICER:

Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100%. All priority repairs were commenced within six hours of notification.

KPI: Horizons Regional Council consent to discharge stormwater excluding diluted wastewater from the coastal outfall after 30 June 2010 will be complied with.



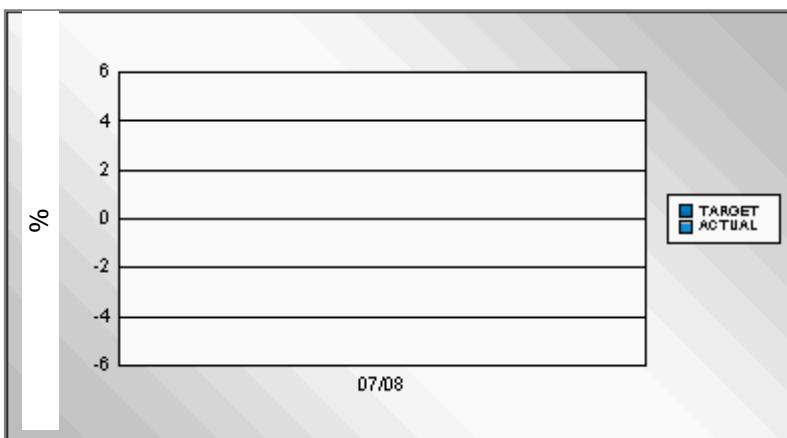
RESPONSIBLE OFFICER:

Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

Not applicable until 2010

KPI: Horizons Regional Council consent to discharge stormwater only, including some stormwater from industrial or trade premises that may use hazardous substances, below Cobham bridge up to 30 June 2026 will be complied with.



RESPONSIBLE OFFICER:

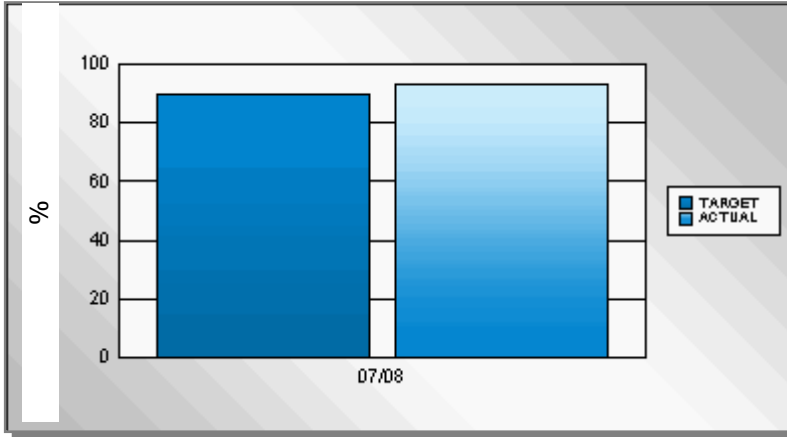
Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

Not applicable until 2010.

Stormwater

KPI: Routine priority repairs will be completed within five working days of notification.



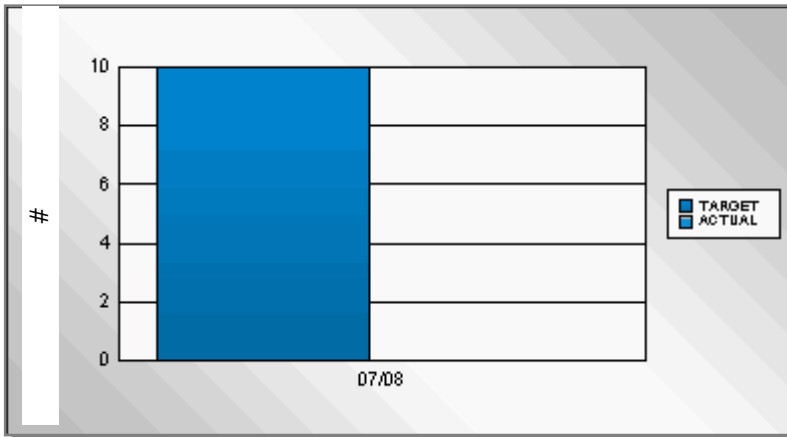
RESPONSIBLE OFFICER:

Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 93.37% of all routine priority repairs were completed within five working days of notification.

KPI: There are no more than 10 instances per year of inundation of premises reported to Council.



RESPONSIBLE OFFICER:

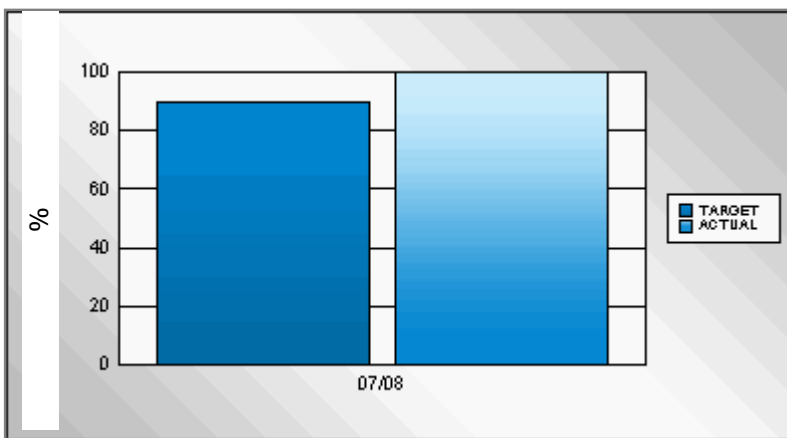
Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

The target of <10 was exceeded. There were no instances of inundation of premises reported to Council.

Wastewater

KPI: High priority repairs will be commenced within six hours of notification.



RESPONSIBLE OFFICER:

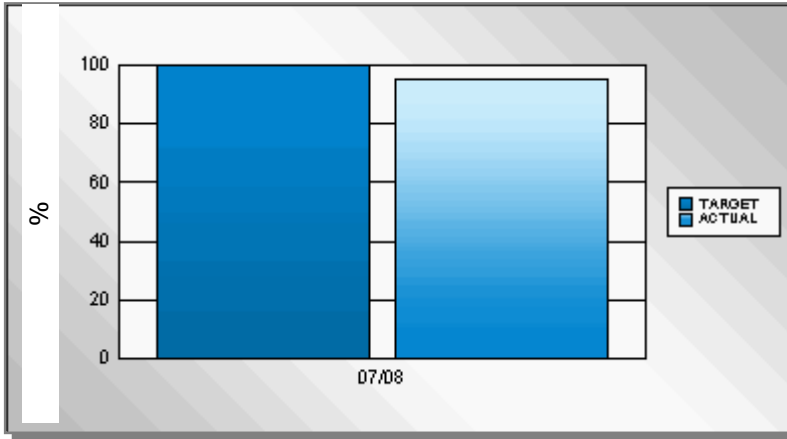
Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100% of high priority repairs were commenced within six hours of notification.

Wastewater

KPI: Horizons Regional Council consent to not allow discharge into the river upstream of the Cobham bridge after 30 June 2007 will be complied with.



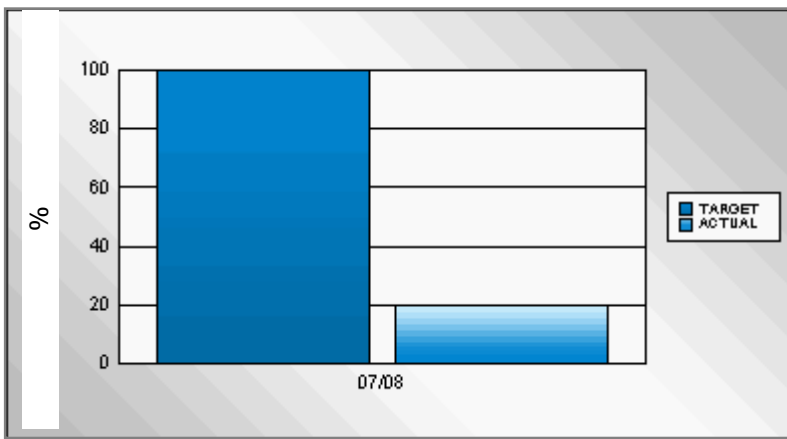
RESPONSIBLE OFFICER:

Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 95%.

KPI: Horizons Regional Council consent to not allow discharge of partially treated wastewater, including trade waste and domestic sewage from the coastal outfall, after 30 June 2007 will be complied with.



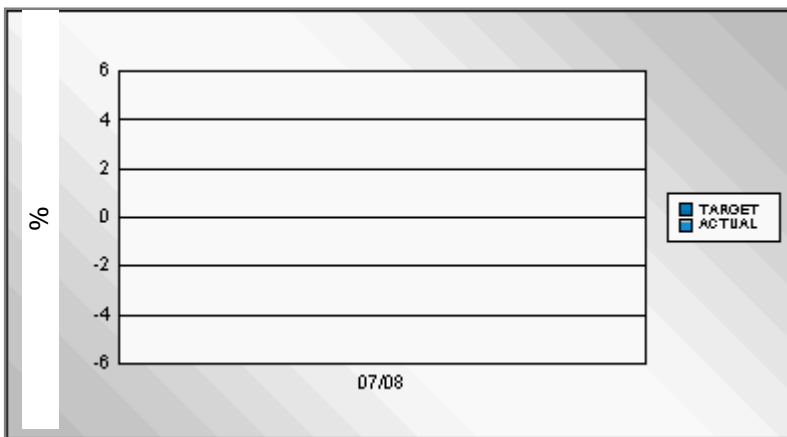
RESPONSIBLE OFFICER:

Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 20% due to the treatment plant not being fully operational.

KPI: Horizons Regional Council consent to not allow discharge of diluted wet weather overflows of wastewater, including trade waste and domestic sewage below the Cobham Bridge, after 20 June 2010 will be complied with.



RESPONSIBLE OFFICER:

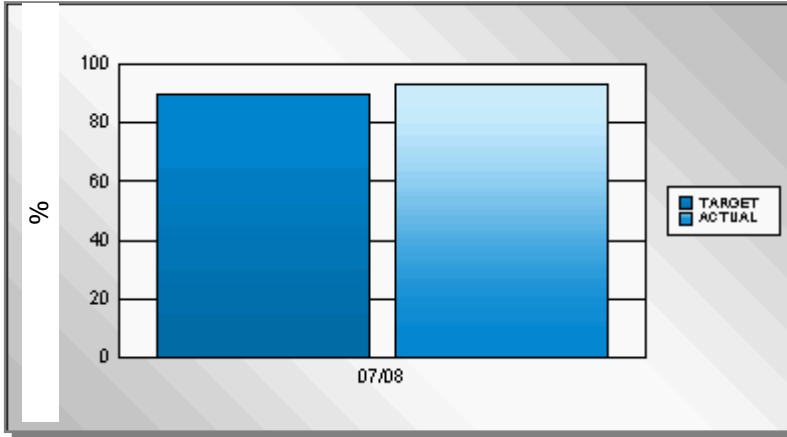
Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

This KPI is not applicable until June 2010.

Wastewater

KPI: Routine priority repairs will be completed within five working days of notification.



RESPONSIBLE OFFICER:

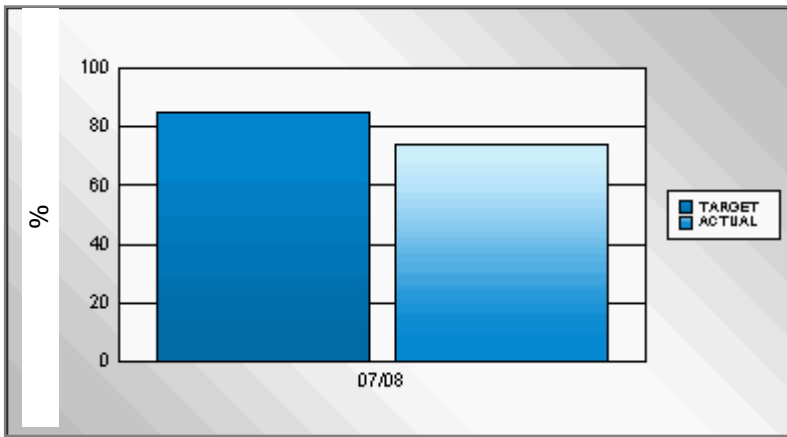
Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 93.40% of routine priority repairs being completed within five working days of notification.

Water supply

KPI: All hydrants will comply with the New Zealand Fire Service's code of practice.



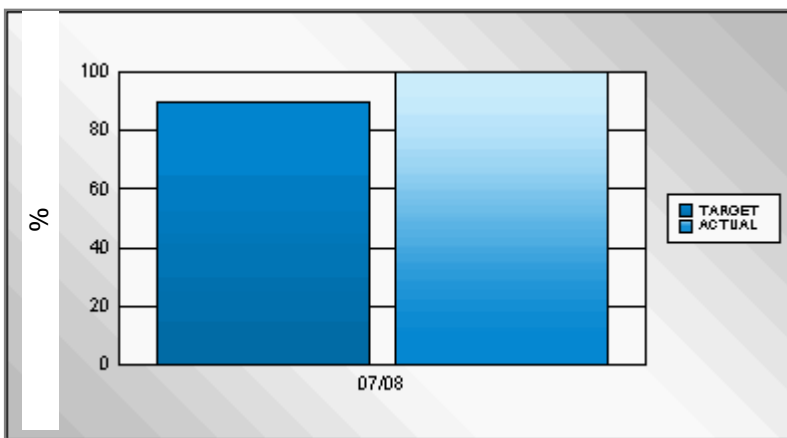
RESPONSIBLE OFFICER:

Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 85% was not met. The actual result was 74%. Note: The hydrants were not tested in the fourth quarter due to water restrictions.

KPI: High priority leak repairs will be commenced within six hours of notification.



RESPONSIBLE OFFICER:

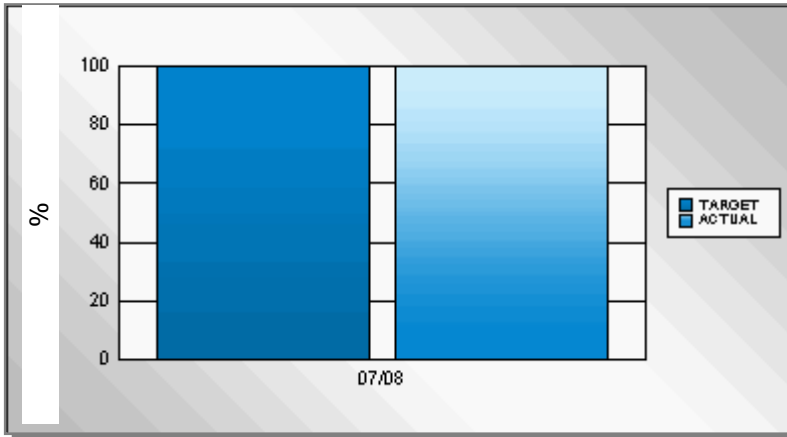
Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100%. All high priority leak repairs were commenced within six hours of notification.

Water supply

KPI: Horizons Regional Council consent conditions will be complied with.



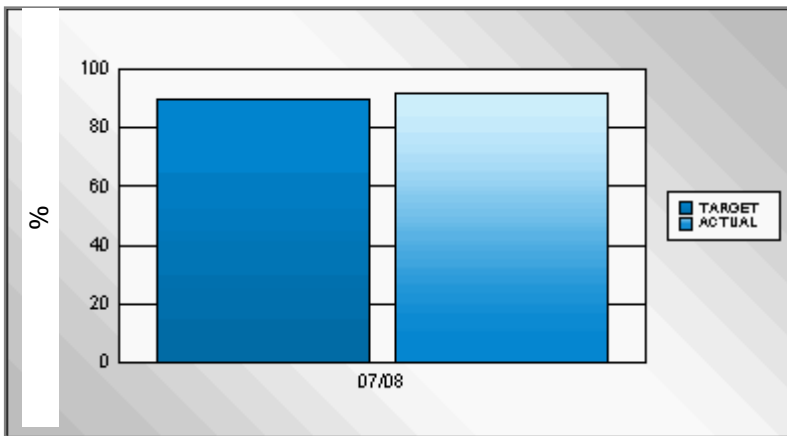
RESPONSIBLE OFFICER:

Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 100% was achieved. That actual result was 100% with all Consent conditions being complied with.

KPI: Routine priority leak repairs will be completed within five working days of notification.



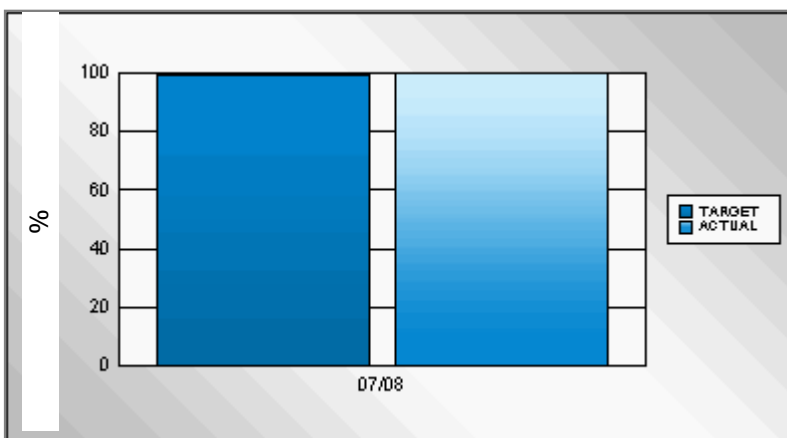
RESPONSIBLE OFFICER:

Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 90% was achieved. The actual result was 91.75% of routine priority leak repairs being completed within five working days of notification.

KPI: The Council will maintain an Ab grading and comply with the Drinking Water Standards for New Zealand



RESPONSIBLE OFFICER:

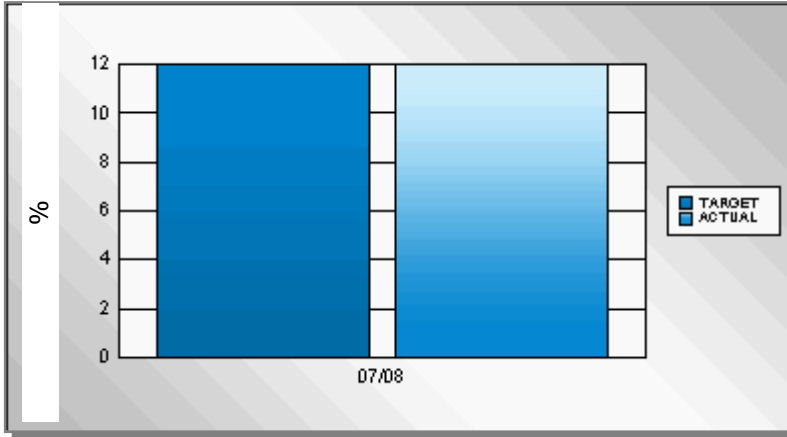
Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 99% was exceeded. The actual result was 100% compliance with Drinking Water Standards for NZ and maintenance of Ab grading.

Water supply

KPI: Wanganui households will receive a soft water supply.



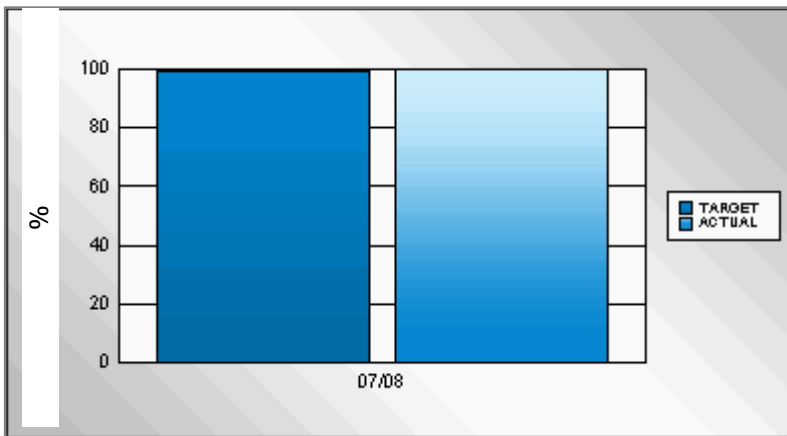
RESPONSIBLE OFFICER:

Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 12% was met. The actual result was 12% of households received soft water supply.

KPI: Water will be available to serviced properties at all times.



RESPONSIBLE OFFICER:

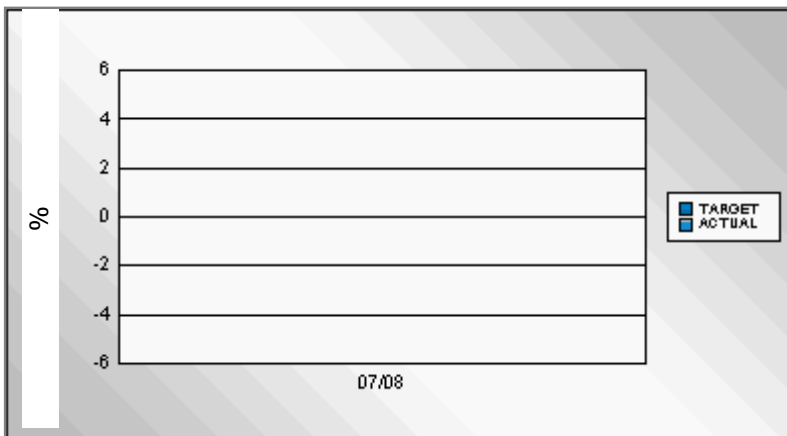
Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 99% was exceeded. The actual result was 99.9% of the time water was available to serviced properties.

Waterways and natural drainage

KPI: Anzac Parade, Moutoa Quay and the Heads Road industrial area will be progressively protected from a 50-year flood event by the building of stopbanks.



RESPONSIBLE OFFICER:

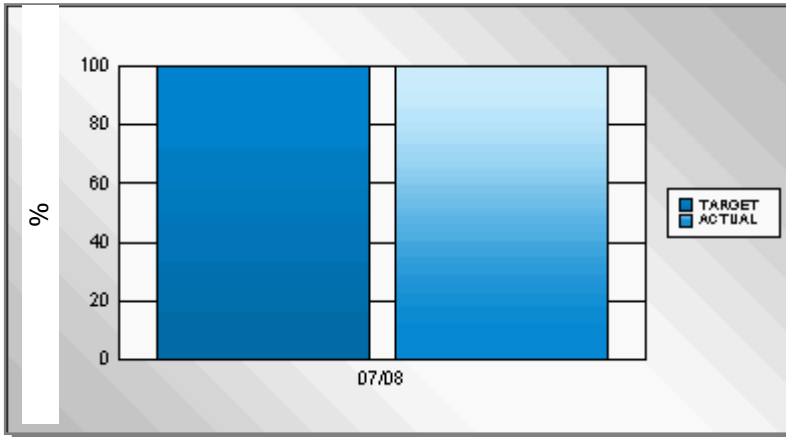
Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

This KPI is not applicable until 2011/12.

Waterways and natural drainage

KPI: *The Wanganui East Matarawa Stream will not be overtopped during flood events.*



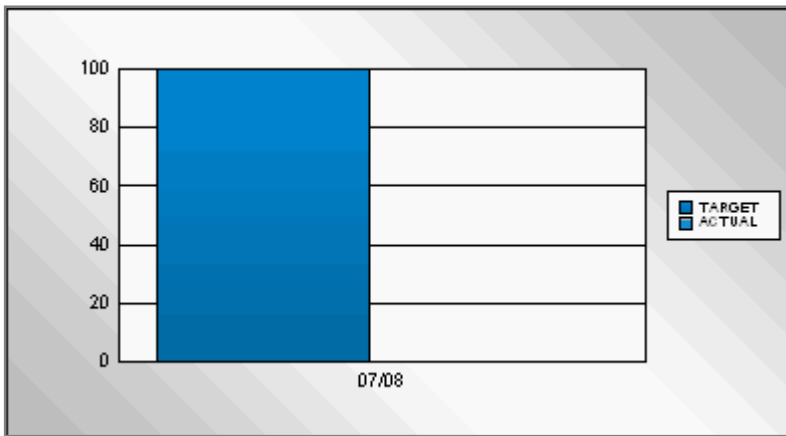
RESPONSIBLE OFFICER:

Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

The target of 100% was achieved. No significant flooding event occurred during the year.

KPI: *Warnings of flood events from the Matarawa Stream will be given four hours in advance.*



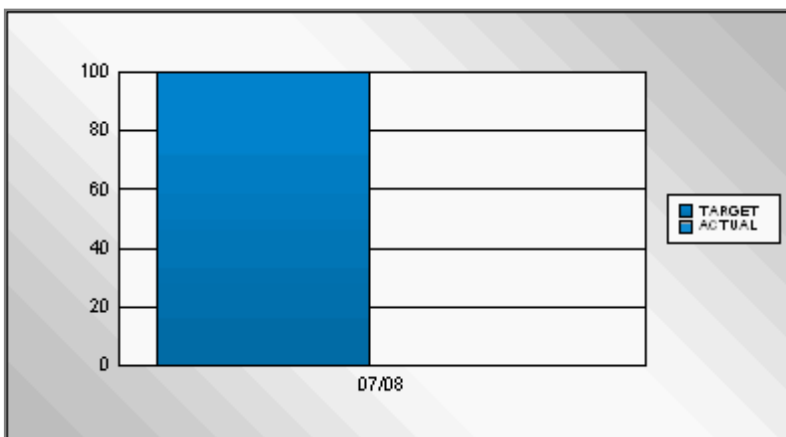
RESPONSIBLE OFFICER:

Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

There were no flooding events during the year.

KPI: *Warnings of flood events from the Whanganui River will be given 12 hours in advance.*



RESPONSIBLE OFFICER:

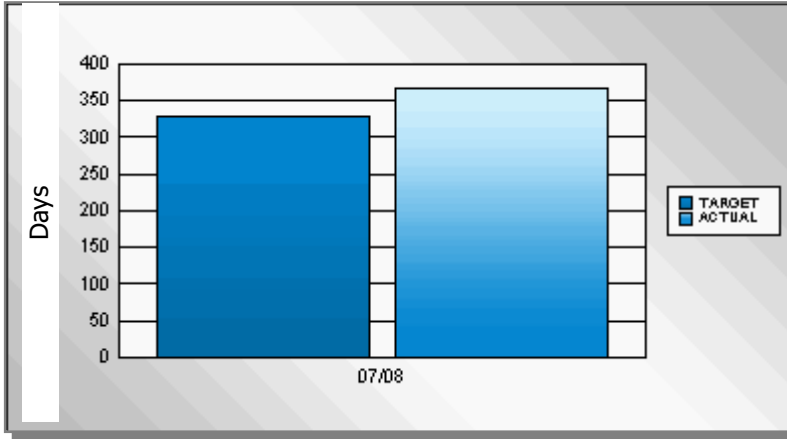
Colin Hovey
Wastewater Project Engineer

LATEST COMMENTS:

There were no flooding events during the year.

Whanganui River control

KPI: Access to the River for coastguard and rescue services will be available 365 days per year.



RESPONSIBLE OFFICER:

Rui Leitao
Roding engineer

LATEST COMMENTS:

The target of 328.50 days was exceeded. The actual result was access to the River for coastguard and rescue services was available every day of the year.

Investments group

For the year ended 30 June 2008

	Budget 2008 \$000	Council 2008 \$000	2007 \$000
Income			
User fees and other revenue	5,120	1,749	6,295
Subsidies	-	-	-
Total income	5,120	1,749	6,295
Operating expenditure			
Operating expenditure	2,143	2,983	3,235
Finance costs	(67)	108	(280)
Depreciation	187	145	181
Council overhead	350	406	357
Total operating expenditure	2,614	3,642	3,492
Non-funded depreciation	(187)	(145)	(181)
Operational rates requirement	(2,693)	1,748	(2,983)
Capital acquisitions	3	194	514
Capital replacements	194	296	99
Total capital expenditure	197	490	614
Total funding requirement	(2,497)	2,238	(2,369)
Transfers (to)/from special funds	33	546	1,207
New loans/(loans repaid)	-	480	(68)
Total capital funding	33	1,026	1,139
Rate requirement	(2,530)	1,212	(3,508)

Investments group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Community Facilities Group. Significant variations to the Annual Plan are discussed below if necessary.

Activity	Item	Budget \$	Actual \$
City endowment	JAAG Project (Airport Hangar) and capital works	11,000	91,307
Harbour endowment	305 Heads Road, Wanganui		
	Gas Building roof and capital works	31,000	175,844
City freehold	Community House lift and stormwater separation	99,000	50,773
101 Guyton Street	Reroofing of the third floor and capital works	240,000	88,241

Work was planned to maintain the service capacity of the Council facilities and to deal with the expected demands on the service.

City endowment

Most of this expenditure relates to the start of the JAAG Project (Airport Hangar) which is being financed from the City endowment special fund. This project was approved by Council in 2007/08. Most of the project will be completed next year at an estimated cost of \$650,000.

Harbour endowment

The additional expenditure relates to the rebuild of 305 Heads Road, after being destroyed by fire two years ago. The extra cost \$166,000 was covered by the Harbour endowment special fund.

City freehold

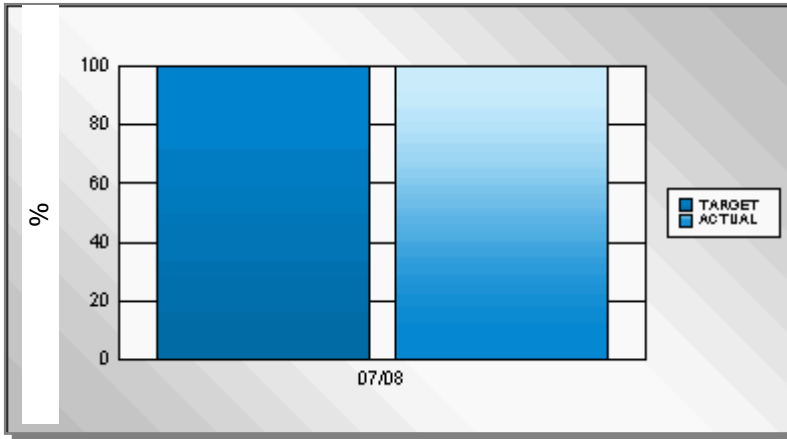
The Community House lift upgrade job was completed during the year and separation jobs have begun.

101 Guyton Street

The reroof and exterior re-cladding of the Council Building was completed. Other designated work was not carried out.

Investments Group:

KPI: Council owned buildings will have a Building Warrant of Fitness. (Property)



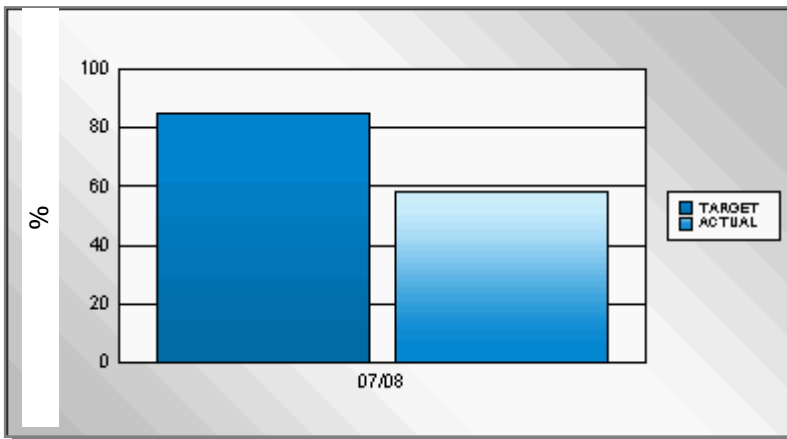
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. All Warrants of Fitness are current.

KPI: Tenants will be fairly or very satisfied with the services provided. (Property)



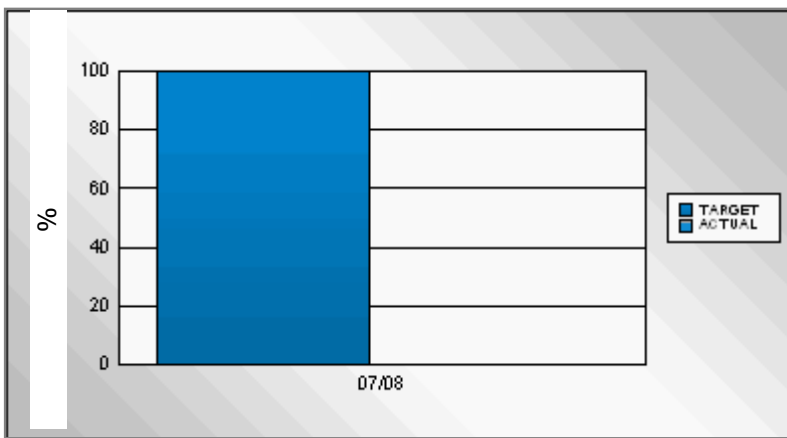
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 85% was not met. The actual result was 58% overall. 63% for ground lessees and 53% for tenants who lease land and buildings. Timeliness with rent reviews, lease renewals, and maintenance were the highest ranking issues for tenants.

KPI: The forecast revenue from Wanganui District Council Holdings will be received as budgeted. (Investments)



RESPONSIBLE OFFICER:

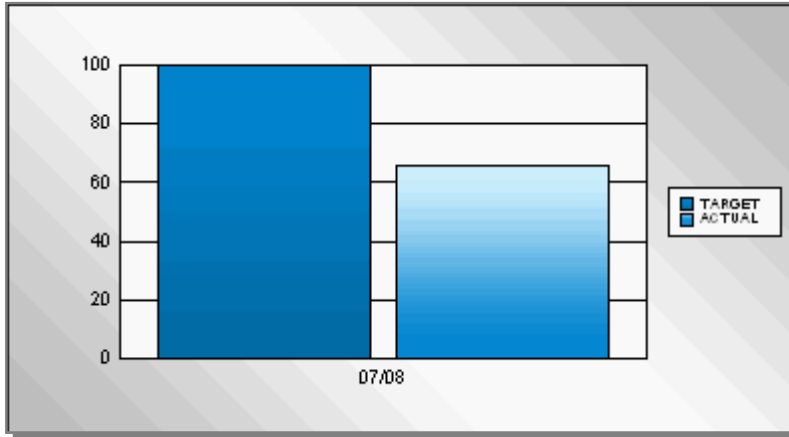
Rowan McGregor
Property manager

LATEST COMMENTS:

The target of 100% was not met. Wanganui District Council Holdings were unable to pay a dividend as no income was received from Wanganui Gas.

Investments

KPI: The forecast revenue from the Joint Wanganui District Council Forestry Committee will be received as budgeted. (Investments)



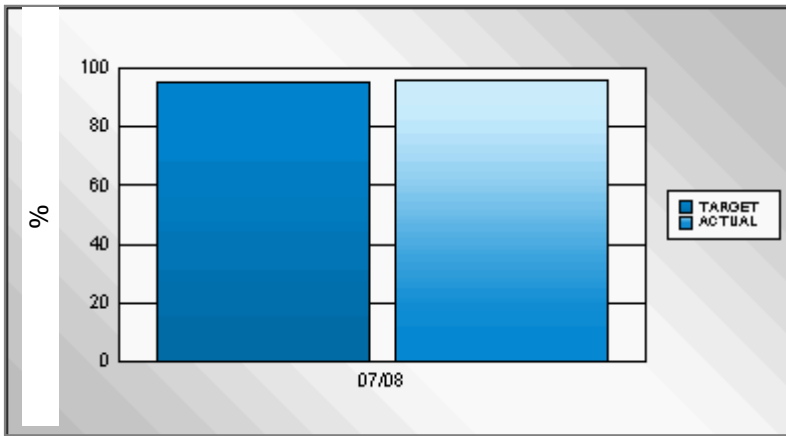
RESPONSIBLE OFFICER:

Rowan McGregor
Property manager

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 66%. The result was driven by a significant downturn in the market for trees and increased shipping costs.

KPI: The occupancy rates of investment properties will be >90%. (Property)



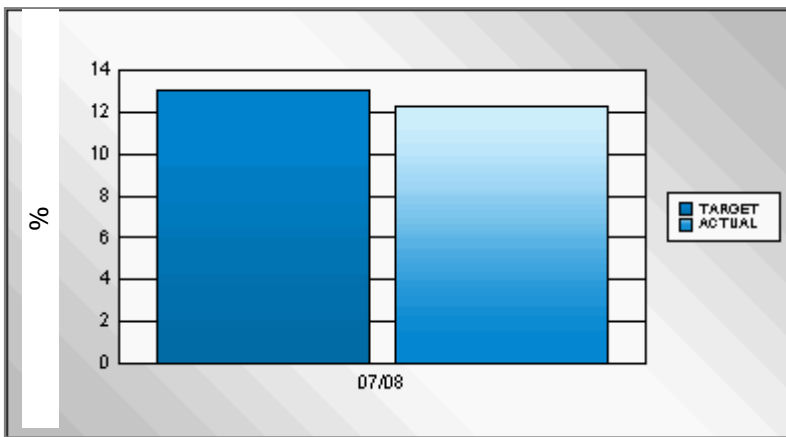
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual average for the year was 95.75%.

KPI: The percentage of the total number of properties held, that the Council considers to be surplus to requirements, will be reduced. (Property)



RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of <14% was achieved. The actual result was 12.25%. The process of plan changes and Sec. 40 offer back process prior to sale were initiated for six properties.

Corporate management group

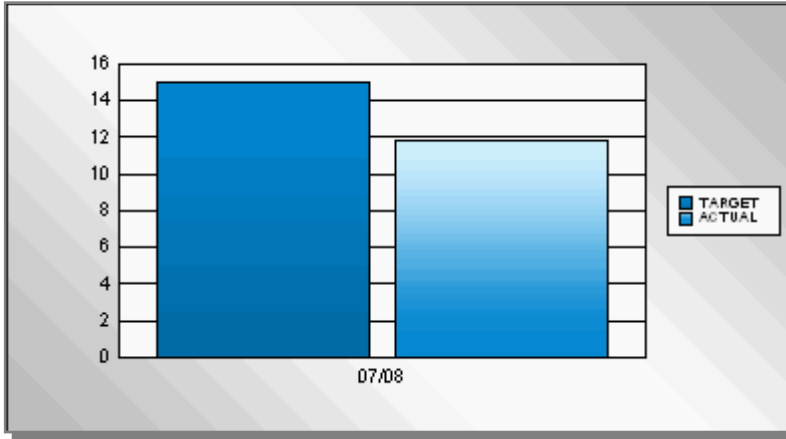
For the year ended 30 June 2008

	Budget 2008 \$000	Council 2008 \$000	2007 \$000
Income			
User fees and other revenue	581	1,109	1,545
Subsidies	-	-	-
Total income	581	1,109	1,545
Operating expenditure			
Operating expenditure	5,494	6,304	5,810
Finance costs	77	48	36
Depreciation	4	634	698
Council overhead	(5,450)	(6,323)	(5,159)
Total operating expenditure	125	663	1,385
Non-funded depreciation	(4)	(634)	(698)
Operational rates requirement	(460)	(1,080)	(859)
Capital acquisitions	415	268	217
Capital replacements	345	189	209
Total capital expenditure	760	457	426
Total funding requirement	300	(623)	(433)
Transfers (to)/from special funds	(100)	(755)	(565)
New loans/(loans repaid)	400	505	260
Total capital funding	300	(250)	(305)
Rate requirement	-	(373)	(128)

Corporate Group:

Corporate management

KPI: Annual staff turnover will be kept within the specified range. (Personnel services)



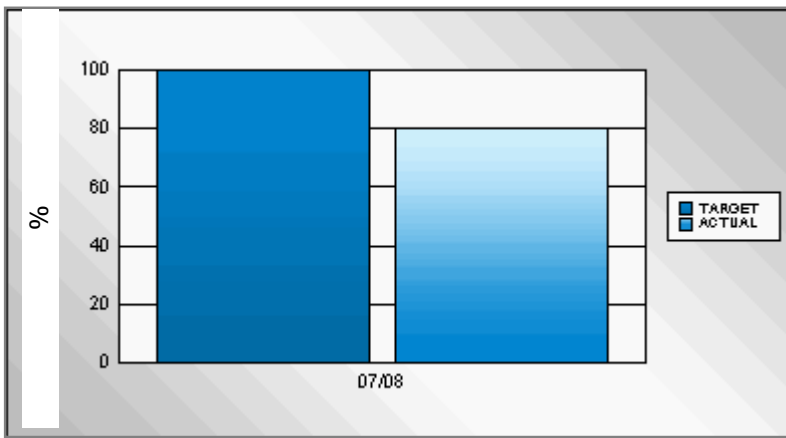
RESPONSIBLE OFFICER:

Sue Wyatt
HR Manager

LATEST COMMENTS:

The target of 12-15% was met. The actual result was 11.81%.

KPI: Archives and records information will be available during core working hours. (Records management)



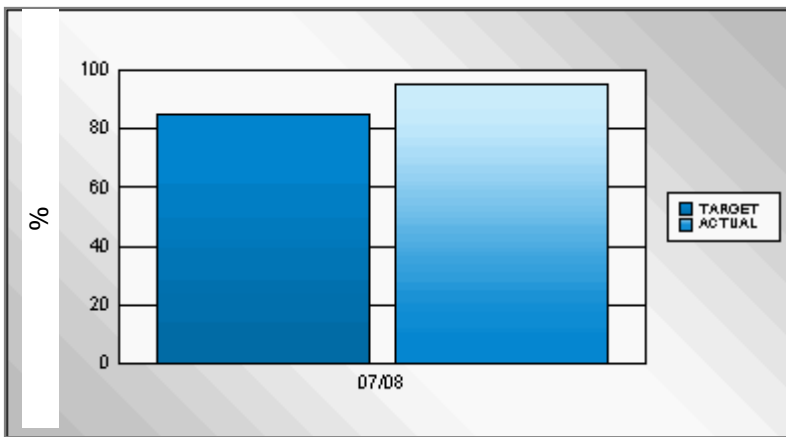
RESPONSIBLE OFFICER:

Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:

The target of 100% was not met. The actual average was 80%. The drop was due to ill health of essential staff.

KPI: Customers will be fairly or very satisfied with the contact they have with Council. (Customer service)



RESPONSIBLE OFFICER:

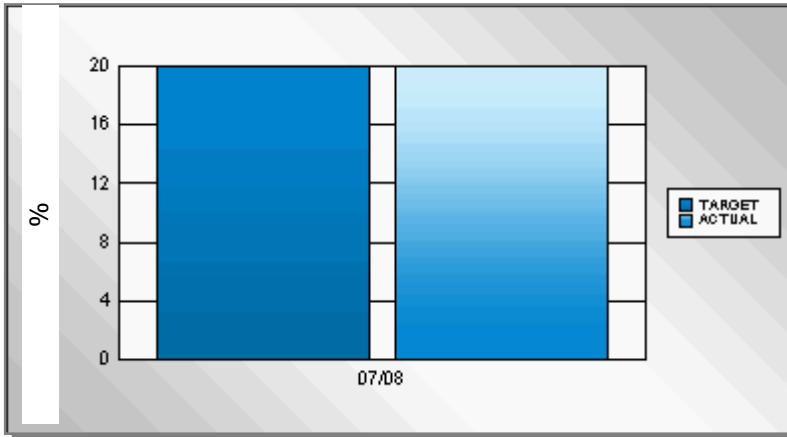
Kevin Ross
Deputy Chief Executive

LATEST COMMENTS:

The target of better than 85% was exceeded. The actual result was 95% of customers were satisfied with the contact they have with front line staff.

Corporate management

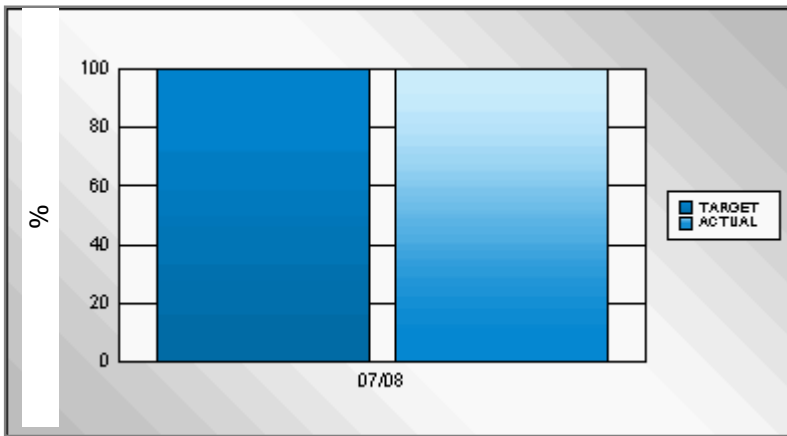
KPI: Electronic records and archives information retrieval will be provided. (Records management)



RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The target of 20% was met. TRIM (electronic record management system) is on target for roll out in September 2008. The digitisation of historical records has begun.

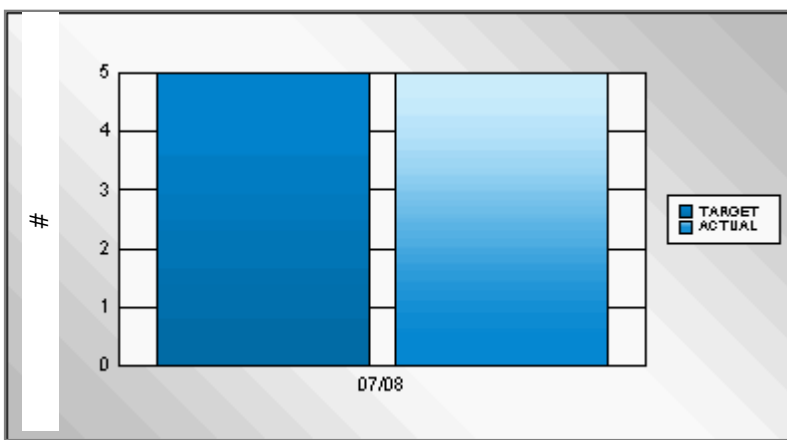
KPI: Meetings will be notified, agendas will be distributed and minutes will be recorded for Council and committee meetings in compliance with standing orders. (Elected members' support)



RESPONSIBLE OFFICER:
Malcolm Hunt
Governance services manager

LATEST COMMENTS:
The target of 100% was met. All meetings were notified, agendas were distributed and minutes were recorded for Council.

KPI: Significant issues in audit management letters will be reduced to five or less. (Finance)

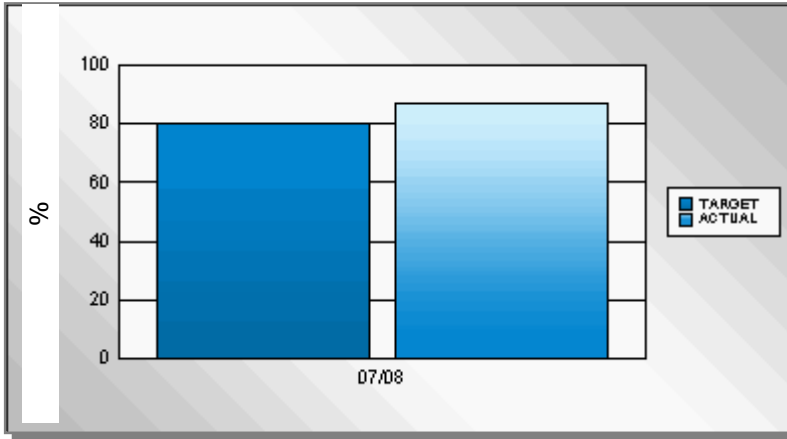


RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The target of five was achieved. Significant issues in audit management letters were reduced to five. Note: this KPI reports on the previous financial year rather than the current. This KPI will be reviewed in the next 10-Year Plan.

Corporate management

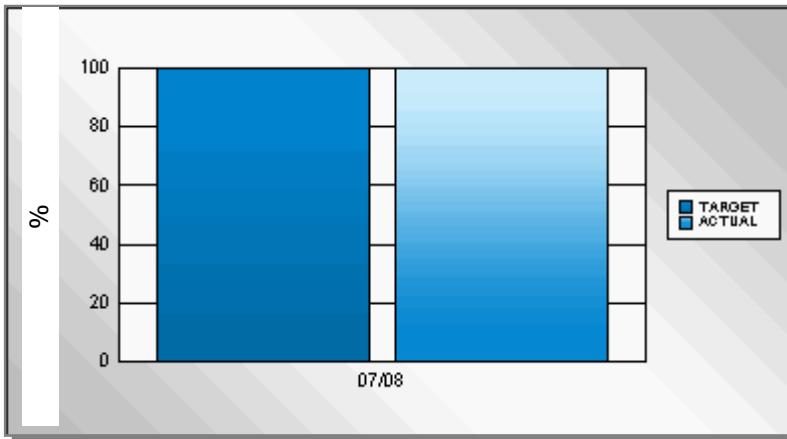
KPI: The community will be satisfied that enough or more than enough information is supplied by the Council. (Communications)



RESPONSIBLE OFFICER:
Kevin Ross
Deputy Chief Executive

LATEST COMMENTS:
The target of 80% was exceeded. The actual result was 87% of the community was satisfied with the information supplied by Council.

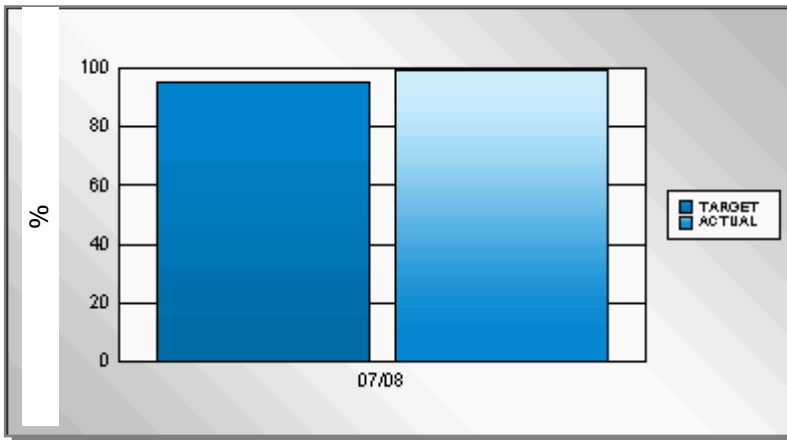
KPI: The Council will receive an unqualified audit opinion for every year of the 10-Year Plan. (Finance)



RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The target of 100% was met. In 2007/08 the Council prepared an Annual Plan and undertook an amendment to the Revenue and Financing policy in the 10-Year Plan to change the rating basis for the waste minimisation activity.

KPI: The GIS system will be available during normal business hours. (Geographic Information System)

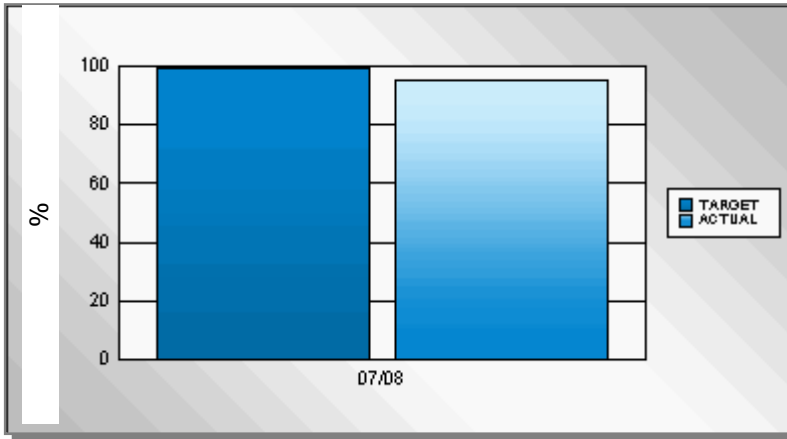


RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The target of 95% was exceeded. The actual result was 99%. The GIS system was available with minimal downtime during the year.

Corporate management

KPI: The information system will be available during normal business hours. (Information systems)



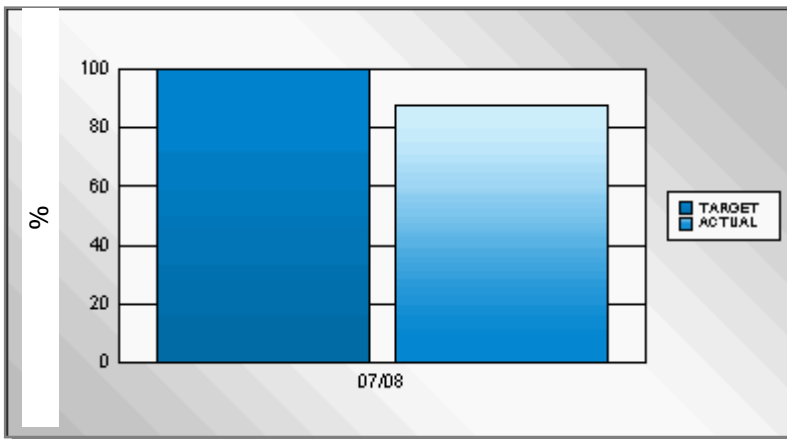
RESPONSIBLE OFFICER:

Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:

The target of 99% was not met. The actual result was 95%. Minor system failure meant this target was not quite met.

KPI: The information system will be secure. (Information systems)



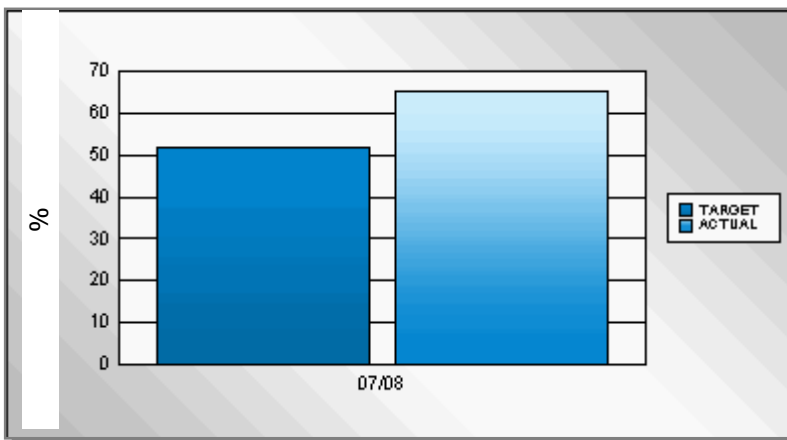
RESPONSIBLE OFFICER:

Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:

The target of 99.98% was not quite met. The average actual was 87.48%. Security has been improved and when Archives is fully implemented it will be back to 100%.

KPI: The performance of Council staff is rated by the community as good or very good.



RESPONSIBLE OFFICER:

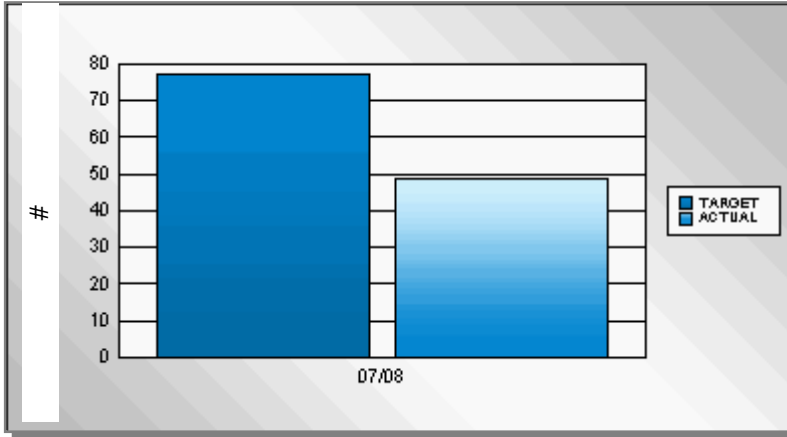
Kevin Ross
Deputy Chief Executive

LATEST COMMENTS:

The target of 52% was exceeded. The actual result was 65% of the community rated the performance of Council staff as either Good or Very Good.

Corporate management

KPI: Workplace accidents for Council employees will be reduced from 2007/08. (Health and safety)

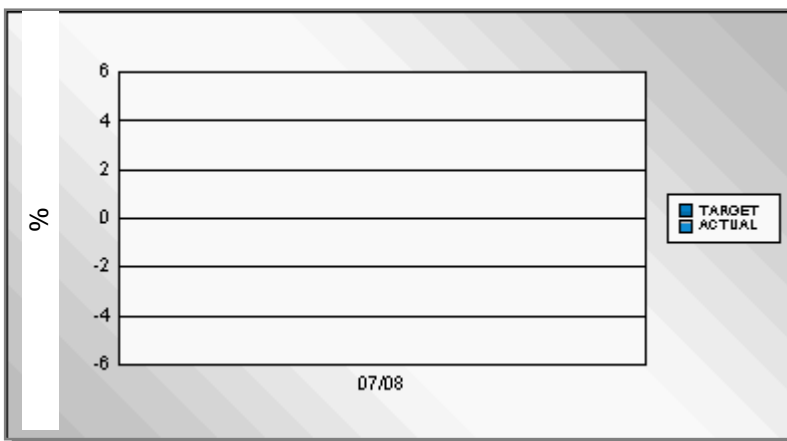


RESPONSIBLE OFFICER:
Sue Wyatt
HR Manager

LATEST COMMENTS:
The target of less than 77 was exceeded. The actual result was 49 workplace accidents.

Corporate management (Policy)

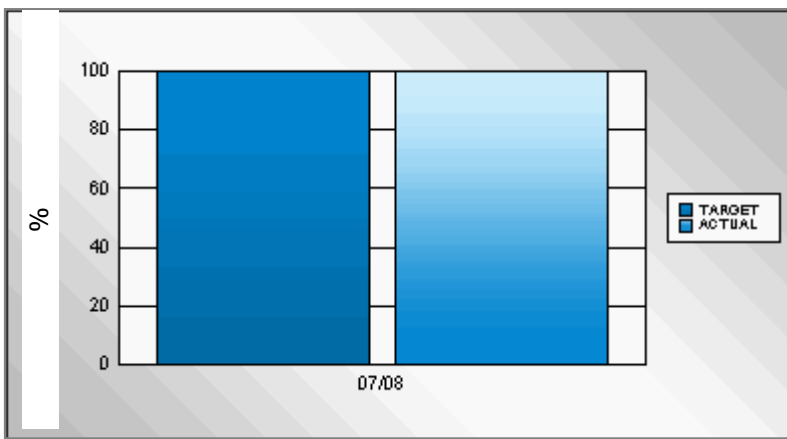
KPI: A Community Outcomes Report will be published at least once every three years. (Strategy and policy)



RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte

LATEST COMMENTS:
Not due until 2009/10.

KPI: Community Outcomes will be reviewed at least every six years. (Strategy and policy)

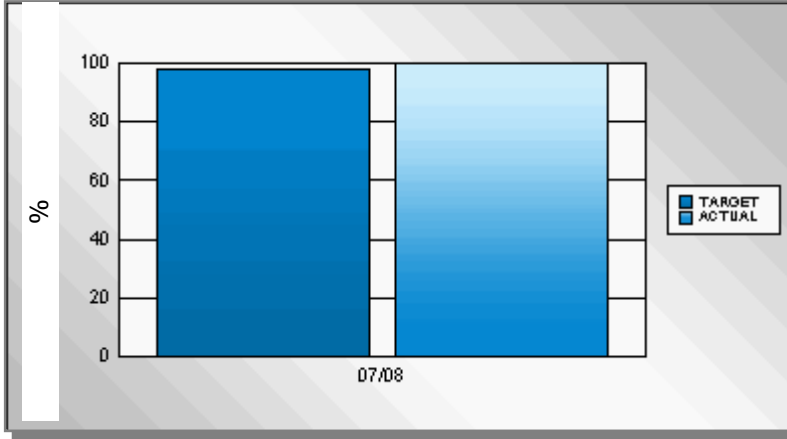


RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte

LATEST COMMENTS:
Review in progress and due to be completed by September 2008.

Corporate management (Policy)

KPI: Statutory requirements for the Annual Plans and 10-Year Plans will be complied with. (Strategy and policy)



RESPONSIBLE OFFICER:

Charlotte Almond
Strategy and Development manager (Charlotte

LATEST COMMENTS:

The target of >95% was exceeded. All statutory requirements were complied with and the Annual Plan 2008/09 was adopted 5 June 2008.

Council Controlled Organisations

Wanganui District Council Holdings Limited (WDCHL) and Wanganui Gas Limited (WGL)

WDCHL was formed in March 2002 to provide a commercial overview to the Council's investment portfolio. It owns 100% of the shares in Wanganui Gas Limited and provides a monitoring service to Council for the following activities:

- Council's investment properties
- Wanganui District Councils' Forestry Joint Committee
- Wanganui Airport Joint Venture
- Wanganui Gas Limited
- Inland Port/Sea Port
- Quarrying

WDCHL was formed to oversee individual investments and to advise Council on:

- The mix of investments in the portfolio;
- The risk of investments in the portfolio;
- The management of individual investments in the portfolio;
- The overall strategy for investments in the portfolio;
- To identify opportunities to enhance investments and returns;
- To identify potential new investments that meet Council investment objectives;
- To identify appropriate structures that may better enhance focus and management of particular investments.

Monitoring of these investments has been carried out and questions regarding the future strategies, mix, prospects and risks of these investments have been addressed. The Board meets monthly except January. The Council objectives for the ownership of the Company are being met.

Objective

The Board intends to operate as a successful business in relation to its investments and the monitoring roles assigned to it under contract by WDC.

Performance measures

	Actual		Actual
	2006/07	Budget	2007/08
Surplus/(deficit) after tax	\$1,027,000	\$185,000	\$(89,000)
Dividend received	\$1,462,000	\$2,000,000	\$0
Dividend paid	\$785,000	\$2,000,000	\$0

Objective

The Company aims to improve the long term value and financial return that WDC receives from its trading undertakings.

Performance measures

Wanganui Gas Limited has experienced adverse market conditions over the financial year. WDCHL's directors have closely monitored the company's progress and have aggressively advised on implementing new income streams and have taken advantage of risk mitigating courses of action.

Objective

Optimising financial and physical resources through close scrutiny of potential areas of inefficiency, waste or under-utilisation of capital.

Performance measures

The Directors all have extensive and varied commercial experience which when combined provides a wide set of skills that can provide solutions to issues of inefficiency or under-utilisation of capital. This has been evidenced by our involvement in the shellrock venture at Waitaihangā, and working alongside Iwi to co-develop the shellrock reserve at Kaiwhiaki.

Objective

Providing prudent management of investments and timely, constructive professional advice regarding its position as shareholder in Wanganui Gas Limited, and any other subsidiary companies or undertakings.

Performance measures

Several of WDCHL's directors sit on the Wanganui Gas Limited Board. This has provided for timely involvement in the company and in the management of Council's investment. In addition, WDCHL's directors sat on the Airport Management Board, worked along side external contractors with the Forestry portfolio, worked along side WDC staff with regard property matters, and investigated new commercial projects such as property development opportunities, shell rock extraction agreements.

Objective

Meeting the expectations of WDC for quality, competitively priced strategic planning advice on investments and trading undertakings.

Performance measures

The Board has met monthly to discuss its portfolio performance and the Chairman has reported to Council every meeting to update the Council on matters.

Objective

Reviewing and advising on the strategies and plans of any subsidiary company, business unit or asset as requested by WDC.

Performance measures

Board meetings are held on a monthly basis and include the Chief Executive of the Council which enables open communication regarding matters concerning the Council. Monthly Board papers include reports on each area under WDCHL's governance portfolio.

Objective

Being a good corporate citizen and exercising the appropriate level of social responsibility toward the community and the environment, consistent with the conduct of a sustainable and profitable business.

Performance measures

WDCHL's Directors are experienced directors who have had significant training and experience in the operations of a Board and the concept of governance. The directors are aware of the "wellbeings" as defined by the Local Government Act 2002 and carry out their decision making with the benefits to the ratepayers of the Wanganui District in the forefront.

Wanganui Gas Limited

	Actual 2006/07	Target per SOI	Actual 2007/08
Net surplus/(deficit) after interest, tax and subvention payment to average ordinary shareholders funds	3.74%	20.00%	-1.03%
Return on assets	9.14%	10.00%	1.51%

Statement of Intent

Wanganui Gas Limited (the company) is a Council Controlled Trading Organisation established under the Local Government Act 2002. The Statement of Intent for 2006/07 sets out the overall intentions and objectives of Wanganui Gas Limited for the three financial years beginning 1 July 2006.

Objectives

The Directors intend that the company operate as a successful business and be at least as profitable and efficient as other energy companies. The company aims to achieve a reasonable rate of return on the distribution network business division of the company and to seek a competitive return from its commercial operations to provide a satisfactory dividend to its shareholder after retaining adequate earnings for future business requirements.

Activities

The company's core businesses are those of providing gas traders with safe, efficient and reliable gas distribution services through the company's networks and the retailing of energy to our customers. Complementary activities undertaken include the sale and installation of natural gas and propane appliances and advisory services focussed on energy utilisation and efficiency.

Performance targets and assessment

The performance of the company will be judged against the following measures:

Strategic Plan

Develop and annually review an outline on the future direction of the company and the strategies required to achieve it.

Reporting

To provide timely monthly reports to management and the shareholder covering the trading activities undertaken by the company. To provide an unaudited interim financial statement for the six months to 31 December to the shareholder by the end of February and to provide an audited Annual Report to the shareholder by the end of September.

Wanganui Airport Joint Venture (WAJV)

The primary objective of the airport operation is to provide high quality facilities and service commensurate with existing levels of aviation activity and in accordance with all the appropriate Acts, Regulations and Rules pertaining to airport and aviation operations.

The objectives of the Wanganui Airport Joint Venture for this financial year and the following financial year were clearly specified in the statement of intent which was approved by the shareholders.

These objectives are listed below with the relevant targets and measure(s) of performance, and the performance achieved during the financial year.

Objective

Operate the airport in a sound and business like manner.

Performance measure

Reduction of the current loss position to break even or to a level acceptable to Council in light of the CCO's economic value to Wanganui.

Achievement

	2005	2006	2007	2008
Net Profit/(Loss)	-146,000	-160,000	-196,000	-1,351,000

The 2008 deficit includes losses on property, plant and equipment valuation of \$1,161,000 and other general increases in expenses.

Objective

Provide high quality facilities and service commensurate with existing levels of aviation activity and in accordance with all the appropriate Acts, Regulations and Rules pertaining to airport and aviation operations of the size of Wanganui Airport.

Performance measure

Compliance with all aspects of Part 139 of Civil Aviation Rules with a minimum of one requirement per inspection.

Achievement

The last audit was a Civil Aviation Authority Security Audit in December 2007 for which there were no findings. The airport complied with all requirements.

Objective

Improve the long term value and financial performance of the airport along with improving the economic value of the airport to Wanganui.

Performance measure

Delivery of a business plan and achievement of the individual targets outlined within that plan.

Achievement

The business plan has been adhered to. The Airport terminal was fully refurbished in October 2007.

Wanganui Incorporated (WINC)

The objective of Wanganui Incorporated is to improve the co-ordination of economic development and promotional agencies in Wanganui and to align relevant programmes and capabilities with Council in order to deliver on the Economic Development Strategy. Council brought many activities in house on 1 July 2007 however this charitable trust works in tandem with the Council's economic development activity.

Key performance targets are measured and reported as part of the Council's Statements of Service Performance.

Ruapehu, Wanganui, Rangitikei Regional Economic Development Trust (RED Trust)

The objective of the Ruapehu, Wanganui, Rangitikei Regional Economic Development Trust is the promotion and implementation of regional development initiatives that may be identified by the trustees or the community in general, that benefit communities within New Zealand but primarily within the territorial authority districts of Ruapehu, Wanganui and Rangitikei. The Trust was established on 4 May 2006.

Statement of Intent

Schedule 8 Part 3(b) of the Local Government Act 2002 requires that a completed Statement of Intent (SOI) be delivered to Council by 1 March for the draft and 30 June for the final SOI each year for the following year. RED Trust did not finalise the Statement of Intent for the year ended 30 June 2008 in line with the requirements of the Act.

The Trust did not formally prepare a SOI in line with the Act, because it did not pass a formal resolution to adopt the SOI and it did not present the adopted SOI to Council. While RED Trust did not formally prepare a SOI in line with the requirements of the Act, the Trust did prepare a Statement of Service Performance (SSP) under Note 18 of these accounts. The Trust's reported performance measures are derived from the draft SOI for 2007/2008. The Trust considers the performance measures contained and reported in the SSP are those measures that would have agreed upon and approved if a 2007/08 SOI had been adopted under the Act. Whilst the Trust has prepared a SOI for the 2008/09 year in line with the Act, the Council has granted the Trust "exemption" status and so a SSP will not be required for the 2008/2009 financial year.

Cooks Gardens Trust Board

The Cooks Gardens Trust Board was initially established to undertake the development of Cooks Gardens including construction of a new all-weather athletics track, a new velodrome and a new grandstand. With the community investment in this facility, Council believes the use of the facility should be as high as possible while not causing excessive wear or damage to the assets.

Cooks Gardens is a premier sporting facility and the Trust has met the Council objectives of developing the facility and increasing its use.

The Cooks Gardens Trust Board has been exempted according to section 7 of the Local Government Act 2002 (the Act). It is therefore not a Council Controlled Organisation for the purposes of the Act.

Equal employment opportunities (EEO) report

Over the past year the attainment of EEO goals has been sought through:

- Making EEO information more readily available on the intranet, personnel policy manuals and through discussions of matters that impacted on our EEO policy and goals at senior management meetings, staff committee meetings and the union/employer working party meetings.
- Giving staff the opportunity to express their views through the annual staff survey and addressing issues that arose.
- Having in place an Employees Assistance Programme which included:
 - Staff support procedures which were adopted to assist employees to resolve concerns and difficulties before they became costly in terms of personal distress or work efficiency.
 - Access to independent workplace support advisors.
 - Access to an independent counselling service.
- Adopting health and safety initiatives and supporting wellness programmes through:
 - Appointing a Health and Safety Officer.
 - Reviewing, rewriting, endorsing and implementing the current health and safety policy and procedure manual.
 - The establishment of an independent staff health and safety committee.
 - The continuance of the influenza inoculation programme which was extended to provide alternative anti-flu medications.
 - The subsidisation of fees programme for medical health eye checks.
 - The continuation of the conduct of Treaty of Waitangi training seminars for all newly appointed staff.
 - A staff group including the CE attending a Whanganui Iwi protocol course at Pungarehu Marae (Te Kainga o Ngati Tuera) to gain an understanding of the Tangata Whenua o Whanganui.

Working with Maori

The Wanganui District Council continues to meet separately with two of the Atihaunui-A-Paparangi Runanga, Tupoho and TamaUpoko, on a six-weekly basis as per our relationship documents. Eight TamaUpoko Link meetings took place during the 2007/08 year and six of the Tupoho Working Party (two meetings cancelled in the election period).

Iwi, the Council and the Crown continued administration of Moutoa Gardens through the Moutoa Gardens Historic Reserve Board. Five meetings were held during the year.

Although relationship documents have not been developed with the two adjoining Iwi, Nga Rauru and Ngati Apa, contact has continued on an as-required project basis.

With the restructuring of the Council's committee structure in early 2008, the proposed Maori Committee was abandoned.

Councillors and officers attended some sessions of the hearings for the Whanganui claims to the Treaty of Waitangi Tribunal.

Council has employed an Iwi Liaison officer on a halftime contract basis. Officers continue to carry out consultation with Maori on specific issues.

AUDIT REPORT**TO THE READERS OF
WANGANUI DISTRICT COUNCIL AND GROUP'S
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
FOR THE YEAR ENDED 30 JUNE 2008**

The Auditor-General is the auditor of Wanganui District Council (the District Council) and group. The Auditor-General has appointed me, J R Smaill, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2008, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 11 to 59
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the District Council and group's financial position as at 30 June 2008; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the District Council and group on pages 62 to 177 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

The audit was completed on 21 October 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

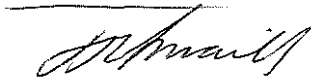
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2008. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.

A handwritten signature in black ink, appearing to read 'J R Smaill', written over a horizontal line.

J R Smaill
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand