



**WHANGANUI
DISTRICT COUNCIL**
Te Kaunihera a Rohe o Whanganui

REFERENCES

**Council Meeting
Under Separate Cover
8 October 2019**

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Whanganui District Council
Annual Report for the year ended 30 June 2019



**WHANGANUI
DISTRICT COUNCIL**
Te Kaunihera a Rohe o Whanganui

**Annual Report
For the year ended 30 June 2019**

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Message from the Mayor

Tēnā koe

On behalf of Whanganui District Council, welcome to the 2018/19 Annual Report.

This report underpins the decisions Council has made and is a public accountability document about transparency. It illustrates our performance for the 2018/19 financial year and compares this against the objectives we set in the Long Term Plan 2018-2028. It confirms that we have managed our finances responsibly, maintained our Standards and Poors' AA credit rating, and continue to operate within prudent debt levels.

The underlying objective for Council is to explore the best ways to prepare our district for what tomorrow might bring and whilst there are many opportunities ahead for Whanganui, we require to be mindful of the challenges our community also faces. Climate change, for example, will affect our way of life in the future and Council must take immediate action towards ensuring our future decisions consider the effects of climate change. We take this matter very seriously and want to lead by example by being a sustainable district.

Council is committed to supporting our community's social, economic, cultural and environmental well-being. This year has seen an exciting amount of developments and events for our town – the Whanganui Walls Street Art festival, the satellite library in Whanganui East, the Downer New Zealand Masters Games and another hugely successful Vintage weekend.

Some other notable achievements for 2018/19 are:-

- Establishing a Heritage Grant scheme to incentivise building owners to revitalise external aspects of their under-utilised heritage buildings.
- Signing a new Sister City relationship with Lijiang, China with many opportunities within the tourism, education and business sectors.
- Opening 600 sections to development.

'Our objective is to prepare our District for what tomorrow might bring'

2018/19 also saw us collaborate with stakeholders on several important pieces of work – our focus on revitalising the Port continues to gain momentum; our council-controlled organisation, WDC Holdings Limited, have been pursuing an Advanced Aviation Hub concept; we are having conversations with our community about the future of housing in Whanganui and our response to Climate Change.

I wish to thank my colleagues for their collective dedication to our community, and contributing to robust conversations around the Council table to ensure our decision-making arrives at the best possible outcome for our community. My special thanks to the Chief Executive, the Executive Leadership Team, and staff for their hard work in making our district great and improving the quality of life for our residents.

Finally, I am proud of the way we are working with our community and actively engaging with them to help us meet their expectations. Together we are positively shaping our district for a sustainable future.



Hamish McDouall
Mayor of Whanganui

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GOVERNANCE STRUCTURE

as at 30 June 2019

Mayor and Councillors



Mayor Hamish McDouall



Cr Jenny Duncan



Cr Charlie Anderson



Cr David Bennett



Cr Helen Craig



Cr Alan Taylor



Cr Rob Vinsen



Cr Murray Cleveland



Cr Kate Joblin



Cr Josh Chandulal-Mackay



Cr Hadleigh Reid



Cr Philippa Baker-Hogan



Cr Graeme Young

Whanganui Rural Community Board

**Chair David Matthews**

david.matthews@whanganui.govt.nz
Parapara Road
Whanganui subdivision

**Deputy Chair Grant Skilton**

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**Sandra Falkner**

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Cr Murray Cleveland
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Council representative on Board



Cr Josh Chandulal-Mackay
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Council representative on Board

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Committees

Audit and Risk	Chair: To be appointed	Deputy chair: Cr Jenny Duncan (Acting Chair)
Strategy and Finance	Chair: Cr Kate Joblin	Deputy chair: Cr Philippa Baker-Hogan (Appointed 12 March 2019)
Infrastructure	Chair: Cr Alan Taylor	Deputy chair: Cr Hadleigh Reid
Property and Community Services	Chair: Cr Helen Craig	Deputy chair: Cr Josh Chandulal-Mackay
Youth	Co-Chairs: Yth Cr Ahimsha Saravanapavan Yth Cr Mia Perkins	—
Joint Committee		
Whanganui District Councils' Forestry	Chair: Cr Rob Vinsen (Disestablished 28 February 2019)	Deputy chair: Cr Charlie Anderson
Sub-Committees, Working Parties, etc.		
Tupoho Working Party	Co-Chairs: Cr Jenny Duncan & John Maihi	—
Tamaupoko Link	Co-Chairs: Daryn Te Uamairangi & Cr Alan Taylor Rāwiri Tinirau (appointed May 2018)	—

Whanganui District Council
Annual Report for the year ended 30 June 2019

District Plan Review working party	Chair: Cr Jenny Duncan (Disestablished 12 June 2018)	—
Waste Minimisation working party	Chair: Cr Rob Vinsen	—
Statutory Management Committee	Chair: Mayor Hamish McDouall	Joint Deputy Chairs: Cr Alan Taylor & Cr Charlie Anderson
Town Centre Steering Committee	Chair: Cr Helen Craig	

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Chief Executive's Review

Tēnā koutou



It is my pleasure to present you with Council's Annual Report for the 2018/19 year. This report validates the organisation's prudent financial management approach to making a difference for Whanganui. We have continued to push our boundaries to strengthen our organisation and better serve our community, and there is much more to be done.

We have integrated our Leading Edge Strategy into our organisational culture, practices and strategies. Examples include the introduction of digital services for our Building and LIM processes in response to technological drivers. Reinventing ourselves by investing in a more customer-centric experience at the Municipal building. Improving accessibility to our library service by opening two new community Library hubs and purchasing two mobile library vans. We have partnered with many organisations and stakeholders to maximise on our collective potential as we recognise that our community helps us to deliver exceptional outcomes.

It is exciting times for Whanganui with a number of major projects progressing well and setting us on a trajectory for economic growth and prosperity. Each of these projects has presented its own challenges and I am proud of the staff and stakeholders who have worked tirelessly and collaboratively to overcome them. One such notable project is the Sarjeant Gallery Redevelopment - with the invaluable help of many benefactors it is exciting to be on the cusp of seeing the first spade in the ground. We are close to submitting the Port Revitalisation business case to the Provincial Growth Fund and by taking a future-focused approach during the 2019/20 Annual Plan process, it will mean we will be well-positioned to deliver this project.

This year we will continue to focus on economic development opportunities and our financial sustainability to ensure Whanganui is in the best position to front foot future challenges.

It has been an extremely busy but productive year. I would like to acknowledge and thank Mayor Hamish McDouall, Deputy Mayor Jenny Duncan and our Elected Members for their strong leadership and dedication in representing our community's views. I would also like to thank Council staff for their role in making Whanganui a great place to be and for their commitment in serving our community.

**'Our community's
valuable feedback
helps us to deliver
exceptional
outcomes.'**

2019/20 is shaping up to be another exciting year and I am looking forward to the opportunities ahead.

Kym Fell
Chief Executive

Performance SNAPSHOTS

LAUNCHED
the
Annual Report for the year
Welcoming
Communities Plan




Introduced the

Snap Send Solve

Smartphone App



Celebrated with Sister City Nagaizumi-cho

free

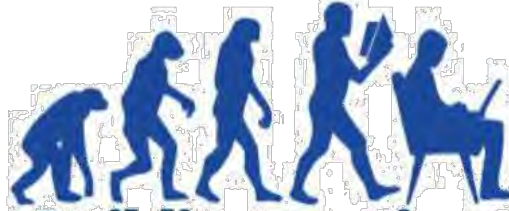
You can now
borrow books at
No Charge from
the Library

**Rolled
out
ParkMate
smartphone app**



Established the

Heritage Grant Fund



Building services are now online.

30 YEARS

90%

of residents surveyed
rated the standard of
living in Whanganui
highly

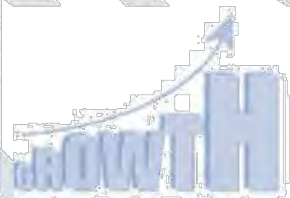


Whanganui Wall Street Art Festival a success!



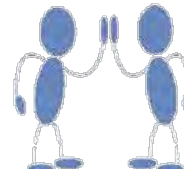
Trending Up

Satisfaction with the
district's sportsgrounds
increased by 15% from
the previous year



4057t

of product was
recycled through
the Resource
Recovery
Centre. This is
an increase of
902 tonnes from
the last period.



Residents' Playground satisfaction is UP 21% from last year!

War Memorial Centre back in play after its seismic upgrade!



We have
partnered with
community and introduced
**TWO Library
Hubs**

Statement of compliance and responsibility

For the year ended 30 June 2019

Compliance

The Council and management of Whanganui 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 non-financial information and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal controls 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 2018 fairly reflect the financial position, results of operations and service performance achievements of Whanganui District Council.

Signatures

Mayor
Hamish McDouall

Chief Executive
Kym Fell

1 October 2019

Council’s vision, outcomes and objectives

Council’s vision: *To be an energised, united and thriving district offering abundant opportunities for everyone*

Whanganui: Leading Edge

- 

COMMUNITY
A deeply united community
Goal: Working in partnership – shaping a district that celebrates and champions its cultural and social diversity as well as its community spirit.
- 


CONNECTIVITY
Connected
Goal: A dynamic, broadly connected district that is accessible, linked in and known for it.
- 



CREATIVITY
Innovative and creative
Goal: A knowledge economy driven by innovation and humming with cultural personality.
- 



ENVIRONMENT
Safeguarding our place
Goal: A district that safeguards its natural resources and provides an environment with a sense of place, identity and vitality.
- 

ECONOMY
Works for everyone
Goal: An easy-living place of choice of all - flourishing with employment and development opportunities.

In essence this is about being confident leaders and influential trailblazers. It means we are comfortable with being a ‘bit different’ because this sets the scene for the types of innovative approaches that we continue to front-foot. It’s about Whanganui being seen as positive and exciting – a community that is united, connected, creative, environmentally rich and economically prosperous.

Community Outcomes	Strategic objectives – We will...
 <p>COMMUNITY</p>	<ul style="list-style-type: none"> • Strengthen partnerships and ways of working collaboratively to weave our aspirations together – while respectfully acknowledging differences • Meet our obligations arising from the Te Awa Tupua [Whanganui River Claims Settlement] Act 2017 and the aspirations of the Whanganui Lands Negotiations Settlement Trust in a mutually

	<p>appropriate partnership process with mana whenua [whanau, hapu and iwi]</p> <ul style="list-style-type: none"> • Pursue initiatives that secure our health, our safety and instill a sense of belonging and wellbeing for all • Celebrate and champion the diversity in our district by educating, sharing and storytelling • Demonstrate strong, positive and empowering leadership to support unity and drive our district forward • Be transparent and inclusive in all our democratic processes • Deliver sport and recreation facilities to meet the needs of our community
 CONNECTIVITY	<ul style="list-style-type: none"> • Continue to build on the connectivity opportunities provided by technology • Drive digital innovation and opportunity in partnership with the community • Achieve greater accessibility to and within the district for all modes of transport, including through making our district more walk and cycle friendly • Improve our image and enhance our reputation as a great place to come, stay and invest • Work together as a region to leverage more opportunities and bolster our pulling power • Test ourselves on the global stage through the attainment of international benchmarks • Commit to continuous improvement and be an educated district – with a lifelong commitment to learning • Support existing, and seek out new international relationships – culturally and in the business world • Become positive ambassadors and self-promoters of our district and encourage those with a connection or interest in Whanganui to do the same
 CREATIVITY	<ul style="list-style-type: none"> • Protect and promote our culture and heritage as a key point of difference • Facilitate the use of digital technologies and smart approaches to drive innovation and productivity • Sustain and nurture our arts reputation • Use our compactness, agility and pioneering attitude to our advantage by attracting niche manufacturing opportunities, microbusinesses, start-ups, creative industries and points of difference

	<ul style="list-style-type: none"> • Develop a dynamic knowledge economy and workforce • Become a district renowned for talent and creativity • Generate a buzz through events and downtown vibrancy
<p> ENVIRONMENT</p>	<ul style="list-style-type: none"> • Capitalise and build on the value of our coastal location • Ensure our built environment reflects 21st century needs while preserving our distinctive heritage • Pursue integrated and rejuvenated urban design, placemaking and landscape approaches • Safeguard the health of the Awa and let its richness shape us as a place • Connect our identity to authenticity, abundance and community pride • Maximise our rural assets and identify opportunities for sustainable growth • Recognise the values held by mana whenua under kaitiaki for the environment – preserving and conserving our natural resources and heritage by seeking sustainable and innovative green solutions • Look after our infrastructural network and assets with a view to the future – encouraging innovation and making sure of the sustainable use of technology and other materials • Continue to deliver a proactive, flexible and continually evolving District Plan – with the provision of appropriate zones and precincts • Ensure the growth of the district is undertaken in a sustainable way • Increase our resilience to climate change
<p> ECONOMY</p>	<ul style="list-style-type: none"> • Ensure our services and facilities reflect the diverse and changing needs of our community • Facilitate economic development initiatives in partnership with Iwi, the business community and the education sector • Invest in our young people and look to boost skills, training, employment opportunities and our knowledge workforce • Focus on efforts that will support population attraction and retention • Act as a facilitator and enabler for development

	<ul style="list-style-type: none">• Support the retention of key health and social infrastructure• Promote and enhance our lifestyle advantages• Ensure the quality and diversity of our education options and promote these widely
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Our Communities Well-being

Improving our communities' quality of life is at the very essence of our organisation. Whether we are providing multiple platforms for communities' participation, implementing initiatives to improve business success, providing valuable infrastructure and services or showcasing Whanganui on the national and international map – all facets of what we do, we do to promote healthy and resilient communities' now and into the future.

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Our plans and 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), we are required to adopt a Long Term Plan every three years. In the year in which a Long Term 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 Long Term Plan is adopted, an Annual Plan must be produced.

The Long Term Plan 2018-2028

In 2018, the Council adopted a Long Term Plan for the period 2018-2028 which outlined the services and projects we planned to deliver for the district for that 10 year period.

This annual report explains how we have delivered on the first year of that plan.

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 Long Term Plan and Annual Plan.
- Promote accountability of the local authority to the community for decisions made throughout the year.

The report must contain: -

<p>In relation to each group of activities:</p>	<ul style="list-style-type: none"> • The activities included within the group. • The community outcomes to which the group of activities primarily contributes. • The result of any measurement undertaken during the year on progress towards the achievement of those outcomes. • A description of any identified effects that any activity within the group has had on the community. • An audited statement comparing the capital expenditure budgeted for the financial year with the actual amount spent. This statement must show separately the amount of funds that Council intended to spend and the amount spent to - <ul style="list-style-type: none"> ○ meet additional demand for a group of activities; ○ improve the level of performance in relation to a group of activities; and ○ replace existing assets. • An audited statement of service provision, comparing intended levels with actual levels in relation to the
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	<p>performance targets set and giving the reasons for any significant variance between actual and intended levels.</p> <ul style="list-style-type: none"> • An audited funding impact statement identifying the amount of funds produced from each source of funding, how the funds were applied and how this compares with the information included in the Long Term Plan. • A statement of the amount of internal borrowing used for the purpose of the group of activities, including the amount of funds borrowed and repaid during the year and the amount of interest (if any) paid in relation to the internal borrowing.
A report on each Council-Controlled Organisation including:	<ul style="list-style-type: none"> • 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.	
An audited funding impact statement for the financial year to which the report relates.	
Identification and detail regarding each reserve fund set aside by the Council.	
Rating base information, including the number of rating units, the capital and land values of these rating units.	
The insurance cover in place for Council assets.	
Remuneration paid to Elected Representatives and the Chief Executive.	
A report on employee staffing levels and remuneration.	
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.	

Building community with iwi

Council works with Māori to build community, in a mutually appropriate way. This approach is especially important in infrastructure planning, environmental management and development. Council's policy direction and planning processes take into account effective engagement with hapū and iwi entities – as well as marae and whanau as required. The approach is based on partnership and participation at the strategic and operational levels.

Strategic engagement

Current relationship activity is with:

- Te Rūnanga o Ngā Wairiki Ngāti Apa
- Te Kaahui o Rauru
- Whanganui Land Settlement Negotiation Trust
- Te Rūnanga o Tamaūpoko
- Tamaūpoko Charitable Trust
- Paraweka Marae Trust
- Te Rūnanga o Tūpoho
- Te Ao Hou Marae
- Whakawhanake
- Whanganui Maori Regional Tourism Organisation
- Ngā Tāngata Tiaki

Te Rūnanga o Tūpoho is the tikanga mandated iwi authority within the Tūpuna Rohe o Tūpoho. This is recognised by Council distinct from other entities who engage with Council.

Operational engagement

Support for a marae based development has been provided to Te Ao Hou, Koroniti, Matahiwi and Ranana. Support has also been provided for Pūanga and Waitangi day commemoration.

The purpose of the Council-Iwi Accord is to develop a partnership that is mutually beneficial to Council and iwi. The primary focus was the development of the waste water treatment plant – and to update and inform the parties on the progress of the project. Now that the installation is complete opportunities have been identified and regenerative planting is being undertaken.

A responsiveness framework is still to be developed which will align and inform the strategic direction of Council.

A cultural development programme for the organisation is being developed. This will include, te reo and tikanga, and cultural activities. The purposes of this is to inform both governance and management of the diverse realities of Māori. In addition Council introduced a Cultural Toolkit which outlines appropriate procedures and protocols when engaging with Māori.




The Tamaūpoko Charitable Trust worked with Council to provide recycling bins and bags for recycling in the Kura and Marae, as well as the Council funded recycling trailer for the Awa School and Marae to collect recyclables on the River and Marae and bring to town.

The joint Council-Tūpoho Whānau Trust-Sustainable Whanganui partnership continues to operate the Whanganui Resource Recovery Centre.

Groups of activities

Our work is structured around 12 areas. The chapters in this report highlight our progress towards delivering on our outcomes in each of these areas. They are:

1. Water supply
2. Stormwater drainage
3. Waterways and natural drainage
4. Sewerage and the treatment and disposal of sewage
5. Provision of roads and footpaths
6. Parks and recreation
7. Community and cultural
8. Economic development
9. Community facilities and services
10. Transportation
11. Investments
12. Corporate

 Whanganui: Leading Edge	 COMMUNITY	 CONNECTIVITY	 CREATIVITY	 ENVIRONMENT	 ECONOMY
Water Supply	*				*
Stormwater drainage	*			*	
Sewerage and the treatment and disposal of sewage				*	
Provision of roads and footpaths	*	*			*
Parks and recreation	*	*	*	*	*
Community and cultural	*	*	*		*
Economic development	*	*	*		*
Community facilities and services	*	*	*	*	
Transportation	*	*		*	*
Investments					*
Corporate	*				



1 Water supply

Under the Health (Drinking-Water) Amendment Act 2007, the Ministry of Health has a responsibility to 'protect the health and safety of people and communities by promoting adequate supplies of safe and wholesome drinking water from all drinking-water supplies'. Underpinning this, every local authority has a general responsibility to improve, provide and protect public health. Good-quality water systems play a vital role in this. Our priority is to supply water that is safe to drink and to ensure the security of the city's water supply. The most successful approach to this is by regularly monitoring the water quality and maintaining the infrastructure that supports it.

What we did

We achieved Ministry of Health Compliance and Implementation of Water Safety Plans for the current Urban Network: the Water Safety Plan approval remains in force for a maximum period of five years.

We successfully obtained a resource consent for the new production bore at Kai Iwi after significant delays: we can now start construction of new production bore located in Kai Iwi. Major infrastructure has been fabricated to allow water supply to be connected to existing supply.

We have completed the Westmere No 1 Reservoir roof replacement: the project was identified as part of the replacement plan for Westmere reservoir. A full replacement of No 1 reservoir roof was completed with a full strengthening and structural design of sidewalls. The construction and strengthening of the reservoir roof has increased its design life to 50 years.

A new interlink main between reservoir 1 and 2 was completed: this enabled continuous supply while Reservoir 1 was under construction.

We have completed laying 900 metres of the Castlecliff water-main: this is located within the new subdivision development, Westmere Road to Cameron Road East and is a continuation of the main industrial line.

We have updated our Water Supply Bylaw 2014: this bylaw continues to be the most efficient and effective method of managing and protecting Council's reticulated water network and can be found on Council's website (www.whanganui.govt.nz) under Our Council/Publications.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Supporting our welfare

We protect the community from water related health issues, and provide firefighting capacity and hydrants to help protect property and lives.



Maximising opportunities

We provide a safe and reliable water supply with adequate quantities for our community and for industries and commercial ventures to establish.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –



Playing a vital role in ensuring the health and safety of our community, contributing to a productive economy and a healthy environment.

How did we perform?

We measure our effectiveness by monitoring responsiveness for service requests, compliance with New Zealand Drinking Water standards and ensuring we meet any consent conditions.

PERFORMANCE INDICATOR

Met or exceeded target	Target not met	Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
WATER SUPPLY					
A continuous supply of water is provided at the right quantity, quality and pressure so that residents and industry can do what they need to (for example: irrigation, showering and recreation).	The total number of complaints received about the water (per 1000 connections to the networked reticulation system) ²	45	60	<50	60
	<i>Comment: The target was not met. (Source: Veolia)</i>				
	The percentage of time Horizons Regional Council consent conditions are complied with (or mitigation undertaken if issues occur).	100%	100%	100%	100%
	<i>Comment: The target was met. All discharge and take consents compliant. (Source: Horizons Regional Council)</i>				
	The percentage of hydrants tested by the Fire and Emergency New Zealand that comply with the New Zealand Fire Service's code of practice for water supply and pressure.	0	0	95%	0
	<i>Comment: The target was not met. We are investigating possible solutions with the Fire Service and maintenance contractor. (Source: NZ Fire Service)</i>				
Median response time for attending urgent call-outs (measured from the time that notification is received to the time that the service personnel reach the site).	15 mins	24 mins	1 hour	24 mins	
<i>Comment: The target was met. (Source: Veolia)</i>					
Median response time for resolution of urgent call-outs (measured from	1 hr 30 mins	2 hrs 26 mins	22 hours	10 hrs 30 mins	

² Complaints include: drinking water clarity; drinking water taste; drinking water odour; drinking water pressure; or flow; continuity of supply; or Council's response to any of these issues. Complaints also includes all requests for service about these issues – including a toby repair. The target for this measure was set prior to receiving this clarification. As a result the target was updated as part of the 2019/20 Annual Plan.

PERFORMANCE CATEGORY	PERFORMANCE MEASURE	2018/19 Target	2018/19 Actual	2018/19 Target	2018/19 Actual
	the time that notification is received to the time that the service personnel confirm resolution of the fault or interruption).				
	<i>Comment: The target was met. (Source: Veolia)</i>				
	Median response time for attending non-urgent call-outs (measure from the time that notification is received to the time that the service personnel reach the site).	20 hrs 36 mins	15 hrs 20 mins	24 hours	9 hrs 8 mins <input checked="" type="checkbox"/>
	<i>Comment: The target was met. (Source: Veolia)</i>				
	Median response time for resolution of non-urgent call-outs (measured from the time that notification is received to the time that the service personnel confirm resolution of the fault or interruption).	22 days 22 mins	2 days 16 hrs	4 days	12 hrs 45 mins <input checked="" type="checkbox"/>
	<i>Comment: The target was met. (Source: Veolia)</i>				
	The percentage of real water loss from the network reticulation system ² .	30%	28%	<40%	38% <input checked="" type="checkbox"/>
	<i>Comment: The target was met. This is an estimation based on average minimum nightly flows to the average water consumption. (Source: WDC Infrastructure)</i>				
	The average amount of water consumed per resident per day.	257 litres	257.5 litres	350 litres	287 litres <input checked="" type="checkbox"/>
	<i>Comment: The target was met. This is calculated through the total consumption from the reservoir, excluding industrial consumption, divided by 365 days, divided by the total population. (Source: WDC Infrastructure)</i>				
Water is safe to drink.	The extent to which the water supply will comply with part 4 of the New Zealand drinking water standards (bacteria compliance criteria).	100%	100%	100% compliance	100% <input checked="" type="checkbox"/>
	<i>Comment: The target was met. Compliance was achieved with part 4 of the New Zealand drinking water standards (bacteria compliance criteria). (Source: Ministry of Health)</i>				
	The extent to which the water supply will comply with part 5 of the New Zealand drinking water standards (protozoal compliance criteria).	100%	100%	100% compliance	100% <input checked="" type="checkbox"/>
	<i>Comment: The target was met. Compliance was achieved with part 5 of the New Zealand drinking water standards (protozoal compliance criteria). (Source: Ministry of Health)</i>				
	The percentage of time the Council delivers an Aa grade water supply in the urban area ³ .	100%	100%	100%	100% <input checked="" type="checkbox"/>
	<i>Comment: The target was met. (Source: Ministry of Health)</i>				

² Due to absence of water meters in the reticulation system this is calculated by comparing minimum night flows to the average water consumption.

³ The big 'A' represents the source and treatment and the little 'a' is the reticulation – the big 'A' represents quality when it leaves the plant and the little 'a' is the quality inside the reticulation system.

Water supply group

Capital expenditure

The following table shows the expenditure on capital work for the Water supply Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to meet additional demand :					
Water Supply					
Mill Road Industrial area	686	-	686	80	610
Capital expenditure to improve the level of service :					
Water Supply					
Zone remote metering	50	-	50	26	-
Meters, valves, hydrants, mains, etc	268	-	268	68	-
Rural Scheme, Fordell Link.	60	-	60	-	60
Westmere reservoirs	25	-	25	22	-
Kai Iwi. Pumps & bores	60	-	60	39	-
Sundry Projects	55	-	55	6	-
	518	-	518	161	60
Capital expenditure to replace existing assets :					
Water Supply					
Meters, valves, connections, mains	546	-	546	783	-
Kai-Iwi Bore No1 development	10	850	860	82	697
Kai Iwi. Pumps & bores	55	-	55	46	-
Westmere Reservoir No1	-	2,902	2,902	2,488	-
Symes Road	150	317	467	293	145
Ikitara Road	-	89	89	129	-
Roading coordinated projects	130	-	130	51	-
Spiral welded replacement	150	-	150	103	-
Gonville Avenue to Kings Avenue	110	-	110	34	-
Hillside Terrace to Peat Street	180	-	180	-	180
Sundry Projects	149	-	149	25	-
	1,480	4,158	5,638	4,034	1,022

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

Water supply

The capital growth budget of \$686k was largely not required with the delay awaiting the completion of the Mill Road project. Funds of \$610k will be carried over to 2019/20.

The capital acquisitions budget was underspent for the year across the board, with reduced expenditure required for meters, watermains, valves, hydrants, and connections costs. The Fordell rural scheme link of \$60k will be carried forward to 2019/20, as work continues with the Committee.

The capital replacements budget was also underspent for the year. The increased expenditure for meters, watermains, valves, hydrants and connections costs was matched by underspends in capital acquisitions.

The Kai Iwi no1 bore development was initially held up due to Horizons consent issues, but is now underway. Funds of \$697k will be carried over to 2019/20 to complete the job.

The Westmere reservoir no1 project is was completed during the year on time and under budget.

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The Symes Road and Hillside Terrace projects were initially held up due to the difficulty in sourcing pipe supplies and resources. Funds of \$145k and \$180k respectively will be carried over to 2019/20.

Internal borrowings

	2019	2018
	\$	\$
Brought forward	725,225	732,883
Borrowings raised	0	0
Borrowings repaid	(95,281)	(25,036)
Interest paid	23,879	17,377
Carried forward	<u>653,823</u>	<u>725,225</u>

Water supply group**Funding impact statement**

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	6,935	7,123	7,008
Subsidies and grants for operating purposes	-	-	-
Fees and charges	132	64	46
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	2
Total operating funding (A)	7,068	7,187	7,056
Application of operating funding			
Payments to staff and suppliers	3,057	3,195	3,192
Finance costs	950	781	694
Internal charges and overheads applied	665	664	649
Other operating funding applications	-	-	-
Total application of operating funding (B)	4,672	4,640	4,535
Surplus (deficit) of operating funding (A - B)	2,396	2,547	2,521
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	1
Increase (decrease) in debt	1,944	110	1,342
Gross proceeds from asset sales	-	-	50
Lump sum contributions	-	-	-
Other dedicated capital funding	74	27	86
Total sources of capital funding (C)	2,018	137	1,479
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	686	80
-to improve the level of service	125	518	161
-to replace existing assets	4,288	1,480	4,034
Increase (decrease) in reserves	-	-	(275)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	4,413	2,684	4,000
Surplus (deficit) of capital funding (C - D)	(2,396)	(2,547)	(2,521)
Funding balance ((A - B) + (C - D))	-	-	-



2 Stormwater drainage

Stormwater collection and its disposal are necessary in order to protect the health and safety of people and their land and property. By managing the stormwater network from point source, to discharge, to natural environment, a degree of protection is applied to land, property, the receiving environment and life. Stormwater Infrastructure is sized based on land development standards. Due to the unpredictability in the size and nature of flood events, infrastructure may from time to time be inundated – these are events that exceed the serviceability of the network.

The main objective for Whanganui's waterways and natural drainage is to ensure they behave effectively and efficiently. These systems are critical to allow or mitigate flooding impacts within the urban area. Natural water systems must be managed to meet environmental and amenity standards for the district's wellbeing. This is done through maintaining watercourses, attenuation areas, controlling pest-plants and replanting native species suitable for riparian zones. We also improve fish passage where possible.

What we did

Stormwater

We successfully completed the bulk of the upgrades in the Mosston Road area: this included the final sections of the separation completion work also being completed in this area. The pipeline gives capacity to remove stormwater out of the wastewater system, and also additional capacity for the Mill Road area (Westbourne Industrial Zone) to be intensified through commercial development.

We continued the construction of the Mill Road stormwater upgrade: this work is approximately 95% complete to allow the construction and final sealing of Mill Road in 2020. New developments have been connected to the new line as construction progressed.

We have completed the construction of the Wikitoria Road Culvert Renewal: partially funded by NZTA, this renewal will provide greater capacity and resilience to the important arterial road that leads to Whanganui Airport, as well as some of the residents in this catchment. We have also made improvements along the Awarua Stream at the same time.

We have progressed the design work of underground services in anticipation of the construction of Fitzherbert Avenue Extension, as part of the Springvale Structure Plan: construction will commence in 2020.

We have commenced design work for the Wilson Street stormwater renewal (Stage 2): this work is being integrated with the streetscape enhancement work planned by the Whanganui Alliance. Construction will commence in 2020.

Waterways and natural drainage






We continue to work closely with Horizons Regional Council: Horizons Regional Council are responsible for the Lower Whanganui River Control structures, downstream of the Cobham Bridge. We are supporting the repair works by meeting 25% of the budgeted cost over 10 years. The repair works are very austere, so we are supporting Horizons Regional Council to apply for Government funding to undertake the work to a higher environment standard and over a much quicker time frame.

Our rain-gardens installed as part of the Rangiora Street renewal in Castlediff has been completed: we continue to monitor the quality of the runoff from the contributing catchment, removing silt and capturing contaminants like plastic and other debris before it enters the Stormwater system.

We planted another section of the Awarua Stream and improved Fish Passage: as part of the upgrading of the Wikitoria Road Culvert over the Awarua Stream, we have planted another section of the stream, and we also planned improved fish passage in partnership with Horizons Regional Council. This area is tidal, and provides access to the inland to fish species that migrates through the stream during their spawning cycles (e.g. Inanga and Tuna). We have also installed some new fencing to ensure stock does not enter the stream. We have done this project in collaboration with Horizons, local Iwi and the Whanganui River Enhancement Trust – as part of our Healthy Streams Whanganui initiative.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

-  **Safeguarding**
 We dispose of stormwater to meet environmental and public health standards. We aim to apply stormwater mitigation strategies that ensure the least impact on the ecological health of our urban streams and coastal waters.
-  **A view to the future**
 We take a risk-based approach to asset management that forecasts the community's needs now and into the future.
-  **Urban Design**
 We contribute to the creation of quality urban design through responsible collaboration with town planning and industry.
-  **Increasing our resilience to climate change**
 We maintain drains and watercourses to reduce the risk of flooding during serviced events in the urban area. We protect the natural ecosystems in the district's waterways. We mitigate the impacts of the river and the ocean on some of our port-related infrastructure.
-  **Protecting our people from harm**
 We manage the natural water systems to reduce public health risks and to reduce the risks of flooding in the urban area and to ensure public health and safety standards are protected by eliminating contamination of our natural watercourses.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –

The protection of people, land and property from adverse effects of ponding and flooding without compromising the environment.








The active and responsive management of our waterways and natural drainage activity to provide effective warnings and/or protect people and property from flood waters.

How did we perform?

We measure our effectiveness by monitoring the instances of flooding, and by response times for service repairs.

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 Result	2017/18 Result	2018/19 Target	2018/19 Result
STORMWATER DRAINAGE					
Stormwater: Monitor flood warnings and respond promptly during emergency management flooding events	The median response time to attend a flooding event (measured from the time notification is received to the time that the service personnel reach the site).	0	0	4 hours	0 
	<i>Comment: The target was met – no flood events have occurred. (Source: WDC CRM system)</i>				
Ensure a safe and operational stormwater drainage network for design events.	Number of flooding events ⁴ .	0	0	<=	0 
	<i>Comment: The target was met – no flood events occurred. (Source: WDC CRM system)</i>				
	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system). ⁵	1	2.05	0.25	1 
	<i>Comment: The target was not met. (Source: WDC CRM system)</i>				
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to stormwater system).	0	0	0.5	0 
	<i>Comment: The target was met – no flood events occurred. (Source: WDC CRM system)</i>				
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of abatement notices received by Council in relation to those resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: WDC CRM system)</i>				
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of infringement notices received by Council in relation to those resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: WDC CRM system)</i>				

⁴ To be reported with assumptions as per the DIA's guidance documentation.

⁵ Complaints also includes all requests for service. The target for this measure was set prior to receiving this clarification. As a result the target was updated as part of the 2019/20 Annual Plan.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of enforcement orders received by Council in relation to those resource consents.	0	0	0	0 ✓
	<i>Comment: The target was met. (Source: WDC CRM system)</i>				
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of convictions received by Council in relation to those resource consents.	0	0	0	0 ✓
	<i>Comment: The target was met. (Source: WDC CRM system)</i>				
Network System Performance.	Number of urban floor-levels at risk, during the flood design-event ⁶ .	-	-	2,395	2,395 ✓
	<i>Comment: This is a new measure. The target was met. (Source: WDC CRM system)</i>				
Waterways & Natural Drainage:	Compliance with the Whanganui River Flood Action plan.	100%	100%	100%	100% ✓
Effective warnings and responses are given to protect people and property from the Whanganui River's rising flood waters.	<i>Comment: The target was met. The Whanganui River Flood Action plan did not need to be activated. (Source: WDC Infrastructure)</i>				

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⁶ As defined by the Horizons One Plan, the Building Act and the WDC District Plan rules.

Stormwater group

Capital expenditure

The following table shows the expenditure on capital works for the Stormwater Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to meet additional demand :					
Stormwater					
Otamatea Structure Plan	64	-	64	-	-
	64	-	64	-	-
Capital expenditure to improve the level of service :					
Stormwater					
Separation Completion	500	104	604	604	-
Mill Road Manufacturing zone	-	4,333	4,333	2,905	1,328
City wide hotspots	100	-	100	50	57
Integrated catchment management	150	-	150	104	-
Stormwater attenuation project	500	-	500	4	496
I & I Investigations	100	-	100	111	-
Sundry Projects	2	-	2	11	-
	1,352	4,437	5,789	3,789	1,881
Waterways and Natural Drainage					
Watercourse enhancements	50	-	50	-	-
Watercourse condition assessment	20	-	20	-	-
	70	-	70	-	-
	1,352	4,437	5,789	3,789	1,881
Capital expenditure to replace existing assets :					
Stormwater					
Network replacements	350	540	890	50	820
Non critical assets replacement	50	-	50	47	-
Sundry Projects	10	-	10	18	-
	410	540	950	115	820

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

Stormwater

The capital growth budget of \$64k was not required with the delay awaiting the changing and completion of structure plans.

The capital acquisitions budget was well underspent for the year. The Mill Road project was further delayed due to difficult ground conditions experienced. The funds carried over of \$1.328M to 2019/20 should see the project completed by February 2020.

The separation project continued this year, and was on budget.

The stormwater attenuation project was delayed due to survey work and conflicting underground services delaying the design completion. The unspent funds will be carried over to 2019/20 with the contract shortly to go to tender.

The capital replacements budget was well underspent for network replacements. Work has been reprioritised and Wilson Street will now be done in conjunction with the cemetery circuit with \$820k funds carried over to 2019/20. Rehabilitation work on Glasgow Street stormwater main has also been commenced, and is ongoing into 2019/2020.

Internal borrowings

	2019 \$	2018 \$
Brought forward	2,050,108	2,108,957
Borrowings raised	0	0
Borrowings repaid	(460,737)	(107,972)
Interest paid	60,247	49,124
Carried forward	1,649,619	2,050,108

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Stormwater drainage group

Funding impact statement

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	899	441	440
Targeted rates	5,607	5,683	5,656
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	-	-
Total operating funding (A)	6,508	6,124	6,096
Application of operating funding			
Payments to staff and suppliers	1,556	1,376	1,512
Finance costs	2,034	1,902	1,462
Internal charges and overheads applied	383	333	326
Other operating funding applications	-	-	-
Total application of operating funding (B)	3,973	3,611	3,300
Surplus (deficit) of operating funding (A - B)	2,535	2,513	2,796
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	12	9
Increase (decrease) in debt	1,621	(631)	1,276
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	40	2	-
Total sources of capital funding (C)	1,661	(617)	1,284
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	64	-
-to improve the level of service	3,890	1,422	3,905
-to replace existing assets	306	410	115
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	4,196	1,896	4,081
Surplus (deficit) of capital funding (C - D)	(2,535)	(2,513)	(2,797)
Funding balance ((A - B) + (C - D))	-	-	(1)



4 Sewerage and the treatment and disposal of sewage

These activities are responsible for the operation and management of wastewater systems, including an urban system that services the city and two rural systems. As well as providing a convenience to households by enabling easy sewage disposal, the collection, treatment and disposal of wastewater is also important to maintain public and environmental health, as well as maintaining clean waterways for quality of our natural environment.

What we did




The city's Waste Water Treatment Plant is operating within consent conditions: the commissioning of the Waste Water Treatment Plant was completed in early 2019. We reverted to our original consent conditions on 1 April 2019 and are meeting our consent conditions with the plant's performance continually improving.

We have been completing minor upgrade works on our Beach Road and small pump stations: our routine maintenance programme has triggered the replacement of key pieces of the pump stations including electrical controls, pumps, guides and other fittings.

Relining of existing underground pipelines: this year our renewal budget was largely spent on relining of mains as it is a cost effective way of extending the life of our underground infrastructure and with it being trenchless it allows us to do more for our money.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

- 
Managing our infrastructure responsibly and sustainably
 Our wastewater scheme substantially reduces the risk of potential sewage overflows to the river thereby improving river water quality. It also reduces the risk of sewage flowing onto private properties and roadways.
- 
A view to the future
 We take a risk-based approach to asset management that forecasts the community's needs now and into the future.
- 
Urban Design
 We contribute to the creation of quality urban design through responsible collaboration with town planning and industry.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –

Maintaining public health and safety as well as protect the environment with clean waterways. We contribute to community (and ultimately environmental) well-being through our wastewater treatment plant’s disinfectant and discharge process.



How did we perform?

We measure our effectiveness by monitoring the response times for service requests, and the impact of the wastewater system on the environment.

PERFORMANCE INDICATOR

Met or exceeded target
 Target not met
 Target neutral

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE					
	The number of dry weather sewerage overflows ⁷ from the system (expressed per 1000 sewerage connections).	2.63	3.08	<5	3.98
	<i>Comment: The target was met. (Source: Veolia)</i>				
The sewerage system is convenient, safe and reliable.	Median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that the service personnel reach the site).	21 mins	26 mins	6 hours	0 hrs 10 mins
	<i>Comment: The target was met. (Source: Veolia)</i>				
	Median response time for resolution of blockages or other faults (measured from the time that notification is received to the time that the service personnel confirm resolution of the blockage or fault).	1 hour 48 mins	1 hour 31 mins	5 days	12 hrs 22 mins
	<i>Comment: The target was met. (Source: Veolia)</i>				
The environment (including waterways and beaches) is protected from the adverse	Compliance with all resource consents for discharge from the wastewater system measured by abatement notices in relation to the resource consents.	1	0	0	0
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>				

⁷ This relates to all overflows as we are unable to isolate only those relating to dry weather. We intend to improve our systems to enable better reporting in the future.

effects of wastewater.	Compliance with all resource consents for discharge from the wastewater system measured by infringement notices in relation to the resource consents.	0	0	0	0	✓
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>					
	Compliance with all resource consents for discharge from the wastewater system measured by enforcement orders in relation to the resource consents.	0	0	0	0	✓
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>					
	Compliance with all resource consents for discharge from the wastewater system measured by convictions in relation to the resource consents.	0	0	0	1	✗
<i>Comment: The target was not met. We were prosecuted after wastewater from a council pump station entered the Mowhanau Stream after a Powerco pole fuse failed. (Source: Horizons Regional Council)</i>						
The total number of complaints received (expressed per 1000 connections) ^a .	3	14.49	0	13.15	✗	
<i>Comment: The target was not met. (Source: WDC CRM system)</i>						

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^a Complaints may include sewage odour; sewerage system faults; sewerage system blockages and Council's response to any of these issues. Complaints also includes all requests for service. The target for this measure was set prior to receiving this clarification. As a result the target was updated as part of the 2019/20 Annual Plan.

Sewerage and the treatment and disposal of sewage group

Capital expenditure

The following table shows the expenditure on capital works for the Wastewater Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to meet additional demand :					
Wastewater					
Mill Road Industrial area	160	-	160	31	-
	160	-	160	31	-
Capital expenditure to improve the level of service :					
Wastewater					
Biosolids	250	600	850	635	-
City wide pump station upgrades	145	-	145	168	-
Trade waste monitoring equipment	-	148	148	147	-
New standby generator	250	-	250	13	237
I & I Investigations	50	-	50	36	-
Sundry Projects	60	-	60	3	-
	755	748	1,503	1,022	237
Capital expenditure to replace existing assets :					
Wastewater					
Urban reticulation	500	-	500	469	-
Refurbishment of old MCC at BRPs	-	500	500	-	500
Grit removal optimisation	-	-	-	174	-
Hydraulic gate replacement	-	300	300	-	300
Beach Road Station. Flood repairs	-	452	452	-	448
Closing actuators for valves	-	600	600	30	570
Pre-treatment area refurbishment	200	-	200	-	200
Non-critical assets replacement	150	-	150	89	69
Sundry Projects	40	-	40	37	-
	940	1,852	2,792	799	2,087

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

Wastewater

The capital growth budget of \$160k was largely not required with the delay awaiting the completion of the Mill Road project.

The new Treatment Plant became operational during the year. Capital acquisitions expenditure was generally on budget, with the main exception being the new standby generator which has funds of \$237k carried over to 2019/20. The delay was due to further investigative work being done to determine the correct size. An opening carry over of \$600k was required for consents and the application of putting biosolids to land.

The total capital replacements expenditure of \$799k is well under budget. The refurbishment of the master control cabinet at the Beach Road pumping station (\$500k), and the hydraulic gate replacement (\$300k) projects have both been further delayed awaiting new designs, specifications, and contract

documents. These funds will be carried over to 2019/20, and other work will also have to be completed first before these projects can start.

During the year, projects were reprioritised so that a budget of \$920k could be created for screen replacements, covered by reductions/underspends in Beach Road Station (\$350k), and the closing actuators for valves (\$570k) projects. The screen replacements budget of \$920k will be carried over to 2019/20.

The grit optimisation project costing \$174k was a forecast additional cost recognised during the year, and was covered by savings in other replacement budgets.

Internal borrowings

	2019 \$	2018 \$
Brought forward	2,760,769	1,731,468
Borrowings raised	0	963,149
Borrowings repaid	(650,127)	0
Interest paid	80,006	66,152
Carried forward	<u>2,190,649</u>	<u>2,760,769</u>

Sewerage and the treatment and disposal of sewage group**Funding impact statement**

For the year ended 30 June 2019

	Long Term Plan		Actual
	2018	2019	2019
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	8,714	8,426	8,485
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	1,250	713
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	635	600	1,857
Total operating funding (A)	9,349	10,276	11,056
Application of operating funding			
Payments to staff and suppliers	3,600	6,393	6,482
Finance costs	1,366	1,415	1,699
Internal charges and overheads applied	777	782	700
Other operating funding applications	-	-	-
Total application of operating funding (B)	5,744	8,591	8,947
Surplus (deficit) of operating funding (A - B)	3,605	1,685	2,109
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	4	2
Increase (decrease) in debt	23,290	166	(279)
Gross proceeds from asset sales	-	-	20
Lump sum contributions	-	-	-
Other dedicated capital funding	50	-	-
Total sources of capital funding (C)	23,340	170	(257)
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	160	31
-to improve the level of service	25,659	755	1,022
-to replace existing assets	1,285	940	799
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	26,944	1,855	1,852
Surplus (deficit) of capital funding (C - D)	(3,605)	(1,685)	(2,109)
Funding balance ((A - B) + (C - D))	-	-	-



5 Provision of roads and footpaths

This activity manages the district's roads, bridges, traffic management and control systems and streetlights and contributes to our economic and social enhancement. Our network of urban and rural footpaths and pathways facilitate pedestrian safety as they move around our district.

What we did

Roading

We completed the earthworks roadworks for the Whanganui River Road Jerusalem Bluff retreat (49.8 kilometres) and Whanganui River Road Kauwaeroa dropout (48.4 kilometres): these are continued emergency works from the June 2015 flood and 100% funded by the NZTA.

We completed the work on the Papaiti Road realignment.

We completed the erosion work on Jerusalem Bluff.

Work continued on the Urban Shared Pathways (Urban Cycleways Programme) - updates include: -

- *Te Tuaiwi shared pathway (NZTA investment 85%)* the final section between Glasgow Street and London Street is currently being completed. This section includes Kiwirail upgrades to the intersections.
- *City Bridge to North Mole Shared pathway (NZTA investment 85%)* the southern end of the Mountains to Sea Cycle Trail currently terminates just short of the Whanganui Port at Gilbert Street in the Industrial zone. The remaining portion through the Port and further south to the North mole where it will meet the sea, has been delayed while the Port revitalisation project is being worked through.
- *Whanganui East Shared Pathway (NZTA investment 80.5%)* this is earmarked for completion in 2019/20 financial year.
- *London Street Shared Pathway (NZTA investment 80.5%)* Stage 1 between Splash Centre and Fergusson Street is complete. Stage 2 between Fergusson Street and Rail corridor is being undertaken in 2019/20 financial year.
- *Tawhero Shared Pathway (NZTA investment 80.5%)* works on this is earmarked for the 2020/21 financial year.

The streetlight upgrade to LED luminaires is complete: This has generated energy cost savings with the added benefit of a very low maintenance amenity.

We developed a concept roading plan for the proposed Fitzherbert Ave to Mosston Road extension: we completed consultation with landowners to accommodate the roading corridor requirements. Wider consultation will commence in the early 2019/20 year with construction commencement expected in the 2020/21 year.

Whanganui’s \$38.8 million roading infrastructure boost




Council submitted a successful application to the New Zealand Transport Agency (NZTA) which has resulted in \$31.9 million towards funding for roading maintenance and \$6.9 million for specific roading infrastructure projects. These projects include improvements to road safety on rural roads, around schools and at intersections.

Footpaths and berms

We continued to carry out maintenance and replacements on footpaths: sections of footpath renewals included Dublin St, Campbell St, White St, Wilson St, Bell St and Taupo Quay.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

- 
Community connectedness
 We support local suburbs and communities along the Whanganui River and provide and operate a safe local roading network. We aim to provide the core infrastructure that will allow access for all.
- 
Enhance roading and pathway connections
 We maintain well-connected pathways throughout the district and a safe interconnected roading network. We aim to provide the core infrastructure that will allow access to all gateways for Whanganui including the port and airport in order to develop it to its full potential.
- 
Contributing to our local growth aspirations
 We aim to provide the core access infrastructure that allows our district to become business friendly; continue to allow a strong rural economy; promote the sustainable development of cultural, sports and recreational activities and facilities for young people; and allow access to active recreational and sporting opportunities.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –


Effective stakeholder collaboration and inter-generational planning so our roading network remains relevant, sustainable and safe.










How did we perform?

We assess our performance by recording the rate of road casualties occurring and by measuring service provision, and asset condition. These measures are to ensure that we maintain a safe and healthy community and to meet environmental standards.

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
--	--	--

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
ROADS AND FOOTPATHS					
Roads: The provisions of a safe and secure local road network.	The change from the previous financial year in the number of fatalities or serious injury crashes on the local road network.	20	15	-1	+1 
	<i>Comment: The target was not met. During the 2018/19 period there were 16 fatal or serious injury crashes on the local road network. Of this figure there were two fatalities and 14 serious injuries. (Source: NZ Transport Agency Crash Analysis System)</i>				
A local road network that provides a smooth travel experience.	The average quality ride on a sealed local road network, measured by smooth traffic exposure.	88%	86%	88-92%	89% 
	<i>Comment: The target was met. 89% of the sealed local roads in the district were considered "smooth" as per the smooth travel exposure measurement:</i> Urban ride quality = 87% Rural ride quality = 95% Average across total network = 89% ⁹ . (Source: NZ Transport Agency)				
	The percentage of the sealed road network that is resurfaced.	7.7%	5.9%	>4%	6.73% 
	<i>Comment: The target was met. 38.6km of the 573.9km sealed road network was resurfaced¹⁰. (Source: NZ Transport Agency)</i>				
A local road corridor network that meets the needs of the users.	The percentage of customer service requests that are actioned within five working days.	92%	95%	>90%	98% 
	<i>Comment: The target was met. There were 882 customer service requests and 863 were actioned within 5 working days. (Source: WDCCRM System)</i>				
Footpaths and berms: Footpaths help people move about safely and comfortably and get them where they need to go.	The percentage of footpath requests actioned within five working days of notification ¹¹ .	93%	94%	>90%	98% 
	<i>Comment: The target was met. There were 129 requests received and 127 were actioned within 5 working days. (Source: WDCCRM System)</i>				
	The percentage of footpaths that meet Council's standard of a defect ¹² score of <50	98%	98%	>90%	99% 
	<i>Comment: The target was met. (Source: Footpath condition rating survey undertaken every 5 years)</i>				
	The total number of footpath faults (includes berms).	15,916	15,916	<20,000	26,945 
	<i>Comment: The target was not met. The 2019 Footpath Condition Rating Survey identified 26,945 faults. The increase in overall faults is largely due to a requirement to record tree root damage as a new footpath fault type. (Source: Footpath condition rating survey undertaken every 5 years)</i>				

⁹ NZTA RAMM report

¹⁰ NZTA RAMM report

¹¹ This includes any requests relating to the footpath and berms activity, for example, trip hazards and breakages.

¹² This is calculated by the number of bumps, depressions, cracks and scabs on footpaths.

Roads, footpaths and pathways group

Capital expenditure

The following table shows the expenditure on capital works for the Roads, footpaths and pathways Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
Roading					
Low Cost/Low Risk projects	4,038	-	4,038	910	1,700
Pathways Construction	-	1,260	1,260	1,167	-
Streetlights to LED	-	750	750	892	-
Bridge replacement	1,880	-	1,880	-	1,880
Other projects	20	-	20	-	-
	5,938	2,010	7,948	2,969	3,580
Footpaths and Berms					
Acquisitions	-	-	-	-	-
	5,938	2,010	7,948	2,969	3,580
Capital expenditure to replace existing assets :					
Roading					
Emergency Management	900	-	900	2,039	1,300
Environmental maintenance	350	-	350	99	-
Sealed road resurfacing	2,200	-	2,200	2,225	-
Drainage renewals	952	-	952	817	-
Unsealed road metalling	505	-	505	403	-
Pavement rehabilitation	976	-	976	552	-
Structures components	342	-	342	221	-
Traffic services renewals	620	-	620	641	-
	6,845	-	6,845	6,997	1,300
Footpaths and Berms					
Renewals	341	-	341	718	-
	7,186	-	7,186	7,715	1,300

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

Roading

Low Cost/Low Risk projects (previously Minor Safety projects) costs were well under budget and were delayed due to awaiting funding and direction from NZTA. Recently approved projects of \$1.7M will be carried over and added to the 2019/20 budget of \$1.16M.

Pathways construction costs of \$1.17M were on budget. This mainly related to the Urban Cycleway Project which had opening carry over funds of \$1.26M.

The LED streetlights carry over budget of \$750k was overspent by \$142k at an approved 85% NZTA subsidy rate.

The bridge replacement budget of \$1.88M relates to the Wakefield Street bridge replacement, and has been carried over to 2019/20 awaiting NZTA approval.

The Emergency Management budget was increased by a further approval of \$2.4M of work by NZTA during the year. However there were delays to these works which has required a carry over of funds to 2019/20 of \$1.3M. These works are done with subsidy rates ranging from 61% to 100%. The total cost of the June 2015 weather event for roading up to this year has been calculated to cost \$29.0M. This was funded by NZTA subsidy of \$25.8M, and loan funds of \$3.2M.

Excluding Emergency Management costs, the balance of Roading replacement expenditure was budgeted to be \$5.95M. Actual expenditure for the year was \$4.96M, with no opening or closing carry overs required. Resources were more concentrated on the flood damage work, at higher subsidy rates.

Footpaths and berms

Renewals expenditure for the year was over budget by \$377k. However this was matched by NZTA subsidy received for footpaths renewals/replacements for the first time this year.

Internal borrowings

	2019	2018
	\$	\$
Brought forward	496,844	529,389
Borrowings raised	0	0
Borrowings repaid	(146,387)	(44,449)
Interest paid	13,284	11,905
Carried forward	363,741	496,844

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Provision of roads and footpaths group

Funding impact statement

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	8,218	9,271	9,273
Subsidies and grants for operating purposes	2,982	3,383	4,254
Fees and charges	26	24	29
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	590	400	388
Total operating funding (A)	11,816	13,078	13,944
Application of operating funding			
Payments to staff and suppliers	6,834	7,836	7,877
Finance costs	657	526	416
Internal charges and overheads applied	859	643	629
Other operating funding applications	-	-	-
Total application of operating funding (B)	8,350	9,005	8,922
Surplus (deficit) of operating funding (A - B)	3,466	4,073	5,022
Sources of capital funding			
Subsidies and grants for capital expenditure	6,742	7,810	6,267
Development and financial contributions	-	-	4
Increase (decrease) in debt	256	1,241	(591)
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,998	9,051	5,680
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	3,606	5,938	2,968
-to replace existing assets	6,858	7,186	7,715
Increase (decrease) in reserves	-	-	19
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	10,464	13,124	10,702
Surplus (deficit) of capital funding (C - D)	(3,466)	(4,073)	(5,022)
Funding balance ((A - B) + (C - D))	-	-	-



6 Parks and recreation

We provide a range of services and facilities that offer access to sports and recreation opportunities for residents. This includes parks, open spaces, reserves, sports grounds and swimming pools. These facilities encourage quality of life and healthy lifestyles, and are important for the wellbeing of the district.

What we did

Parks and reserves

We installed new public toilets: we have been taking a proactive approach in improving access to public facilities which supports Whanganui's desire to uplift our visitor experience. With an increasing interest in Freedom Camping, we have installed new public toilet facilities along Anzac Parade and at Jerusalem.



We installed drinking fountains in new locations: these locations are Kowhai Park North by the Anzac Parade public toilet, by the Kowhai Park Skate bowl, and in Victoria Park.

We have a Sport and Recreation Facilities Strategy

This strategy assists Council in aligning its investment decisions with community sport and recreational needs and aspirations. Council is guided by four goals: -

1. Whanganui sports facilities need to be able to attract and host a range of local and regional events.
2. The Council's investment decisions should be well-judged based on the requirements of the Whanganui District.
3. The Whanganui community's sporting facilities should increasingly be centralised around suitable hubs.
4. These facilities should be designed, maintained and used in a way that allows the residents of Whanganui to participate in and benefit from sporting and recreational activities.

We won an Award!

The Council's Parks team was awarded a 2018/19 Green Flag Award for Rotokawau Virginia Lake. This success must also be attributed to the many community volunteers who assist the team in keeping this world-class park looking its best. The Green Flag Award is an international award that sets a benchmark for well-managed parks and recreational outdoor spaces. We are one of 23 Green Flag-accredited parks and public spaces in New Zealand.

Swimming Pools

Our Splash Centre has had a boost in users: the 2018/19 period saw 231466 people use this community facility – that's an extra 25,106 people from the 2017/18 period.

We are looking at improving our accessibility at the Splash Centre: we are currently investigating into options to improve accessibility for all people of all abilities. This would include approaching external funders to assist our community with project costs.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Delivering services to our community

Our parks and recreation activities are delivered to improve the health and social wellbeing of the community. This includes removing barriers to improve access to assist all people of all abilities in having an opportunity to enjoy them.



Improving open space linkages throughout the district

We provide well-connected accessible pathways throughout the district. These are found in and around parks, along the river, in neighbourhood areas and throughout the district's green belt.



Enhancing our uniqueness

We promote our district as an arts and culture hub through community art and sculpture many of which are displayed and maintained in parks and reserves.



Being environmentally responsible

Environmental sustainability remains a key aspect that drives our processes. We have introduced recycling options in many of our parks and open spaces – with particular emphasis for local events.



Maximising our diversity

Access to open space is part of our commitment to deliver a diverse range of activities and facilities to meet the varied needs of our community.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –

Social connectedness and a sense of belonging by providing access to a variety of recreational activities and sports facilities across the district.

Enhancing our natural environment using beautification and waste management strategies.



How did we perform?

We assess our performance by measuring use of, and user satisfaction with our parks and facilities.

PERFORMANCE INDICATOR

Met or exceeded target	Target not met	Target neutral
------------------------	----------------	----------------

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
PARKS AND RECREATION					
Parks and Reserves are well maintained and presented	The percentage of the community satisfied or very satisfied with the maintenance and presentation of our open spaces. <i>Comment: The target was not met. Community satisfaction with the maintenance and presentation of open spaces reduced by 4% from 77% in the previous period. Feedback from the survey included a desire to see the area tidied up along the river/walkway in Aramoho. There are future plans to address this as part of beautification for the developing cycleway. (Source: Community Views Survey 2019)</i>	71%	77%	85%	73%
Pathway Parks are well connected and provide links throughout our communities	The percentage of Whanganui residents who have used walkways along the river and throughout the parks network during the year. <i>Comment: The target was not met. Reported use of the walkways reduced by 10% compared with the previous period. We are undertaking work to improve the conditions of some walkways. (Source: Community Views Survey 2019)</i>	79%	83%	85%	73%
Open Space areas are well distributed throughout the city to ensure reasonable access for all residents.	The percentage of households within 800m of an open space area (premier or passive park). <i>Comment: This is a new measure. Delivery of this will be incorporated into a review of our parks and open spaces requirements. This work will be undertaken following a review of Council's strategic framework in 2019/20. (Source: GIS mapping)</i>	--	--	90%	--
Public toilet facilities are clean, fit for purpose and meet the needs of users.	The percentage of people who are satisfied or very satisfied that there are adequate toilet facilities to meet user needs. <i>Comment: This is a new measure. The target was not met. New toilets in Block 4 of the Central Business District and Kowhai Park are expected to improve this result. (Source: Community Views Survey 2019)</i>	--	--	70%	53%

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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
	The percentage of people who are satisfied or very satisfied with the standard of toilet facilities.	--	--	70%	50%
	<i>Comment: This is a new measure. The target was not met. It is expected that new communication tools such as the Snap Send Solve reporting app will alert Council to any issues and assist in improving satisfaction results. (Source: Community Views Survey 2019)</i>				
Sportsgrounds within the district meet community need.	The percentage of the community satisfied with the district's sportsgrounds.	72%	56%	80%	71%
	<i>Comment: The target was not met. Satisfaction with the district's sportsgrounds increased by 15%. It is expected that new communication tools such as the Snap Send Solve reporting app will improve satisfaction. (Source: Community Views Survey 2019)</i>				
Cooks Gardens: Cooks Gardens is recognised as a premier sporting and event facility, available for use or hire.	The number of days each year that Cooks Gardens hosts events.	--	--	53 days	88 days
	<i>Comment: This is a new measure. The target was met. (Source: WDC records)</i>				
	The number of days each year that Cooks Gardens track and grounds are hired.	--	--	27 days	229 days
	<i>Comment: This is a new measure. The target was met. This result was attributed to increased bookings for various summer athletic events. (Source: WDC records)</i>				
	The number of locally produced, community events at Cooks Gardens.	--	--	34	37
	<i>Comment: This is a new measure. The target was met. (Source: WDC records)</i>				
	The percentage of the community who have used, visited, or attended an event at Cooks Gardens.	--	--	45	37
	<i>Comment: This is a new measure. The target was not met. (Source: Community Views Survey 2019)</i>				
Swimming Pools: Aquatic facilities provide a good visitor experience.	The percentage of users satisfied or very satisfied with the Splash Centre	91%	85%	90%	95%
	<i>Comment: The target was met. (Source: Splash Centre)</i>				
	The percentage of users satisfied or very satisfied with the Whanganui East Pool.	--	--	90%	--
	<i>Comment: The target was not met. A survey was not completed for the previous period – there are steps in place to ensure a survey is undertaken for the 2019/20 summer season. (Source: Splash Centre)</i>				
	The percentage of users satisfied or very satisfied that aquatic facilities provide value for money.	--	--	80%	92%
	<i>Comment: This is a new measure. The target was met. (Source: Splash Centre)</i>				

Parks and recreation group

Capital expenditure

The following table shows the expenditure on capital works for the Parks and recreation Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
<i>Parks and Reserves</i>					
Upokongaro Cycleway	-	2,248	2,248	2,462	-
Riverfront Toilet	-	69	69	227	-
Cooks Gardens video wall	-	69	69	61	-
Sundry Projects	10	-	10	14	-
	10	2,386	2,396	2,764	-
Capital expenditure to replace existing assets :					
<i>Parks and Reserves</i>					
Kowhai Park	-	18	18	20	12
Bason Reserve	58	5	63	-	36
Virginia Lake	29	-	29	-	14
Velodrome Roof project	-	1,000	1,000	-	1,000
Taylor Street walkway	12	9	21	-	35
Hipango Park	19	-	19	-	-
Vehicle replacement	30	44	74	61	-
Sundry Projects	64	-	64	13	-
	212	1,076	1,288	94	1,097
<i>Swimming Pools</i>					
Hydroslide upgrade	145	-	145	3	88
Sundry Projects	31	-	31	17	-
	176	-	176	20	88
	388	1,076	1,464	114	1,185

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

Parks and reserves

The Upokongaro to City Cycleway Project has been advanced to near completion. The cost this year of \$2.462M was ahead of budget, financed from Ministry of Business Innovation & Employment (MBIE) grants of \$510k, NZTA subsidy of \$958k, and the balance of \$995k from Council loans.

The Riverfront toilet project was completed during the year. The cost this year was financed from MBIE grants of \$113k, with the balance from Council loans of \$114k.

The Velodrome roof \$1M pledge from Council remains intact, pending other external funding and viability studies being sought to enable the project to be undertaken.

The speaker system and video wall project at Cooks Gardens was completed during the year within the budget of \$69k.

Other sundry Parks projects were not completed by the end of the year due to a variety of reasons, including second sealing work required, unfavourable weather, lack of resources, etc. Where appropriate, there are carry overs required to complete those projects next year, including some projects being reprioritised.

Swimming Pools

Work budgeted at \$145k included the filtration plant upgrade project at the Splash Centre, which will now be carried out in 2022-2023. Carry over funds of \$88k to 2019/20 have been set aside to finance the hydro slide upgrade, with pump and steel works having already been started.

Other sundry replacement work budgeted at \$31k at the Splash Centre included water pumps, piping, and aquatic equipment was either not fully required, or transferred to operating expenditure.

Internal borrowings

	2019 \$	2018 \$
Brought forward	318,957	371,155
Borrowings raised	0	0
Borrowings repaid	(59,722)	(59,840)
Interest paid	9,827	7,643
Carried forward	269,062	318,957

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Parks and recreation group

Funding impact statement

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	8,098	7,919	7,919
Targeted rates	-	-	-
Subsidies and grants for operating purposes	134	160	133
Fees and charges	197	232	223
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	92	167	273
Total operating funding (A)	8,521	8,478	8,546
Application of operating funding			
Payments to staff and suppliers	5,781	6,007	6,168
Finance costs	402	360	326
Internal charges and overheads applied	1,128	1,133	1,109
Other operating funding applications	-	-	-
Total application of operating funding (B)	7,311	7,500	7,603
Surplus (deficit) of operating funding (A - B)	1,210	978	943
Sources of capital funding			
Subsidies and grants for capital expenditure	150	-	1,629
Development and financial contributions	-	-	-
Increase (decrease) in debt	(325)	(580)	261
Gross proceeds from asset sales	-	-	10
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(175)	(580)	1,901
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	316	10	2,764
-to replace existing assets	719	388	114
Increase (decrease) in reserves	-	-	(54)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	1,035	398	2,844
Surplus (deficit) of capital funding (C - D)	(1,210)	(978)	(943)
Funding balance ((A - B) + (C - D))	-	-	-



7 Community and cultural

Supporting community services and facilities as well as promoting cultural enrichment encourages a tolerant and strong community. We work together with hapu, the arts and other community groups. This provides facilitation and support as we relate with relevant public sector agencies to strengthen the achievement of shared objectives and to ensure services are in place to support a thriving, resilient, safe and cohesive District.

We oversee the management of key cultural facilities; ensure appropriate stewardship of nationally important collections; and collaborate with community agencies and organisations to successfully deliver Council's key outcomes. Activities that are included in this group include –

- District libraries (Davis Central City, Alexander Heritage & Research, Gonville Café Library, Mobile Library, Suzanne Aubert Library at Jerusalem)
- Sarjeant Gallery Te Whare o Rehua Whanganui
- Royal Wanganui Opera House
- Whanganui Regional Museum (through a service level agreement)
- Community/hapu/marae development
- Whanganui War Memorial Centre

What we did

Community

We continued to build on community resilience: this includes working with resources and stakeholders such as Safer Whanganui and Local Iwi to support a strengthened and thriving community. Examples include Marae and Hapu development, Community Contracts, Housing Strategy and Community Patrol.

We adopted Safer Whanganui's strategic plan: this plan aims to increase safety and reduce injuries in our district over the next 10 years. The construction of this document involved a collaboration between Council, Iwi, Fire & Emergency New Zealand and other stakeholders.

Libraries

We upgraded our mobile library service with two mobile library vans: we approved the purchase of two mobile library vans which will be ready for deployment during the 2019/20 year.

We introduced Library Hubs

We opened two self-service library hubs which are designed to enhance peoples' access to literacy and build deeper connections into our community. Library members are able to check books in and out, pay overdue charges, reserve books or if not already a member – join! All through a touchscreen PC. These are shared spaces with community organisations or businesses who also offer basic assistance during the hubs opening hours. It is expected Whanganui will enjoy more library hubs opening in the future as the opportunity is presented.

Sarjeant Gallery

We continued fundraising for the Sarjeant Gallery Redevelopment project: a Provincial Growth Fund application was submitted accompanied by a volume of supporting material. A response from the Ministry of Business, Innovation and Employment is expected in September 2019.

We received an Award

We received the 'Best Digitisation Project' Award at the National Digital Forum in November 2018. This Award was for our collections online project and the digitisation work that went into developing it and the content for it.

Royal Wanganui Opera House

We focused on growing our business: we continued to build on our reputation and visibility locally and nationwide. We do this through social media, media releases, website and our event collaborators.

Whanganui War Memorial Centre

We are back in business

We closed the Whanganui War Memorial Centre to do seismic strengthening work. We also took the opportunity to carry out some upgrade works including a new HVAC system and other maintenance and redecorating. The Centre has been a hive of activity since it reopened and even managed to meet its 2018/19 Target despite the closure.

Whanganui Regional Museum

Our Museum reopened after being seismically strengthened: after a little more than two years closure, the doors opened to an overwhelming 4,000 visitors in its first weekend. Since then the Museum has hosted over 35,000 people. Visitor comments have focused on the importance of the Museum to the city's cultural, social, and educational well-being and it is pleasing to hear of their appreciation of the revamped public areas. The project achieved a seismic rating of 34% (NBS Level 3) with an approximate cost of \$3.5M.

New Zealand Glassworks (NZG)

We hosted three international artists’ demonstrations and two workshops during the CoLab Conference: NZG has continued to grow its relationship with the New Zealand Society of Artists in Glass (NZSAG) and will continue to offer the gallery for NZSAG exhibitions, and the facility for workshops, artists’ talks, etc.

We have been identified as part of crucial infrastructure for glass art in New Zealand: Creative New Zealand’s investment team are working with NZG on funding opportunities, development residences and the possibility of NZG developing an in-house education programme in the future.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

-  **Committed to a partnership approach**
We develop collaboration frameworks to implement our key strategies. We work closely with our Iwi partners.
-  **Lifting our profile**
We work to develop and sustain national and international partnerships. We actively seek and achieve appropriate global benchmarking frameworks.
-  **Using our talent and creativity to attract interest**
We support a programme of iconic arts and cultural events. We ensure all strategies we lead and implement have a powerful digital component.
-  **Making a positive impact**
Our work leads the Safer Whanganui Safe Community Accreditation, and through our cultural venues we aim to grow the level of commercial use to reduce the burden on ratepayers.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –










- Bringing people to our district to experience our cultural diversity** in conjunction with supporting a wide range of community services and facilities, arts and cultural festivals.
- Supporting the health and safety** of our district through the facilitation of Safer Whanganui.



How did we perform?

To assess our contribution we measure attendance and satisfaction with facilities, services and events.

PERFORMANCE INDICATOR

		 Met or exceeded target	 Target not met	 Target neutral	
LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
COMMUNITY AND CULTURAL					
Effective relationships are developed in a mutually appropriate way to support Maori participation in the decision-making process	The percentage of resource consent applications received by Council are provided to mana whenua within seven working days.	--	--	100%	100% 
	<i>Comment: This is a new measure. The target was met. Council provides a weekly email to mana whenua of all resource consent applications received. (Source: WDC records)</i>				
New Zealand Glassworks was established to enrich the arts and build on Whanganui's existing reputation as a centre of glass art excellence.	The percentage of Glassworks customers satisfied or very satisfied with their experience.	--	--	75%	80.62% 
	<i>Comment: This is a new measure. The target was met. Visitors have been impressed by new works on display in the gallery and glass blowing demonstration throughout the week and weekend. (Source: Glassworks NZ)</i>				
	The percentage of Glassworks users satisfied or very satisfied with the services and facilities provided	--	--	85%	88.75% 
	<i>Comment: This is a new measure. The target was met. (Source: Glassworks NZ)</i>				
	Number of hours booked by working glass artists per annum.	--	--	1251 hrs	920 hrs 
	<i>Comment: This is a new measure. The target was not met. (Source: Financial reporting)</i>				
Whanganui is a fun, creative and vibrant place to be.	The percentage of residents ¹⁹ that are satisfied with Public Art in Whanganui.	54%	64%	60%	67% 
	<i>Comment: The target was met. The satisfaction with public art has increased by 3% over the previous period. This increase in satisfaction is likely due to a range of new public art initiatives such as Whanganui Walls Street Art, mural projects funded by the Creative Communities Scheme, and the Light Up Bike Spectacle. (Source: Community Views Survey 2019)</i>				
	The percentage of residents participating ¹⁹ in creative activities.	--	--	70%	38% 
	<i>Comment: This is a new measure. The target was not met. This measure is designed to establish who is an active maker or presenter (not just an audience member or attendee), as per the Creative New Zealand (CNZ) definition of a participant. This is lower than expected, as 50% of residents surveyed by CNZ in 2017 had participated in creative activities. Results are expected to improve as access and engagement is one of the five goals in the Arts and Culture Strategy that was recently adopted. (Source: Community Views Survey 2019)</i>				
Provide a national centre for community glass in Whanganui, benefitting the community through reducing reliance on ratepayers.	The number of visitors to NZ Glassworks.	--	--	21,419	26,448 
	<i>Comment: The target was met. The numbers of visitors to the NZ Glassworks has increased over the period and is attributable to a number of successful events including COLAB and maintaining visitor numbers during the 'off season'. (Source: Glassworks NZ Visitor Counter)</i>				

¹⁹ This includes participating as a performer or artist in any arts events or activities, as well as more passive involvement as an audience member or visitor to cultural institutions or performances.

<p>Libraries Our libraries are inclusive places and the library's services are well used by the people of Whanganui</p>	<p>The number of items issued per annum.</p>	---	---	540,000	545,319	✔
	<p><i>Comment: This is a new measure. The target was met. Annual checkouts were 545,319. (Source: WDC Library Management System database)</i></p>					
	<p>The rate of collection 'turn over' each year¹⁴</p>	5.5	6	5	5.7	✔
	<p><i>Comment: The target was met. The turnover rate indicates the average number of times each item in the collection was lent and demonstrates the use of our lending collection. (Source: WDC Library Management System Database)</i></p>					
	<p>The number of people visiting our libraries, measured by physical visits.</p>	360,331	359,721	Physical visits 375,000	356,689	✘
	<p><i>Comment: The target was not met. Annual physical visits were 356,689. Activity from the last quarter was affected by unplanned maintenance (Mobile Library) and the Davis Library being closed due to a water leak. (Source: WDC Libraries)</i></p>					
<p>The community's digital capability and access is supported and improved.</p>	<p>The percentage of library user satisfied with the service provided.</p>	86%	88%	90%	89%	✘
	<p><i>Comment: The target was not met. The trend since 2015/16 has been steadily increasing. User satisfaction increased by 1% on the previous year's result. (Source: Community Views Survey 2019)</i></p>					
	<p>The percentage of the Whanganui population that uses the library.</p>	57%	59%	65%	51%	✘
	<p><i>Comment: The target was not met. Reported usage of the library reduced by 8% over the previous period. New satellite library locations will increase library accessibility. It is also noted that the reported decline does not correlate with the actual usage statistics from the Library Management System or changes in the public access internet numbers. (Source: Community Views Survey 2019)</i></p>					
<p>Sarjeant Gallery: The Gallery is used, supported and valued by diverse communities.</p>	<p>The number of public internet sessions.</p>	---	---	100,000	101,202	✔
	<p><i>Comment: This is a new measure. The target was met. Annual internet sessions were 101,202. (Source: WDC Library Management System)</i></p>					
	<p>The Number of users of the Gallery¹⁵.</p>	---	---	58,000	61,794	✔
	<p><i>Comment: This is a new measure. The target was met. The baseline result from 2017/18 was 56,869. (Source: Sarjeant Gallery door counter device)</i></p>					
	<p>The percentage of the Whanganui population that uses the Gallery.</p>	34%	31%	36%	31%	✘
	<p><i>Comment: The target was not met. Percentage of the Whanganui population utilising the gallery has remained consistent with the previous period. Work will continue in growing the participation in Gallery events and programmes, including the education programme involving schools and parent groups. (Source: Community Views Survey 2019)</i></p>					
	<p>The percentage of visitors satisfied or very satisfied with the Gallery's exhibitions.</p>	---	---	90%	95.18%	✔
	<p><i>Comment: This is a new measure. The target was met. (Source: Sarjeant Gallery visitor survey)</i></p>					
	<p>The percentage of visitors satisfied or very satisfied with their Gallery experience.</p>	---	---	90%	99.08%	✔
<p><i>Comment: This is a new measure. The target was met. (Source: Sarjeant Gallery visitor survey)</i></p>						

¹⁴ The 'turn over' rate shows the demand placed on stock and the durability of resources. The higher the rate, the higher the demand that is placed on that resource.

¹⁵ Number of users of Sarjeant Gallery, inclusive of visitors to the Gallery's website and events.

The Gallery preserves its significant collections for future generations.	The total number of items in the collection catalogued to best practice international standards.	2190	2413	2500	3101	
	<i>Comment: The target was met. (Source: WDC Vernon Database)</i>					
Royal Wanganui Opera House: The Royal Wanganui Opera House is recognised as a special and unique cultural facility, available for community and professional hire.	The number of days each year that the Royal Wanganui Opera House hosts events.	52	66	67	90	
	<i>Comment: The target was met. Shows included Friends of the Opera House function, Spina & Benignetti, UCOL, ACourt & Elwood, Sol3 Mio, Royal NZ Ballet and Brass Whanganui. The RWOH continues to build on its reputation as an events hub for Whanganui. (Source: Royal Wanganui Opera House)</i>					
	The number of locally produced, community events at the Royal Wanganui Opera House.	18	27	21	39	
	<i>Comment: The target was met. Local shows include Whanganui High School, Whanganui Music School, Michael Houston, St Mary's School, Whanganui Girls College, Whanganui Intermediate, NZ Opera School, Terry Waite, Spina & Benignetti, UCOL and Brass Whanganui. (Source: Royal Wanganui Opera House)</i>					
	The percentage of the Whanganui population that attends one or more events at the Royal Wanganui Opera House.	28%	35%	30%	34%	
	<i>Comment: The target was met. Reported attendance is down by 1% compared with the previous period. (Source: Community Views Survey 2019)</i>					
War Memorial Centre: The Whanganui War Memorial Centre is recognised as a special and unique conference and convention facility, available for community and professional hire.	The number of days each year that the Whanganui War Memorial Centre hosts events ¹⁶ .	--	--	55 days	78	
	<i>Comment: This is a new measure. The target was met. The baseline result from 2016/17 was 96. This is a strong result given that the War Memorial Centre was closed for seismic strengthening during the first two quarters of the year. The New Zealand Masters Games have contributed to this result along with a number of multi-day bookings. (Source: War Memorial Centre)</i>					
	The number of locally produced, community events at the Whanganui War Memorial Centre.	--	--	11	20	
	<i>Comment: This is a new measure. The target was met. The baseline result from 2016/17 was 65. (Source: War Memorial Centre)</i>					
	The percentage of the community satisfied with the Whanganui War Memorial Centre.	--	--	50%	61%	
	<i>Comment: This is a new measure. The target was met. The baseline result from 2016/17 was 66%. Community satisfied with the Whanganui War Memorial Centre reduced by 1% from the previous period. (Source: Community Views Survey 2019)</i>					

¹⁶ The wording of this measure has been modified to better reflect the way that the War Memorial Centre is utilised.

Community and cultural group

Capital expenditure

The following table shows the expenditure on capital works for the Community and Culture Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
Libraries					
Community Library Hubs	50	-	50	30	-
Office furniture and equipment	40	4	44	26	-
	90	4	94	56	-
Regional Museum					
Sundry projects	2	-	2	-	-
Opera House					
Instal fire exit	15	-	15	-	10
Sound and lighting	10	-	10	-	15
	25	-	25	-	25
Sarjeant Gallery					
Collections acquisitions	-	-	-	19	-
Office furniture and equipment	15	-	15	-	-
Redevelopment project costs	12,500	1,440	13,940	1,421	12,662
	12,515	1,440	13,955	1,440	12,662
	12,632	1,444	14,076	1,496	12,687
Capital expenditure to replace existing assets :					
Libraries					
BookVote	320	-	320	253	16
Mobile vans	300	-	300	-	250
Sundry projects	9	-	9	-	7
Roof replacement	-	75	75	-	75
Gutter replacement	-	37	37	-	37
	629	112	741	253	385
Regional Museum					
Earthquake strengthening	-	-	-	14	-
Heating and ducting	60	18	78	-	78
	60	18	78	14	78
War Memorial Centre					
Earthquake strengthening	1,745	905	2,650	2,455	75
Weatherproof exterior cladding	113	-	113	65	-
Carpet and seating	334	-	334	245	-
HVAC. Concert chambers	255	-	255	388	-
Building enhancements	341	128	469	-	254
Electrical upgrade	280	-	280	280	-
Sundry projects	55	-	55	58	-
	3,123	1,033	4,156	3,491	329
Opera House					
Ventilation system	100	-	100	-	-
Electrical work	17	-	17	1	16
	117	-	117	1	16
Sarjeant Gallery					
Tylee Cottage	-	12	12	-	-
	3,929	1,175	5,104	3,759	808

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

Libraries

Two mobile vans were ordered before Christmas, and are due to arrive from Germany in August 2019. These will be financed from a carry over of \$250k, consisting of grants of \$40k, trade-in of \$50k, and loan funds of \$160k.

Community library hubs have been established in Whanganui East and Castlecliff during the year.

The Book Vote of \$320k was maintained at 2018/19 year levels. Some expenditure for magazine and newspaper subscriptions has been reclassified as operating expenditure. Other residual expenditure for books from Australia have been ordered and will be covered by a closing carry over of \$16k.

Roof and gutter replacement work was held up pending the completion of earthquake strengthening, and will be carried over to 2019/20.

War Memorial Centre

Earthquake strengthening work was completed during the year after initially being delayed awaiting further seismic tests and reports. Other work completed after the strengthening work was done included carpet, seating, electrical, weatherproofing, and a HVAC upgrade.

Sundry work still required and will be financed from carry over funds of \$254k to 2019/20 includes roof access, partitioning, sound and lighting equipment.

Sarjeant Gallery

The Gallery Redevelopment project has been held up pending the securing of external funds to allow the project to commence. The required funding has now been secured and Council has approved the project to proceed. The work is currently out to tender, and is scheduled to begin around September 2019. Thus unspent funds this year of \$12.662M will be carried over from this year to 2019/20. The projected completion date is expected to be later in 2021.

Royal Wanganui Opera House

Capital replacement work involving the HVAC budgeted at \$100k is not proceeding at this stage. Other sundry work such as electrical, fire exit, and sound and lighting will be covered by a \$41k carry over to 2019/20.

Regional Museum

Work on the heating and ducting project was delayed due to supplier problems and will be carried over to 2019/20.

Whanganui District Council
Annual Report for the year ended 30 June 2019**Internal borrowings**

	2019	2018
	\$	\$
Brought forward	502,883	525,742
Borrowings raised	27,048	0
Borrowings repaid	0	(34,908)
Interest paid	20,088	12,050
Carried forward	<u>550,019</u>	<u>502,884</u>

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Whanganui District Council
Annual Report for the year ended 30 June 2019

Community and cultural group

Funding impact statement

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	8,580	8,264	8,262
Targeted rates	990	971	972
Subsidies and grants for operating purposes	46	406	331
Fees and charges	724	747	725
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	122	35	178
Total operating funding (A)	10,462	10,423	10,468
Application of operating funding			
Payments to staff and suppliers	6,802	6,939	7,361
Finance costs	695	604	559
Internal charges and overheads applied	1,434	1,388	1,358
Other operating funding applications	-	-	-
Total application of operating funding (B)	8,931	8,931	9,278
Surplus (deficit) of operating funding (A - B)	1,531	1,492	1,190
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	924	2,519	2,689
Gross proceeds from asset sales	-	50	-
Lump sum contributions	-	-	-
Other dedicated capital funding	1,580	12,500	894
Total sources of capital funding (C)	2,504	15,069	3,563
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	3,175	12,632	1,496
-to replace existing assets	880	3,929	3,759
Increase (decrease) in reserves	(20)	-	(502)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	4,035	16,561	4,753
Surplus (deficit) of capital funding (C - D)	(1,531)	(1,492)	(1,190)
Funding balance ((A - B) + (C - D))	-	-	-



8

Economic development

Economic development is the process which influences growth and development of the district's economy to enhance the economic and social interests of the community. Our goal is to foster economic growth and wellbeing in order to improve business success, employment opportunities and the wealth of the community. The service delivery has been separated out into Economic development and Tourism and visitor services and is driven by our Council-controlled organisation, Whanganui and Partners with support provided by the Council.

What we did

Economic development

We received Whanganui & Partners Statement of Intent (Sol) for 2019/20: the overall aim of the Sol is to build pride by supporting business growth and events within the district and to share this with visitors and those who are considering, or making, the move to Whanganui.

We adopted Whanganui's Economic Development Strategy for the district: the creation of this key document was a collaboration between Council and Whanganui and Partners with community. It provides the strategic direction of economic growth for the district.

We were successful in attracting Provincial Growth funding for our Land Optimisation investigation: the grant of \$35,000 will assist Whanganui & Partners in its investigation in the commercial upscaling of floriculture and medicinal plants in our region. This is a collaborative project with the Rangitikei district.

We aligned our business to community needs: Whanganui & Partners have refocused their resources on six sectors: 1) Manufacturing and logistics; 2) Commercial; 3) Agribusiness; 4) Education, skills and capability building; 5) Visitor industries and destination marketing including events and conferences; 6) Creative industries, design innovation, performing arts and visual and object arts.

We strengthened strategic relationships: Whanganui & Partners works closely with Te Manu Atatū, 100% SWEET, and the Whanganui Chamber of Commerce at the Innovation Quarter. Collaboration with Rangitikei, Horowhenua and Ruapehu has opened up the significant potential for regional cooperation in tourism, agribusiness and logistics; closer collaboration with the Manawatū on Ohakea and Manfield, and with Palmerston North in terms of UCOL, Talent Central and the Massey EMBA is underway.

We advanced the economic potential of the creative industries: Whanganui & Partners hosted a visit from Creative New Zealand delegates to discuss the range of national arts funding schemes available to Whanganui organisations, the Creative Communities Scheme, and the Arts and Culture Strategic Plan. Discussions have begun around a potential Arts Precinct project combining multiple existing and new creative sector businesses, including hospitality, studio, gallery, production and venue spaces. It would also link with formal and informal arts education initiatives.

Tourism and visitor services

We developed new promotional material: we updated our visitor guide to encompass revised brand guidelines; we translated our visitor guide into mandarin for disseminating to travel agents throughout our sister city, Lijiang; a lifestyle guide was produced for attracting new residents and

we created a new website overarching the Whanganui destination website (www.discoverwhanganui.nz).

We contributed to visitor growth via several digital marketing campaigns: “Journey Your Way”, digital campaign around Glen Osborne and Dancing with the Stars TV3 show; videos created to promote annual events in future; Seven Sharp media coverage around Mosquito Point; several media famils and articles promoting Whanganui such as News Talk ZB, Home Magazine.

We enhanced our event offerings: We introduced the “Speedweek” concept, growing motorsport events in Whanganui around Cemetery Circuit and Jet Sprints by adding a motorbike beach and hill climb event; a new event, Whanganui Walls, received unanimously positive feedback from the community and is planned to run again in 2020; the Light up Bike Spectacle 2018 was nominated for Best Community Event and Best Local Government Event at the NZEA Event Awards and planning is underway for the 2019 iteration; we were also successful with a bid to host the next Labour Party Conference.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

-  **Strengthening partnerships**
We facilitate working collaboratively with other organisations across the region to promote economic growth and social wellbeing.
-  **Making use of our assets**
National and international recognition programmes help to create a positive reputation and ultimately to increase investment and employment in the district. We promote and market the district to attract visitors and to improve our image as a tourism destination.
-  **Increasing our capability as an attractive place to live or do business**
Leveraging opportunities including ultrafast broadband to support entrepreneurial activity, investment and improved productivity. Marketing and promoting positive messages to create a great impression of our district.
-  **Being an effective facilitator**
We support initiatives around youth training and employment. We aim to provide a business friendly environment in order to create the right platform for business investment so that we can grow our economy. We support events and conferences to attract visitors and, in turn, creating a vibrant community for residents.

Effects on community well-beings

By establishing good-quality infrastructure, public service and performance outcomes, these activities contribute to the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –

The promotion of our district as a tourism destination and facilitate growth and development in our economy.
Focusing on innovation, business and employment opportunities by working collaboratively within the district and across the region.










How did we perform?

We measure our contribution to economic development by monitoring the number of visitors to the city, GDP increase and educational opportunities.

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
--	--	--

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
ECONOMIC DEVELOPMENT					
Whanganui & Partners: Whanganui is supported to grow and prosper through Whanganui and Partners.	Increase in total number of available jobs.	--	--	Increase on previous year	359 
	<i>Comment: This is a new measure. The results from the 2018/19 year will form the baseline moving forward. (Source: Infometrics)</i>				
	Number of net businesses established in region increased.	--	--	Increase on previous year	42 
	<i>Comment: This is a new measure. The results from the 2018/19 year will form the baseline moving forward. (Source: Infometrics)</i>				
	Increase in total funding for the education sector.	--	--	Increase from previous year	95,680,000 
	<i>Comment: This is a new measure. The results from the 2018/19 year will form the baseline moving forward. The total spend in the education sector increased by 3.5% from the previous period. (Source: Infometrics)</i>				
	The number of students registered for tertiary and trades training in Whanganui.	--	--	Maintain or increase from previous year	4,243 
	<i>Comment: This is a new measure. The results from the 2018/19 year will form the baseline moving forward. This data is for all students registered in tertiary training through organisations and ITOs. (Source: Tertiary Education Commission)</i>				
	The number of students ¹⁷ choosing ¹⁸ Whanganui as a study destination.	--	--	Increase from previous year	306 
	<i>Comment: This is a new measure. The results from the 2018/19 year will form the baseline moving forward. Formal data from Education NZ is only captured every 2 years. (Source: Education NZ and Ministry of Education)</i>				
The percentage of businesses satisfied or very satisfied with their relationship with Whanganui and Partners.	--	--	50%	53% 	
<i>Comment: The target was met. (Source: Whanganui and Partners)</i>					
Whanganui is promoted as a	The number of visitors to Whanganui, will track in line with national trends.	0.50%	0.49%	0.53%	0.52% 

¹⁷ Boarders, tertiary and trades training, international students.

¹⁸ Defined as students that live outside Whanganui (domestic and international) that pick Whanganui as a study destination.

<p>great place to live and visit</p>	<p><i>Comment: The target was not met. The number of visitors to Whanganui as a share of the national guest nights rose by 0.03% to 210,891 and represents a 7.7% increase of visitors from the previous period. (Source: Statistics NZ Commercial Accommodation Monitor)</i></p>						
<p>Whanganui will have the same growth rate of tourism spend as the NZ total average.</p>	<table border="1"> <tr> <td style="text-align: center;">--</td> <td style="text-align: center;">--</td> <td style="text-align: center;">In line with NZ average (2.45)</td> </tr> </table>	--	--	In line with NZ average (2.45)			
--	--	In line with NZ average (2.45)					
<p>There will be an increase in positive media locally and nationally.</p>	<p><i>Comment: This is a new measure. The results from the 2018/19 year will form the baseline moving forward. The growth in NZ Tourism spend FY2018 = 3.2% (\$28,563M 2018 compared to \$29,480M 2019). Whanganui's tourism spend grew +.75% (\$131M 2018 compared to \$132M 2019). The percentage growth of tourism spend is minus -2.45% compared to NZ average growth. (Source: Regional Tourism Estimates¹⁹)</i></p> <p>Establish baseline by tracking local and national media stories relative to Whanganui District being a great place to live and visit</p> <p><i>Comment: This is a new measure. This year we tracked media articles about Whanganui to establish a baseline to measure from. We now have a baseline²⁰ and monthly media monitoring results to measure against for 2019/2020. (Source: Whanganui and Partners Media Monitoring)</i></p>						
<p>i-Site: The i-Site provides an attractive and engaging space for locals and visitors - encouraging people to visit, spend time and do business with us.</p>	<table border="1"> <tr> <td>The number of visitors served by the i-Site</td> <td style="text-align: center;">27,458</td> <td style="text-align: center;">131,403</td> <td style="text-align: center;">27,200</td> <td style="text-align: center;">24,217</td> <td style="text-align: center;">⊘</td> </tr> </table> <p><i>Comment: The target was not met. We are seeing an increased trend of booking direct with tour operators. (Source: Whanganui i-Site)</i></p>	The number of visitors served by the i-Site	27,458	131,403	27,200	24,217	⊘
The number of visitors served by the i-Site	27,458	131,403	27,200	24,217	⊘		
<p>The i-Site provides excellent customer service with the right information delivered to locals and visitors.</p>	<table border="1"> <tr> <td>Customer satisfaction with service received at the i-Site.</td> <td style="text-align: center;">--</td> <td style="text-align: center;">--</td> <td style="text-align: center;">4.5</td> <td style="text-align: center;">4.68</td> <td style="text-align: center;">✔</td> </tr> </table> <p><i>Comment: This is a new measure. The target was met. Target was met based on 24 reviews on Trip Advisor during the period. (Source: Trip Advisor ratings: Aggregate score)</i></p>	Customer satisfaction with service received at the i-Site.	--	--	4.5	4.68	✔
Customer satisfaction with service received at the i-Site.	--	--	4.5	4.68	✔		

¹⁹ These figures are year-end in March.

²⁰ Average number of relevant articles (speaking to Whanganui as a destination for visitors, businesses, students and new residents): 34.4 being 17.8 favourable; 14.6 neutral; 2 unfavourable

Economic development group

Capital expenditure

The following table shows the expenditure on capital works for the Economic Development Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
<i>Economic Development</i>					
Innovation Quarters	-	-	-	-	-
	-	-	-	-	-
Capital expenditure to replace existing assets :					
<i>Economic Development</i>					
Innovation Quarters	-	-	-	-	-
	-	-	-	-	-

Whanganui and Partners started with no capital budgets for the year, and didn't incur any capital expenditure during the year.

Internal borrowings

	2019	2018
	\$	\$
Brought forward	0	0
Borrowings raised	0	0
Borrowings repaid	0	0
Interest paid	0	0
Carried forward	0	0

Economic development group**Funding impact statement**

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,515	2,817	2,816
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	61
Fees and charges	-	-	72
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	115	83	16
Total operating funding (A)	2,630	2,900	2,965
Application of operating funding			
Payments to staff and suppliers	2,101	2,377	2,484
Finance costs	13	(8)	(10)
Internal charges and overheads applied	496	531	320
Other operating funding applications	-	-	-
Total application of operating funding (B)	2,610	2,900	2,974
Surplus (deficit) of operating funding (A - B)	20	-	(9)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(20)	-	-
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(20)	-	9
Application of capital funding			
Capital expenditure	-	-	-
-to meet additional demand	-	-	-
-to improve the level of service	-	-	-
-to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C - D)	(20)	-	9
Funding balance ((A - B) + (C - D))	-	-	-



9

Community facilities and services

These groups of activities includes services and facilities that underpin the maintenance of our district. Some of these activities are required by legislation and others respond to our community needs and demands. For example, our regulatory services include the provision of advice, consent and licence management, monitoring and compliance. We provide social housing for elderly people with low to moderate financial means. We also work with our community in the effective management and minimisation of waste in our district to protect the health and sustainability of our community and natural environment. The Groups of activities in this section are –

- Cemeteries
- CBD maintenance
- Waste minimisation
- Pensioner housing
- Community buildings
- Emergency management
- Animal control
- Building control
- Environmental health
- Parking services
- Resource management
- Environmental policy

What we did

Cemeteries

We are digitising our burial and cremation records: we have digitised approximately 60% of the Aramoho cemetery records to date and aligning these with mapping capability. Eventually all records can be accessed online with search capability. This is expected to be completed within the next 12 months.

CBD maintenance

We have been actively implementing initiatives from our Town Centre Regeneration strategy: initiatives from the Strategy have continued to be rolled out as part of revitalising our town centre. We work closely with Mainstreet to ensure that all initiatives that alter the dynamics of the town centre are conducive to the capability of our CBD maintenance programme. An example of this is the soon to be launched 'Lighting of the Trees' down Victoria Avenue.

Our CBD maintenance is ongoing: we worked with Mainstreet to ensure effective maintenance and presentation of the town centre.

Waste minimisation

We continued to promote the Whanganui Resource Recovery Centre as the environmental hub for Whanganui: we continued our efforts in waste minimisation initiatives including collaborating with the Centre on the upcoming launch of an anti-rubbish dumping campaign. This campaign will not only increase community awareness in illegal dumping and the environmental effects but also establish a 'community zero tolerance' towards rubbish dumping and dumpers in an effort to bring about effective enforcement and deter repeat offences.

The Whanganui Waste Minimisation Fund approved...
\$171,817 in grants towards waste minimisation initiatives in the 2018/19 year!

Pensioner housing

We are reviewing our Pensioner Housing policy: this Policy provides the service level guidelines that Council provides in social housing for elderly people who have low to moderate financial means.

We reviewed our Pensioner Housing Welfare Contract: the revised contract provides a strategy for tenant engagement including the provision of social services support with the appropriate communication channels to provide a greater level of service.

Community buildings

We continue to focus on growing the financial performance of our investment portfolios: we do this through the annual review of community buildings/assets including their use, commercial and ground leases and property ownership.

Emergency management

We have been proactively rolling out training in Civil Defence Emergency Management (CDEM): Council has a responsibility to plan and provide for CDEM within the district. In 2018/19 there were multiple CDEM Integrated Training Framework and Emergency Management Information System (EMIS) courses for staff, partner organisations and volunteers.

We adopted our Crisis Management Plan: this document provides the basis from which Council triggers its first response actions to crises that threaten to disrupt our business as usual position and therefore the level of service for our community.

We have been investigating our backup broadcast capability: we are now working with Brian FM to introduce the capability of conducting emergency broadcasting via the mobile Civil Defence vehicles, along with enhancing a wider repeater network.

We have developed public education and community response initiatives: initiatives include public talks amongst communities (from schools through to retirement villages); development of Iwi-specific Civil Defence capability enhancements, including welfare/Civil Defence Centre, and resilience activities in upriver communities as well as Community Response Plans.

Animal management

We introduced a focus on Animal Management Officer-Education: the focus has been to shift the animal management service from a reactive response to proactive engagement. The aim has been to promote community safety and responsible dog ownership through education and prevention. This has contributed to our success in reduced dog attacks, dog rushings, lost and wandering dogs.

We received the resource consent for the New Animal Pound: the next steps will be to complete detailed building plans.

Record dog registration numbers

There are **7,909** known active dogs in the district – the most we have ever recorded!

Building control

We are keeping pace with online services transformations: the online Building Consent and Code Compliance Certificate application process continues to be a beneficial service for our community. The GoBuild online inspection booking portal is delivering encouraging results with the uptake increasing. We have also introduced an online LIMs portal to the suite of online application processes.

We continue to initiate shared services with our neighbours: we supplied commercial inspection services for a complex community development in Rangitikei.

Environmental health

We aim to be a recognised agency with the Ministry of Primary Industries in Food Control: the Environmental Health team have implemented a quality management system in order to be a recognised agency with MPI to undertake Food Control verifications under the Act. This will enable Council to continue to verify national programme registered food premises.

Resource management

We continued to provide a customer-focussed resource management consenting service: the new and improved customer service environment enables a more interactive engagement experience, particularly in pre-application advice, rather than just transactional.

We have introduced an online service: Resource consent applications can now be lodged online, mirroring advancements within Building control.

We introduced a significantly improved interactive District Plan mapping service: this enables customers to explore details about their property and includes features such as Planning Property reports.

Shaping our district

We approved **235** resource consents in the 2018/19 year. This is the most issued in 11 years and 87 more than in the 2017/18 year. The Resource Management Act provides the legal parameters Council must work within to ensure we protect our local environment through sustainably managing our resources.

Environmental policy

We continued to implement the Town Regeneration Strategy: this included successful events such as the Whanganui Walls Street Art Festival and the installation of a public toilet in Block 4 of the CBD.

The District Plan review programme continued: Council continues its work with the review programme: -

- **We did some minor housekeeping** involving removal of repetition, addressing inconsistencies and technical changes to improve implementation of the Plan and Council's functions under the Resource Management Act 1991.
- **We recently approved** the Springvale Structure Plan for public notification. This plan change seeks to enable the continued expansion of residential development into the Springvale area.
- **We are about to commence review of the district's Industrial-zoned land** which follows the technical report reviewing land demand and supply that was completed in the 2018/19 period. This review will include ensuring there is provision for suitable industrial land in locations and at scales appropriate to meet anticipated future demand within the district.

We completed two reserve management plans: these were Castlecliff Coastal Reserve Management Plan and Pukenamu-Queens Park Management Plan.

We approved commencement of a plan change: this will rezone land at and around the Castlecliff Golf Club for residential development.

We completed the last stage of the land stability review: with the adoption of Plan Change 57.

The Heritage Grants Scheme approved...

\$230,382.40 in grants towards heritage initiatives in the 2018/19 year! This sum encompasses 12 projects.

Parking services

We introduced a parking app: the ParkMate app was introduced into Whanganui in November 2018. Once registered, users can pay for parking with a credit or debit card. ParkMate areas include all central city pay-and-display zones.

We are reviewing our parking meter requirements: we are planning to survey our community about parking meters to help us determine our next steps forward on a planned upgrade of Council parking meters.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

-  **Supporting the welfare of our community**
We provide services and facilities that help to sustain the safety and welfare of our community.
-  **Enhancing our reputation**
We work in collaboration as a region to leverage opportunities. We continually improve the way we do business to enhance our reputation as a great place to come, stay and invest.
-  **Facilitating the use of digital technologies**
We seek new and innovative technology that will enhance our customer experience and access to enable global connectivity.
-  **Sustainably manage our resources**
We protect our environment and Awa. We work to foster our district's unique identity and image in a positive way.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –



Effective planning and provision of services that encourages a strong, resilient and engaged community.

Strengthening our community by providing facilities that are integral to our ‘social infrastructure’ and bring people together.

Assessing our effectiveness by measuring our pensioner housing tenant satisfaction and occupancy rates and by monitoring the timeframes for providing services such as the issuing of building consents.

Ensuring any development is of high quality, and complies with the District Plan and resource consent conditions.

How did we perform?

To evaluate our performance, we monitor the rates of customer satisfaction with the service we provide and timely issue consents. We assess our effectiveness in waste minimisation by measuring resident use of waste management activities, and the amount of product recycled.

PERFORMANCE INDICATOR

Met or exceeded target
 Target not met
 Target neutral

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17	2017/18	2018/19	2018/19
		RESULT	RESULT	TARGET	RESULT
COMMUNITY FACILITIES AND SERVICES					
Cemeteries: There is adequate capacity to meet future burial and cremation needs of the community.	The number of unsold plots available for burial or cremation.	2330	2571	700	2499
<i>Comment: The target was met. The figure includes 1791 Ash plots across all cemeteries and 697 burial plots across all cemeteries. (Source: WDC Cemetery Records database)</i>					
Cemetery grounds provide a special place of remembrance for loved ones amongst attractive and well maintained grounds.	The percentage of people satisfied with cemetery facilities.	100%	100%	90%	–
<i>Comment: The target was not met. A Park Check survey was not undertaken this year as the surveyor was unavailable. There have been no CRMs regarding the cemetery facilities, although there has been some concern voiced regarding the high water table at the cemetery and the potential for caskets to be lowered into water at the gravesite. WDC have engaged a professional to undertake a wider investigation of the ground water levels in the cemetery at Aramoho. (Source: WDC Parks Team)</i>					
Heritage records are maintained to help people to connect with the past.	The number of official cemetery records available on the Council website.	23,661	29,762	30,000	30,339
<i>Comment: The target was met. This includes 23,661 archive records and 6,678 Sexton Records. This information has recently been cleansed and work is being done to create a complete database for the public to access more easily. The historical cremation records are currently being entered into the data base. (Source: WDC Cemetery Records Database)</i>					

DEVELOPMENT	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
CBD Maintenance: The CBD is safe, vibrant and contributes to the positive image of Whanganui.	The percentage of residents satisfied with the contribution the town centre makes to the image of Whanganui ²¹ .	59%	71%	65%	62%
	<i>Comment: The target was not met. Satisfaction with the contribution the CBD makes to the image of Whanganui declined by 9%. Activities are planned as part of the Town Centre Regeneration project to mitigate this for future years. Initiatives include reimagining Majestic Square; holding another Whanganui Walls Street Art Festival in 2020; the painting of Drews Ave; and the installation of Art at the Tramshed and on the Block 4 toilet. (Source: Community Views Survey 2019)</i>				
	The percentage of residents that feel safe in the CBD during the evening.	61%	67%	65%	58%
<i>Comment: The target was not met. The percentage of residents that feel safe in the CBD during the evening reduced by 9% from the previous period. "People loitering" (37%) and Aggressive Youth (35%) were the two most frequently cited reasons for residents feeling unsafe in the CBD. In last year's survey, 35% of respondents cited the potential for violence. This concern has declined significantly to 22% suggesting that while concerns about aggression remain, the perceived levels of aggression have declined. (Source: Community Views Survey 2019)</i>					
The CBD is safe, clean and attractive.	The percentage of residents satisfied with the standard of the presentation in the town centre ²² .	79%	85%	90%	81%
	<i>Comment: The target was not met. Satisfaction with the standard of the presentation reduced by 4% from the previous period. The Property team are working with the cleaning contractor to address this. (Source: Community Views Survey 2019)</i>				
	The number of complaints about the cleanliness or hygiene of public toilets reported to Council.	4	1	<10	1
<i>Comment: The target was met. There was one complaint regarding cleanliness of toilets recorded in the CRM system for this period. (Source: WDC CRM system)</i>					
Waste Minimisation: Waste minimisation and waste collection services are accessible and effective.	The percentage of users of the Resource Recovery Centre that are satisfied with the overall service provided.	98%	100%	95%	100%
	<i>Comment: The target was met. No negative comments were received. (Source: Resource Recovery Centre User Survey 2019)</i>				
	Iconic events ²³ held in public parks and reserves will have an appropriate waste minimisation plan.	100%	100%	100%	100%
<i>Comment: The target was met. A total of eight iconic events were held during the period with all having an appropriate waste minimisation plan. (Source: WDC Parks Team)</i>					
Council supports and provides incentives for waste reduction, reuse and recycling in line with its Waste	The amount of product recycled through the centre each year.	2355	3155	Maintain or improve from previous year	4057
	<i>Comment: The target was met. (Source: Resource Recovery Centre records)</i>				

²¹ The wording of this question has slightly altered from previous years.
²² The wording of this question has slightly altered from previous years to broaden the scope to include the wider presentation of the town centre.
²³ Iconic events are large scale events that expect to attract crowds of 100+, and do not include smaller scale one-off events. Measurement is that a waste minimisation plan is received – we do not monitor the achievements within it.

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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
Management & Minimisation Plan	The number of educational visits to schools on waste minimisation. <i>Comment: The target was met. There were a total of 17 educational visits to schools. (Source: Resource Recovery Centre records)</i>	29	31	25	17 ✓
Pensioner Housing: Pensioner housing is healthy, safe, warm and well-maintained	Tenants' overall satisfaction with Council's Pensioner Housing service. <i>Comment: The target was met. Results remain consistent with the previous period. (Source: WDC Pensioner Housing Survey 2019)</i>	91%	92%	90%	92% ✓
Tenant wellbeing is maintained through welfare and connectivity services.	The percentage of tenants who are very satisfied or satisfied with welfare services. <i>Comment: The target was met –tenant satisfaction increased 4% over the previous period. (Source: WDC Pensioner Housing Survey 2019)</i>	83%	76%	80%	80% ✓
Provision is based on the needs of our community.	The percentage of Pensioner housing units that are occupied. <i>Comment: The target was met. 261 of the 268 available units are occupied. Seven units are unavailable awaiting completion of redecoration or minor maintenance and will be filled from the waiting list as soon as available. (Source: WDC Pensioner Housing)</i>	96%	93%	90%	97% ✓
Emergency Management: The community is properly prepared for and educated about emergency events.	The percentage of the community indicating they are prepared to be self-sufficient for at least three days during an emergency event. <i>Comment: The target was met. Overall preparedness reduced by 3% from the previous period but remains higher than the National average. (Source: Community Views Survey 2019)</i>	82%	84%	>80%	81% ✓
A continuous 24-hour emergency management response service is provided	The percentage of emergency management calls responded to within 15 minutes. <i>Comment: The target was met. This includes after hours calls non-emergency management related. (Source: MCDEM records)</i>	100%	100%	100%	100% ✓
An Emergency Operations Centre (and trained volunteers) are available and ready to help our community respond to, and recover from, emergency situations ²⁴ .	The percentage of Emergency Operations Centre activations managed with appropriate staffing, systems and processes in place within two hours. <i>Comment: The target was met. There was one exercise and one rapid standby and monitoring in location for potential tsunami from the Kermadec Trench threat area. (Source: WDC Emergency Management Team)</i>	100%	100%	100%	100% ✓
Civil Defence sirens operate when tested and are rapidly repaired if faults are identified.	Any fault identified through monthly testing of the tsunami sirens is rectified within 10 working day. <i>Comment: The target was not met. During the second quarter a major fix was required for the Mowhanau siren requiring specialist parts, leading to delays. During this period the area was covered by a mobile back up. (Source: WDC Emergency Management Team)</i>	93%	91%	100%	98% ✗

²⁴ This means having staff in place sufficient to the activation mode, all essential information technology systems available and operating at levels sufficient to complete core roles and delivery of coordination and management consistent with the Emergency Operations Centre Emergency Operations Procedures.

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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
Animal Control: A dog registration service and system is delivered.	The percentage of known dogs that are registered.	92%	100%	95%	98%
	<i>Comment: The target was met. Those not registered have received infringements for failing to register. (Source: WDC Property and Rating Database)</i>				
Excellent customer service is provided to our customers and the animal control activity minimises nuisance and makes Whanganui a safer place to live.	The percentage of the community satisfied with the animal control services provided.	47%	58%	51%	56%
	<i>Comment: The target was met. Satisfaction with animal management services decreased by 2% from the previous period. With a new focus on animal management education, satisfaction is expected to increase. (Source: Community Views Survey 2019)</i>				
	The percentage of Priority 1 (Urgent) ²⁵ call outs that are responded to within 1 hours.	93%	—	95%	20%
<i>Comment: The target was not met. A reporting error was identified and addressed during this period. (Source: WDC CRM system)</i>					
Building Control: Whanganui's building integrity is protected so that buildings are safe and fit for use.	The maintenance of building consent authority accreditation status.	100%	Achieved	Achieve	Achieved
	<i>Comment: The target was met. The next review is due in January 2020. (Source: WDC Building Control)</i>				
The building consent process is compliant, efficient and user friendly.	The percentage of building consents processed within 20 working days (the statutory timeframe).	99.8%	100%	100%	100%
	<i>Comment: The target was met. There were high numbers of consents (918) with adequate resourcing available to meet demand. (Source: WDC Property and Rating Database)</i>				
An exceptional customer service experience is delivered with customers helped through the building consent process and assisted with other building projects	The percentage of customers satisfied with the building consent services provided.	97%	88%	90%	96%
	<i>Comment: The target was met. (Source: WDC Building Consent Satisfaction Survey 2019)</i>				
Environmental Health: Premises are assisted to improve hygiene	The percentage of food ²⁶ and other premises ²⁷ to be verified within required statutory timeframes.	96%	100%	100%	100%
	<i>Comment: The target was met. All premises inspected and verified within required statutory timeframes. (Source: WDC Property and Rating Database)</i>				

²⁵ Priority 1 includes: secured dogs; a dog caught in a dog trap; Police request; stock on priority roads; and dog attacks.

²⁶ Food businesses registered and audited in accordance with the Food Act 2014, as either Food Control Plans or National Programmes. For National Programmes registration take place every 2 years and verification depends on the level/risk. The levels of national programmes determine the verification frequency: Level 1 (includes food businesses that extract or pack honey and coffee carts) is verified in the first year then not unless a complaint is received; Level 2 (includes food businesses that make bread, frozen fruit and vegetables) to be verified every 3 years; and Level 3 (food businesses that handle food for retail, includes scoop ice cream and reheating manufactured prepared food, and manufacturers of oils) to be verified every 2 years.



²⁷ Other health premises include Hair Salons, Camping Grounds, Offensive Trades, and Funeral Directors.

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DETAIL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
standards and minimise risks to customers.	Where premises do not meet minimum standards, a corrective plan is put in place to help them within 10 working days	100%	100%	100%	100%
	<i>Comment: The target was met. For the period, 23 food businesses has corrective plans put in place within 10 working days. (Source: WDC Property and Rating Database)</i>				
	The percentage of Alcohol Licensing applications processed within 20 working days.	--	--	100%	96%
	<i>Comment: This is a new measure. The results from the 2018/19 year will form the baseline moving forward. 417 of the 431 alcohol licences received in the year to date were processed within 20 working days. (Source: WDC Property and Rating Database)</i>				
Nuisances are managed or eliminated so that our community is a better place to live.	The percentage of excessive noise complaints investigated within 30 minutes.	92%	93%	92%	91%
	<i>Comment: The target was not met. During the period 1792 of the 1959 noise calls were attended within 30 minutes. (Source: WDC Property and Rating Database)</i>				
Exceptional customer service is delivered.	The percentage of customers satisfied or very satisfied with the environmental health services delivered.	100%	55%	90%	93%
	<i>Comment: The target was met. The significant increase is attributed to the improved questions within the survey, the development of a quality management system for food control and improving processes within this. (Source: WDC Environmental Health Satisfaction Survey 2019)</i>				
Parking Services: There is fair and equitable access to parking.	The percentage of time that parking officers are present Monday to Saturday (excluding public holidays).	95%	98%	98%	96%
	<i>Comment: The target was not met. (Source: WDC Parking Team)</i>				
Parking is well connected and convenient to meet the needs of retailers, shoppers and visitors.	The percentage of the community satisfied with the availability of on-street parking.	61%	64%	80%	61%
	<i>Comment: The target was not met. During this period, the time limit for parking in the CBD was increased to 90 minutes. This may have contributed to greater difficulty in finding an available carpark in the CBD. Council have approved a meter upgrade in 2019/20 which will see improved payment options and less faults, which is also expected to increase satisfaction. Longer term, potential changes to the density of housing in the inner city area may also reduce pressure on prime parking spaces. (Source: Community Views Survey 2019)</i>				
The CBD is patrolled for unregistered and unwarranted cars and infringement notices are issued so that we have safer vehicles in our central city.	Percentage of registration and warrant of fitness infringements waived due to compliance being achieved ²⁸ .	--	--	Increase from the previous year	25%
	<i>Comment: This is a new measure. The results from the 2018/19 year will form the baseline moving forward. There were 288 WOF infringements issued of which 67 were waived due to compliance being achieved. There were 326 registration infringements issued of which 84 were waived due to compliance being achieved. (Source: WDC Property and Rating Database)</i>				
Resource Management:	The percentage of resource consents (non-notified) issued within statutory timeframes.	86%	97%	100%	99%

²⁸ This is a new measure for the LTP.

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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
Resource consents are processed within the statutory timeframes.	<i>Comment: The target was not met. This was a result of two out of 235 resource consents not being issued within statutory timeframes. (Source: WDC Property and Rating Database)</i>				
Resource consent services are professional and meet the needs of customers.	The percentage of customers satisfied with the resource management services provided.	87%	91%	90%	100% 
A sustainable approach to resource management is delivered in line with the goals of the District Plan.	The percentage of resource consents monitored within five years of being issued.	65%	0%	75%	100% 
	<i>Comment: The target was met. (Source: WDC Property and Rating Database)</i>				

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Community facilities and services group

Capital expenditure

The following table shows the expenditure on capital works for the Property and Facilities Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
Animal Control					
Animal Welfare Centre	580	394	974	134	854
Emergency Management					
Plant and equipment acquisitions	-	18	18	18	-
CBD Maintenance					
Town Centre Regeneration	-	175	175	52	67
Victoria Avenue. Lighting	60	-	60	-	58
	60	175	235	52	125
	640	587	1,227	204	979
Capital expenditure to replace existing assets :					
Cemeteries					
Cremator upgrade	-	153	153	278	-
Roading, roofing, and redecoration	3	51	54	-	-
	3	204	207	278	-
Community Buildings					
Womens Resource Centre	20	6	26	-	20
Arts Society	21	-	21	-	-
Upokongaro Hall	13	-	13	-	13
	54	6	60	-	33
CBD Maintenance					
Upper Victoria Avenue upgrades	100	-	100	12	91
Pensioner Housing					
Building improvements	60	-	60	-	-
Building Control					
Vehicle replacements	25	38	63	83	-
Animal Control					
Vehicle replacement	-	50	50	74	-
Environmental Health					
Vehicle replacement	50	-	50	59	-
Emergency Management					
Vehicle replacement	54	-	54	30	-
	346	298	644	536	124

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

Cemeteries

The Cremator upgrade was completed during the year. Funds carried over from last year covered some of the cost. The additional work carried out above the contract price was partially covered by utilising other unspent budgets.

Building Control

Building Control replaced three vehicles during the year.

CBD Maintenance

The Town Centre Regeneration project continued this year utilising opening carry over funds. The unspent balance from this year will again be carried over as more projects are planned for next year. Some expenditure this year has been reclassified as operational expenditure.

The Victoria Avenue lighting and upgrade projects budgets will also be carried over with work undertaken next year as resources become available.

Animal Control

The Animal Welfare Centre has been delayed awaiting design work, costings, a suitable location, and final Council approval. The design plan was completed in June this year, and a business case will now go to Council next year. Unspent funds of \$854k will be carried over.

In addition, two vehicles were replaced during the year.

Emergency Management

A new trailer was acquired at the start of the year financed by carry over funds. A vehicle was also replaced during the year.

Pensioner Housing

The capital replacement budget of \$60k was not spent. This was due to expenditure being classified as either planned or reactive maintenance, i.e. as operating expenditure. Overall maintenance expenditure was ahead of budget to facilitate the increased occupancy rates being achieved.

Environmental Health

Two vehicles were replaced during the year.

Community Buildings

Work on the Women's Resource Centre and Upokongaro Hall was completed early 2019/20.

Whanganui District Council
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	2019	2018
	\$	\$
Brought forward	267,487	281,752
Borrowings raised	0	0
Borrowings repaid	(24,772)	(20,675)
Interest paid	9,200	6,409
Carried forward	<u>251,915</u>	<u>267,487</u>

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Community facilities and services group

Funding impact statement

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	5,267	4,406	4,405
Targeted rates	515	462	461
Subsidies and grants for operating purposes	-	-	11
Fees and charges	4,030	4,489	4,574
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1,056	925	959
Total operating funding (A)	10,868	10,282	10,410
Application of operating funding			
Payments to staff and suppliers	8,067	7,719	8,397
Finance costs	301	306	285
Internal charges and overheads applied	1,849	1,733	1,696
Other operating funding applications	-	-	-
Total application of operating funding (B)	10,217	9,757	10,378
Surplus (deficit) of operating funding (A - B)	651	525	32
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	402	506	694
Gross proceeds from asset sales	-	-	91
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	402	506	785
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	579	640	704
-to replace existing assets	545	346	536
Increase (decrease) in reserves	(71)	45	77
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	1,053	1,031	817
Surplus (deficit) of capital funding (C - D)	(651)	(525)	(32)
Funding balance ((A - B) + (C - D))	-	-	-



10 Transportation

Transport provides and maintains connections both within the district and beyond and is essential for economic prosperity and social connectedness.

Our transport activities are –

Airport: we have a joint venture with the Crown for the provision of a provincial airport. Our airport provides sealed and grass runways and passenger terminal facilities.

Sea port: we manage a commercial port and offer a safe, navigable river bar harbour. We work with Horizons Regional Council on managing the structures to confine the coastal portion of the Whanganui River to its existing alignment.

Durie Hill elevator: we provide access for pedestrians and cyclists linking the CBD to the suburb of Durie Hill. The elevator is also a unique tourist attraction.

What we did

Airport

We continued to improve our capability: we supported Whanganui's economy through our logistics and transportation services. We also worked with Air Chathams on introducing a larger aircraft to service the Whanganui-Auckland route.

We constructed an ambulance access gate: this access will greatly reduce the requirement for ambulances to drive on the apron near aircraft.

Sea port

We supported the development of the Whanganui Port Revitalisation Business case: we continued to work with stakeholders to develop the business case application. This is an application to the Provincial Growth Fund (PGF) for significant government funding towards the port rejuvenation.

Durie Hill elevator

We refurbished the elevator mechanism: a breakdown at the end of 2018 saw this vintage attraction closed for a period of time with Council using the opportunity to take out the elevator mechanism and give it a full refurbishment.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Delivering services to the community

Enabling an air ambulance service to be based in Whanganui. The Whanganui River offers a safe harbour for recreational and shallow draft commercial vessels and there is the potential to nurture the facility over time to become a valued resource for users and the travelling public.



Getting our district noticed

Building on our gateways into Whanganui to attract further business and people to our district.



Building on the value of our coastal location

Safeguarding the health and wellbeing of the River through responsible decision-making. Managing our assets and infrastructure responsibly and sustainably.



Capitalising on opportunities

Our airport and surrounding land provides aviation connections and forms a key component of many community services such as the development of the rural sector through the provision of agricultural aviation services, training through the provision of pilot training and recreation through the provision of services to recreational aviation. The port and harbour are available to a large range of business and recreational users with aspirations to grow capability with the assistance of the Provincial Growth Fund.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –



Building on opportunities that stimulate community growth and capability while ensuring our transportation activities are safe and sustainable.

How did we perform?





We assess our safety regulations at the airport and the Durie Hill elevator and monitor resident satisfaction with these assets. We also monitor the sustainability of the airport by monitoring the overall income and the seaport commercial vessel visits.

PERFORMANCE INDICATOR

Met or exceeded target
 Target not met
 Target neutral

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2019/20 RESULT
TRANSPORTATION					
Airport: The airport is safe and maintenance is carried out to a high standard	The airport will be safe as demonstrated by receipt of CAA Part 139 Certification (assessing runway maintenance, security, safety, and emergency and management systems and procedures).	100%	100%	100%	100%
<i>Comment: The target was met. Whanganui Airport retains its Part 139 Certification until September 2019. Recertification (5-yearly) is scheduled to occur in August 2019. (Source: Whanganui Airport CAA Audit Report)</i>					
The airport is cost neutral, increases its overall income and provides a commercial	The overall income from commercial activities meets the Airport's operational and capital requirements resulting in a reduction in funding required from the Whanganui Airport Joint Venture (WAVJ).	No	No	Yes	No

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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
return on its activities.	<i>Comment: The target was not met. The Whanganui Airport Joint Venture are working towards increasing the commercial revenue received. However, at this stage operational and capital costs exceed revenue. (Source: Whanganui Airport financial report)</i>				
The terminal and passenger services are attractive and functional – providing a welcoming gateway to and from Whanganui.	The percentage of users satisfied with the terminal facilities and other passenger services. <i>Comment: The target was met. Results showed 57% were very satisfied and 36% satisfied with the terminal facilities and other passenger services provided by Whanganui Airport. (Source: Targeted Airport Users Survey)</i>	81%	84%	81%	93% 
Whanganui Port & River: The port is safe and well utilised.	The number of commercial vessel visits per year. <i>Comment: The target was not met. The 2017/18 year included several extra shipments of urea whereas this year there were none. However of the 19 visits, 6 were back loaded with product. (Source: Whanganui Port records)</i>	20	28	25	19 
The port is a safe and healthy workplace.	The number of workplace accidents. <i>Comment: This is a new measure. The target was met. An internal health and safety audit was held and the appropriate mitigation steps have been put in place. (Source: Whanganui Port Accident and injury register)</i>	--	--	<55	4 
Durie Hill Elevator: The Durie Hill elevator is a convenient form of public transport for locals.	The percentage of users satisfied with the Durie Hill Elevator. <i>Comment: The target was not met. This result may be attributed to the Elevator being out of service for some weeks for refurbishment. (Source: WDC Property survey)</i>	97%	96%	90%	89% 



Transportation group

Capital expenditure

The following table shows the expenditure on capital works for the Transportation Services Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan		Opening Approved		Actual For Year	Closing	
	Budget	Carry Over	Budget	Budget		For Year	Carry Over
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Capital expenditure to improve the level of service :							
Port and River							
Wharf Street boat ramp	-	457	457	-	-	457	-
North Mole upgrade	-	516	516	-	-	516	-
Port Development project	-	1,330	1,330	-	-	1,330	-
Marine Services	500	-	500	-	-	500	-
Sundry projects	-	-	-	-	58	-	85
Purchase of assets from Holdings	-	-	-	-	511	-	-
	500	2,303	2,803		569	2,888	
Capital expenditure to replace existing assets :							
Port and River							
Purchase of assets	-	-	-	-	80	-	-
Durie Hill Elevator							
Entranceway	6	-	6	-	14	-	-
Airport (half-share)							
Ambulance & airside access	40	-	40	-	-	40	-
Runway resealing	65	-	65	-	-	65	-
Bringing in 50% Airport	19	-	19	-	100	-	-
	124	-	124		100	105	
	130	-	130		194	105	

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

Port and River

Council purchased the Port from the Holding Company during the year. Part of the transaction included the purchase of assets of \$511k, funded from loans.

Various budgets within Council were transferred into this new Activity, as part of the Port revitalisation and development project. Combined these budgets totalled \$2.888M to be carried over to 2019/20, and added to next year's budget of \$12.3M. Further work is currently awaiting an application to the Provincial Growth Fund.

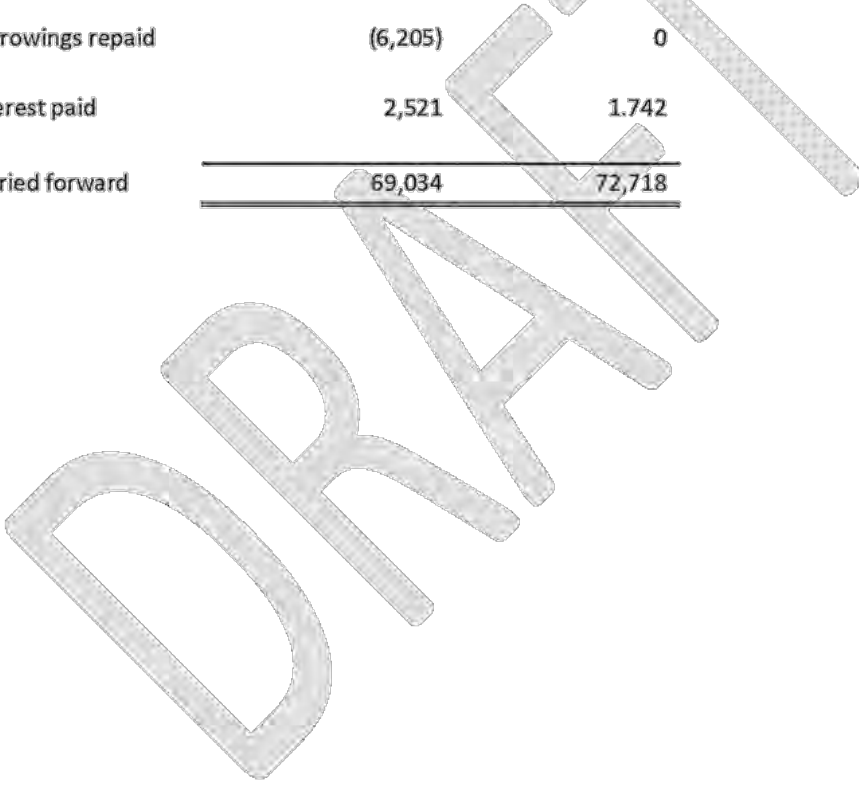
Sundry expenditure after the purchase included a security fence and swipe card access.

Airport

Council’s half-share of \$65k for the airport runway reseal has been delayed while more economic solutions are being sought. Other work budgeted at \$40k (half-share) on the ambulance and airside access has commenced and will be completed early next year. The funding has been carried forward to 2019/20.

Internal Borrowings

	2019	2018
	\$	\$
Brought forward	72,718	70,821
Borrowings raised	0	154
Borrowings repaid	(6,205)	0
Interest paid	2,521	1,742
Carried forward	69,034	72,718



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Transportation group

Funding impact statement

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	361	1,172	1,172
Targeted rates	-	-	-
Subsidies and grants for operating purposes	30	55	60
Fees and charges	269	209	331
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	22	16	222
Total operating funding (A)	683	1,452	1,785
Application of operating funding			
Payments to staff and suppliers	384	919	1,643
Finance costs	62	172	54
Internal charges and overheads applied	140	213	208
Other operating funding applications	-	-	-
Total application of operating funding (B)	586	1,304	1,904
Surplus (deficit) of operating funding (A - B)	97	148	(119)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(75)	482	873
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(75)	482	873
Application of capital funding			
Capital expenditure	-	-	-
-to meet additional demand	-	-	-
-to improve the level of service	-	500	509
-to replace existing assets	22	130	184
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	22	630	754
Surplus (deficit) of capital funding (C - D)	(97)	(148)	119
Funding balance ((A - B) + (C - D))	-	-	-



11

Investments

Our investments portfolio provides income to support the work of Council. This group intends to enhance the development of our community and provide an acceptable financial return for our benefit. Our investment activities are –

- Whanganui District Council Holdings Limited
- Whanganui District Councils' Forestry Joint Committee
- Harbour Endowment property portfolio
- City Endowment property portfolio
- Quarry

What we did

We used Harbour Endowment and City Endowment funds to support community objectives: funds from these investments help subsidise costs that would have otherwise had to be met by ratepayers.

We are looking at an opportunity to build our business: Whanganui District Council Holdings Limited (WDCHL) are currently investigating the feasibility of an Advanced Aviation Hub that will complement their existing Flight school.

We submitted an application to the Provincial Growth Fund: Whanganui has a very real opportunity to capitalise on large scale projects that have the potential to attract new business, create jobs and generally enhance Whanganui's wellbeing. WDCHL were successful in receiving PGF funding to complete a feasibility study on opportunities within the aviation sector.

We are exploring opportunities at Waitahinga Quarry: the Quarry has been inactive over the past few years. Council is in the process of testing the quality of the rock before completing a business case on whether to re-open the Quarry.

We sold part of our Forest: A 1978 investment in forestry land by joint regional councils has come to fruition with the sale of four forestry blocks. This sale reduces debt for our community.

We purchased new Planes: WDCHLs Flight School received three flight training aircraft to complement the expanding business.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Focusing on investment opportunities and diversification

We work to provide a reliable and acceptable financial return on our investments to enable development of projects and reduce reliance on rating as a source of funding for debt repayment.



Capitalising on opportunities

We use the expertise of Directors on our Investment Boards to guide us in our decision-making on investment decisions. This includes advising us on opportunities to purchase, retain or sell key investment assets.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –



Diversifying our investment portfolio to encourage economic growth, provide greater opportunities to collaborate with key stakeholders, while spreading our investment risk for the best financial return.

How did we perform?

We monitor our portfolio of investments to ensure it provides income to support the work of Council.

PERFORMANCE INDICATOR

Met or exceeded target	Target not met	Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
INVESTMENTS					
Investments are effectively managed to enhance development, build prosperity, provide a financial return and repay debt as required.	The forecast return for Whanganui District Council Holdings Limited.	\$800,000	\$800,000	\$300k dividend \$200k loan repayment	\$1M
	<i>Comment: The target was met. Council received a net \$1M dividend in June for the 2018/19 year. (Source: WDC Holdings Ltd Annual Report)</i>				
	The forecast net income from Council's Harbour Endowment property portfolio ²⁹ .	7.31%	3.5%	6.5%	5.6%
	<i>Comment: The target was not met. The result was impacted by holding costs of 53 Ridgway Street, low value grazing leases and vacant spaces. (Source: WDC Financial Reports)</i>				
	The forecast net income from Council's City Endowment property portfolio ³⁰ .	7.69%	6.2%	6.5%	6.35%
	<i>Comment: The target was not met. The result is impacted by one loss-making investment property. (Source: WDC Financial Reports)</i>				

²⁹ Returns cover investment properties only and exclude Council overheads.

³⁰ Returns cover investment properties only and exclude Council overheads.

Investments group

Capital expenditure

The following table shows the expenditure on capital works for the Investments Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
<i>Investments</i>					
Harbour Endowment. Gas Building	-	-	-	-	-
Harbour Endowment. Sundry projects	-	-	-	-	-
Harbour Endowment. Heads Road	-	16	16	21	-
	-	16	16	21	-
Capital expenditure to replace existing assets :					
<i>Investments</i>					
City Endowment. Parks Yard	5	5	10	-	-
Harbour Endowment. Gas Building	80	9	89	-	88
Harbour Endowment. Heads Road	34	16	50	-	-
Harbour Endowment. Sundry projects	37	-	37	-	-
	156	30	186	-	88

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

Harbour Endowment

Most of the sundry budgets have no expenditure this year, either as a result of the work not being required at this point, or some expenditure being reclassified as operational expenditure. The only major job not done and requiring to be carried over to next year is the \$88k budget to reroof the Gas Building.

City Endowment

There was no major capital expenditure in this Activity this year.

Internal borrowings

	2019 \$	2018 \$
Brought forward	287,045	313,924
Borrowings raised	0	0
Borrowings repaid	(245,368)	(33,757)
Interest paid	1,580	6,878
Carried forward	43,257	287,045

Investments group**Funding impact statement**

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(274)	47	47
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,727	1,700	1,802
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	603	582	805
Total operating funding (A)	2,056	2,329	2,654
Application of operating funding			
Payments to staff and suppliers	1,497	1,838	1,505
Finance costs	85	141	152
Internal charges and overheads applied	277	375	367
Other operating funding applications	-	-	-
Total application of operating funding (B)	1,860	2,354	2,024
Surplus (deficit) of operating funding (A - B)	196	(25)	630
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(90)	(80)	(13,752)
Gross proceeds from asset sales	-	-	10,414
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(90)	(80)	(3,338)
Application of capital funding			
Capital expenditure	-	-	-
-to meet additional demand	-	-	-
-to improve the level of service	-	-	21
-to replace existing assets	243	155	()
Increase (decrease) in reserves	(137)	(60)	(379)
Increase (decrease) of investments	-	(200)	(2,350)
Total application of capital funding (D)	106	(105)	(2,708)
Surplus (deficit) of capital funding (C - D)	(196)	25	(630)
Funding balance ((A - B) + (C - D))	-	-	-



12 Corporate

This group of activities work together to ensure there is effective and considered decision-making for the benefit of our community. We elect our Council to ensure local people are making decisions about local issues – combined, these activities ensure an authentic democratic process is administered.

Activities encompassed under Corporate include –

- Governance
- Corporate management
- Community and operational property

What we did

Governance

We continued to evaluate the effectiveness of our governance structure throughout the year: this included increasing support to the Chairs of Council meetings on Standing Orders compliance (the legislative parameters for Council meetings conduct).

We were announced as a refugee settlement centre: we will play an important role in welcoming and settling in refugees when they start arriving in 2020.

We continue to increase our visibility and transparency: livestreaming our Council meetings increases our community's accessibility to Council information and decision-making.

Our review of the Youth Committee is complete: this review was triggered as part of a Long Term Plan workshop on allocation of funding for the 2019/20 year. The review looked at the structure and framework for the Youth Committee offset by its funding allocation with a new Committee framework put in place in early 2019.

We welcomed 89 new citizens: we welcomed 89 new citizens who have migrated to Whanganui and enriched our community with new perspectives and cultures.

We have been developing our Sister City relationships: 2018/19 saw us celebrate 30 years with Nagaizumi-cho and establish a new sister city relationship with Lijiang, China. Supporting our international relationships, being positive ambassadors and self-promoters of our district leverages opportunities in cultural, educational, economic and investment benefits for our community.

30 Years of Friendship

In 2018 we sent a Whanganui delegation to our Japanese sister city, Nagaizumi-cho, in recognition of our 30th anniversary relationship. We then enjoyed the opportunity to host delegates from Nagaizumi-cho in a reciprocal visit to Whanganui in early 2019.

Corporate management

We registered with Local Government New Zealand's CouncilMARK programme: we are committed to improving the public's knowledge of the work we do and advance ways we can

further improve our service to our community. We registered with CouncilMARK in early 2019 and were assessed in June and now await our overall performance rating.

We continue to build on our National profile: we have entered a number of National awards to celebrate our achievements and improve our image and reputation nationwide.

We ensured we remained current by reviewing policies, strategies and bylaws: this included (among others) updating our Water Supply Bylaw 2014, introducing the Sport and Recreation Facilities Strategy, Economic Development Strategy and Arts and Culture Strategic Plan.

We are more customer-centric: we continually aim to be a more customer-centric focused organisation and our refurbished customer experience on the ground floor reflects this.

We made good use of our social media platforms: Council's community presence continued to be enhanced with ongoing updates on what is going on in the district and also community.

We introduced a quick and easy communication tool: the SNAP SEND SOLVE app allows our community to quickly and easily send in notifications of issues that require our attention.

We continually improved on our engagement with our community: we achieved inclusiveness by providing multiple platforms for community participation. This included adopting a new Engagement and Consultation Standard and developing new tools to take our engagement out into the community.

Community and operational property

We continued to manage community and operational property in a responsible manner: we incorporated good business practices into our decision-making also taking into account the needs and well-being of our community.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

Demonstrating strong, positive and empowering leadership
Governance and Council staff collaborate to drive our district forward and deliver services.

Effective engagement with our community
Embracing the diverse voices of our community, enabling them to be part of the decision-making process.

Effects on community well-beings

These activities promote the social, economic, environmental and cultural well-being of the Whanganui community now and into the future through –


Council's governance role as a steward and facilitator to realise its community goals. This includes closely aligning the decisions of Council with the community's broader aspirations.










How did we perform?

To assess our performance, we seek residents' views on information provision, decision-making, and consultation processes. We assess satisfaction with our Customer Services team, and monitor access to our Archives services.

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
CORPORATE					
Governance: Corporate involvement in Council activities and decision-making processes is fostered and the Council is responsive to the needs and issues of our community.	The percentage of people who consider that Council has responded well or very well to community needs and issues.	47%	56%	50%	49% 
	<i>Comment: The target was not met. 49% of Whanganui district residents surveyed considered that Council responded to community needs well (39%) or very well (10%). This has reduced from 56% in 2017/18. We will continue to identify new ways to engage with the community and respond to emerging needs. It is expected that a more engaging website, and new tools such as the Snap Send Solve app will improve satisfaction with Council's responsiveness. (Source: Community Views Survey 2019)</i>				
The views of the community are successfully represented by the Mayor and Councillors.	The percentage of people who rate the performance of the Mayor and Councillors as good or very good.	46%	59%	50%	54% 
	<i>Comment: The target was met. The percentage of people who rate the performance of the Mayor and Councillors as good or very good reduced by 5% from the previous period. (Source: Community Views Survey 2019)</i>				
The views of the rural community are successfully represented by the Rural Community Board.	The percentage of rural people who rate the performance of the Rural Community Board as good or very good.	43%	21%	50%	29% 
	<i>Comment: The target was not met. The Rural Community Board is actively seeking to increase its profile and has seen an 8% increase in the rating of their performance. (Source: Community Views Survey 2019)</i>				
Meetings are held and agendas are made available to the public in advance.	The percentage of Council and committee agendas made available to the public two working days before the meeting.	100%	100%	100%	100% 
	<i>Comment: The target was met. All Council and Committee agendas were circulated at least two working days prior to the meetings. (Source: WDC Governance)</i>				
Corporate Management: Council issues and queries are resolved quickly and effectively and Council is recognised as a provider of consistently outstanding customer service.	Overall satisfaction with the initial contact and service received from the frontline team.	91%	96%	90%	96% 
	<i>Comment: The target was met. (Source: WDC Customer Service survey)</i>				
	The percentage of the community rating the performance of Council staff as good or very good.	67%	77%	65%	71% 
<i>Comment: The target was met. (Source: Community Views Survey 2019)</i>					
The Council is a safe and healthy workplace of choice.	The number of workplace accidents for Council employees.	44	23	<55	19 
	<i>Comment: The target was met. This is a continual decrease from previous years. (Source: WDC Accident and injury register)</i>				

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
Communications: Communication is informative, engaging, helpful and understandable.	The percentage of residents who are satisfied with ease of access to Council information.	49%	56%	55%	51%
	<i>Comment: The target was not met. Resident satisfaction with ease of access to Council information reduced by 4% from the previous period. Council's revamped website is expected to improve satisfaction along with a wider focus on improving engagement and information channels. (Source: Community Views Survey 2019)</i>				
	The percentage of users who agree that the Council website is easy to navigate and find what they are looking for.	53%	57%	70%	64%
<i>Comment: The target was not met – however this has increased by 7% since the last period. This percentage is expected to increase with the introduction of the new Council website. (Source: Community Views Survey 2019)</i>					
Finance: Council's finances are prudently managed.	The documents we have audited receive an unmodified audit opinion	100%	100%	100%	100%
<i>Comment: The target was met. The documents audited during the 2018/19 year were the 2018 Annual Report and the Long Term Plan 2018-28. (Source: WDC Finance)</i>					
Information Services: Council information is looked after for future generations and is consistently available.	The percentage of archives requests responded to within 24 hours.	100%	100%	100%	100%
<i>Comment: The target was met. All archive requests received by email, website, text or in person were acknowledged and responded to within 24 hours of receipt. (Source: WDC Archives)</i>					
Strategy and Policy: The people of Whanganui are empowered to have their say and we provide good quality long-term advice that articulates the vision of our district.	The percentage of people satisfied with their level of involvement in the decision-making process.	37%	46%	50%	77%
<i>Comment: The target was met. This survey had a small sample size (n=12) and only sampled people who had made a formal submission to Council. In previous years the responses were taken from the Community Views survey with a much larger representation. (Source: WDC Survey Monkey)</i>					
	The percentage of Annual Plan or Long Term Plan submission decisions provided within 10 working days of the adoption of the Plan.	100%	100%	100%	100%
<i>Comment: The target was met. All submitters were responded to within 10 working days. (Source: WDC Corporate Team)</i>					
Bylaws are kept up-to-date to protect community safety, health and amenity.	The percentage of bylaws reviewed five years after they are made (and then 10 years after that).	100%	100%	100%	100%
<i>Comment: The target was met. All current bylaws have been or are scheduled to be reviewed before their 5 year anniversary. (Source: WDC Policy Team)</i>					
Environmental Monitoring: Waste minimisation and waste collection	Waste produced by Council.	--	--	< previous year	--
<i>Comment: This is a new measure. (Source: WDC Waste Advisor)</i>					
	Waste recycled by Council.	--	--	< previous year	--

LEVEL OF SERVICE	PERFORMANCE MEASURE	2016/17 RESULT	2017/18 RESULT	2018/19 TARGET	2018/19 RESULT
services that are available to Council.	<i>Comment: This is a new measure. No data is available for the first three quarters of the reporting period. During the fourth quarter there was 17,000 litres of Council waste recycled. The results from the 2018/19 year will form the baseline moving forward. (Source: WDC Waste Advisor)</i>				
Supply of power to Council property.	Council's electricity usage.	--	--	<13054721 (kWh)	17608761
	<i>Comment: This is a new measure. The target was not met. The commissioning of the Waste Water Treatment Plant has increased electricity usage and as such we have reviewed our targets in the 2019/20 Annual Plan. (Source: Smart Power report)</i>				
Paper for printing is readily available.	Council's gas usage.	--	--	<2369979 (MWh)	3736463
	<i>Comment: This is a new measure. The target was not met. The commissioning of the Waste Water Treatment Plant's drying plant has significantly increased gas usage and as such we have reviewed our targets in the 2019/20 Annual Plan. (Source: Smart Power report)</i>				
Fuel cards are available when fuelling Council vehicles.	The amount of A4 paper Council ³¹ use. (Measured in 500 sheet reams).	--	--	< previous year	2243
	<i>Comment: This is a new measure and the results from the 2018/19 year will form the baseline moving forward. (Source: WDC records)</i>				
Community and Operational property: The Community and Operational portfolio is effectively managed meaning that it is efficient, offers economic benefits and supports community organisations.	The amount of A3 paper Council use. (Measured in 500 sheet reams).	--	--	< previous year	63
	<i>Comment: This is a new measure and the results from the 2018/19 year will form the baseline moving forward. (Source: WDC records)</i>				
Community and Operational property: The Community and Operational portfolio is effectively managed meaning that it is efficient, offers economic benefits and supports community organisations.	Council's diesel consumption.	--	--	< 27865 litres	31664.50
	<i>Comment: This is a new measure. The target was not met. Over the period there has been an increase in the number of diesel vehicles (17 to 20) managed through EROAD. (Source: E-Road fuel usage report)</i>				
Community and Operational property: The Community and Operational portfolio is effectively managed meaning that it is efficient, offers economic benefits and supports community organisations.	Council's petrol consumption.	--	--	< 25144 litres	18588.50
	<i>Comment: This is a new measure. The target was met. Over the period there was a reduction in petrol consumption. (Source: E-Road fuel usage report)</i>				
Community and Operational property: The Community and Operational portfolio is effectively managed meaning that it is efficient, offers economic benefits and supports community organisations.	The percentage of our community organisation tenants on the maximum subsidy (this means that the services they deliver provide maximum benefit to the community) ³² .	72%	76%	70%	78.3%
	<i>Comment: The target was met. 54 of the 69 Community Organisation leases are on the maximum subsidy. (Source: WDC Property Team)</i>				

³¹ This includes Council's municipal building, Infrastructure, Libraries, i-Site and Sarjeant Gallery.

³² The maximum subsidy is 90%.

Corporate group

Capital expenditure

The following table shows the expenditure on capital works for the Corporate Group. Significant variations to the Annual Plan are discussed below where necessary.

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service:					
Corporate Management					
IT projects	50	-	50	51	-
Plant and equipment	5	-	5	-	-
	55	-	55	51	-
Governance					
Meeting management system	44	-	44	43	4
	99	-	99	94	4
Capital expenditure to replace existing assets:					
Corporate Management					
Computer equipment replacement	197	-	197	182	-
Storage Area Network replacement	-	40	40	54	-
Vehicle replacements	47	70	117	152	-
Furniture and Fittings	20	-	20	125	-
	264	110	374	513	-
Community and Operational Buildings					
Council renovation project	1,402	130	1,532	1,039	506
Mechanical heating and ventilation	-	301	301	151	150
	1,402	431	1,833	1,190	656
	1,666	541	2,207	1,703	656

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

Governance

A new meeting management system was purchased during the year. There will be some final residual expenditure covered by the closing carry over.

Corporate Management

The Information Technology (IT) capital expenditure during the year was within the overall budget for the year. This included the final costs of \$54k for the Storage Area Network (SAN) replacement project undertaken last year involving the migration of the decommissioned server, and the cost of \$35k for flat screen panels as part of the Council Renovation project.

The additional cost for replacing furniture and fittings was necessary as part of the Council Renovations project.

In addition, the extra costs of replacing vehicles is covered by unspent vehicle budgets in other Activities.

Customer Services

Work on the ground floor as part of the Council Renovations project was completed during the year. The budget available of \$330k, and costs coded to this Activity were transferred to the Community and Operational Property Activity (see below).

Community and Operational Property

The Council commenced a major renovations project during the year on the Council Building in Guyton Street. The ground floor including Customer Services was completed during the year, and work was started on the first floor. The unspent budget of \$506k will be carried forward to next year to undertake renovations to complete the first and third floors.

The HVAC heating and ventilation project was started during the year. Unspent funds of \$150k will be carried over to next year to complete the project.

Internal borrowings

	2019	2018
	\$	\$
Brought forward	80,592	65,187
Borrowings raised	34,218	13,474
Borrowings repaid	0	0
Interest paid	4,352	1,931
Carried forward	119,161	80,592

Corporate group

Funding impact statement

For the year ended 30 June 2019

	Long Term Plan 2018 \$000	Long Term Plan 2019 \$000	Actual 2019 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,572	3,230	3,213
Targeted rates	-	-	(1)
Subsidies and grants for operating purposes	-	-	22
Fees and charges	126	102	103
Internal charges and overheads recovered	8,975	8,587	8,390
Local authorities fuel tax, fines, infringement fees and other receipts	434	448	830
Total operating funding (A)	13,107	12,367	12,558
Application of operating funding			
Payments to staff and suppliers	10,619	10,866	11,197
Finance costs	(128)	(100)	(299)
Internal charges and overheads applied	966	792	762
Other operating funding applications	-	-	-
Total application of operating funding (B)	11,457	11,558	11,660
Surplus (deficit) of operating funding (A - B)	1,650	809	898
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	303	1,136	1,045
Gross proceeds from asset sales	-	-	56
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	303	1,136	1,100
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	421	99	93
-to replace existing assets	912	1,666	1,703
Increase (decrease) in reserves	620	180	203
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	1,953	1,945	1,999
Surplus (deficit) of capital funding (C - D)	(1,650)	(809)	(899)
Funding balance ((A - B) + (C - D))	-	-	(1)

Community monitoring indicators

Council recently underwent a comprehensive internal review of its Leading Edge Strategy to ensure the document remains responsive to Council’s priorities. This included ensuring all messaging is authentic and actively connected to work programmes and our strategic intent.

The following indicators have been developed to assess achievement of our Leading Edge Strategy. These outcomes serve as a guide for shaping our future and reflect our overall aspirations for the district. They are aimed at supporting partnership approaches, sustainability and innovation.

Over time we expect to see improvement across all areas, however, it should be noted that this is an aspirational strategy with actions spanning a number of years. As a result, these outcomes will require long-term commitment.

COMMUNITY

Goal: Working in partnership – shaping a district that celebrates and champions its cultural and social diversity as well as its community spirit.

How will we know when we get there?

Indicators	Commentary	Result ³³
We will maintain International Safe Community accreditation	Our accreditation as a safe community spans a five year period with reaccreditation application due in 2021/22. This accreditation demonstrates our capacity to take strategic and proactive steps to prevent injury and promote a culture of safety for everyone in our district. <i>(Source: Receipt of international accreditation)</i>	✓
We will demonstrate restorative city principles	Council is committed to restorative city principles. We are completing a review of our new staff induction and orientation to incorporate the restorative city principles. <i>(Source: Participation in the Restorative Cities programme)</i>	—
The percentage of people who indicate high levels of belonging and wellbeing will increase	Overall, 58% of residents indicated that they had a “very high” or “high” level of wellbeing. A further 325 of residents rated their current level of wellbeing as “moderate”. This is an increase of 2% compared to the previous reporting period. <i>(Source: Community Views Survey)</i>	✓
	When asked to consider their sense of belonging, or feeling part of a community, more than half (55%) of residents rated their sense of belonging as strong (41%) or very strong (14%). A further 36% of residents rated their sense of	✗

³³ ✓ = achieved; — = not commenced/no result ✗ = not achieved

	belonging as moderate. This is a 1% decrease compared to the previous reporting period. <i>(Source: Community Views Survey)</i>	
We will become more culturally diverse	We had more Maori, Pacific peoples, Asian and Middle Eastern / Latin American / African residents between the 2006 and 2013 censuses. Results of the 2018 census are not yet available. <i>(Source: Census results³⁴)</i>	—
We will have more hapu / marae / community plans	Council has provided support to four marae (Koroniti, Matahiwi, Ranana and Te Ao Hou) as part of our community development planning. Council has also supported Puanga and Waitangi Day events. <i>(Source: Council records)</i>	✓
The community will be more satisfied with Council leadership	Satisfaction with the performance of the Mayor and Councillors reduced from 59% to 54% between 2017/18 and 2018/19. <i>(Source: Community Views Survey)</i>	✗
There will be greater levels of community pride	Two thirds of residents agreed (51%) or strongly agreed (15%) that they felt a sense of pride with how their neighbourhood looks and feels. 72% of residents agreed (54%) or strongly agreed (18%) they felt a sense of pride with Whanganui as a whole. This is a 1% increase compared to the previous reporting period. <i>(Source: Community Views Survey)</i>	✓
Council's performance will improve (for example, as measured through appropriate benchmarking tools)	Council signed up to the LGNZ CouncilMARK programme in 2018/19. This is a local government excellence programme designed to demonstrate and improve the value and services of councils by measuring indicators across four priority areas. Participating councils are assessed by independent experts every three years and given an overall rating from triple AAA to C. Council's grading is due at the end of 2019. <i>(LGNZ CouncilMARK assessment)</i>	✓
Our district's performance in relation to national health targets will improve	Across the national health targets up to March 2019, Whanganui DHB has performed close to or above the national rate. Improvement has been recorded in-year for 4 out of 6 targets. The local health system strives to provide a high quality, equitable service to the whole population and, where targets are not met, we take corrective action as soon as practically possible. <i>(Source: Ministry of Health)</i>	✓

³⁴ At the time this report was being collated updated Census Results had not been released.

 **CONNECTIVITY**

Goal: A dynamic broadly connected district that is accessible, linked in and known for it.

How will we know when we get there?

Indicators	Commentary	Result ³⁵
We will achieve international benchmarks	Our accreditation as a Safe Community spans a five year period with reaccreditation application due in 2021/22. <i>(Source: Receipt of international accreditation)</i>	✓
National perceptions of our district as a tourism destination will increase	Significantly fewer people (31% of 48%) stated that they would consider Whanganui as a tourism destination in 2019 than in 2017. Notably, all Lower North Island locations saw a significant reduction in the number of people who said they would consider visiting them, suggesting that it is the region as a whole which has declined in popularity. Whanganui continues to be ranked 5th in terms of the Lower North Island locations. <i>(Source: National Perceptions Survey)</i>	✗
The number of visitors to Whanganui will track in line with national trends	Guest nights within Whanganui increased by 7.7% compared to the previous reporting period. <i>(Source: Commercial Accommodation Monitor)</i>	✓
Satisfaction with roading and connectivity will increase	More than half of residents (52%) were satisfied (47%) or very satisfied (5%) with the roads in Whanganui district. This is an increase of 2% from 2017/18.	✓
	In 2019, the majority of residents (92%) have access to the internet at home; 71% via a desktop computer or laptop, 67% via a smartphone and 34% via a tablet. In a new question for 2019, residents were asked how satisfied they were with their internet connection. More than two-thirds of residents (68%) were satisfied (52%) or very satisfied (16%) with their internet connection. <i>(Source: Community Views Survey)</i>	✓
More people will be using our walkways	Walkway usage reduced from 83% to 73% between the current and previous reporting period. <i>(Source: Community Views Survey)</i>	✗
We will have higher rates of tertiary qualifications	More people in the Whanganui district had a Bachelor degree or higher between the 2006 and 2013 Census.	—

³⁵ ✓ = achieved; — = not commenced/no result ✗ = not achieved

	Results of the 2018 census are not yet available. <i>(Source: Census results)</i>	
We will gain a positive reputation as a destination of choice to live, work, study and do business	<p>Significantly fewer people considered that:</p> <ul style="list-style-type: none"> - Whanganui offers business opportunities (15% in 2019 cf. 45% in 2017); - Whanganui has job opportunities (14% in 2019 cf. 23% in 2017) - Has good opportunities for business or career advancement (12% in 2019 cf. 45% in 2019). - There are quality education opportunities in Whanganui (18% in 2019 cf 65% in 2017) <p>However there was an increase in the number of people (14% in 2019 cf. 11% in 2017) who said they would consider living in Whanganui. <i>(Source: National Perceptions Survey)</i></p>	✘
The Digital Strategy's indicators and objectives will be met	<p>Council reviewed its Digital Strategy in 2018/19 and set new indicators and objectives. This was due to be adopted in July 2019. Reporting against these indicators will be included in the 2019/20 Annual Report. <i>(Source: Council reporting)</i></p>	—

DRAFT

 **CREATIVITY**

Goal: A knowledge economy driven by innovation and humming with cultural personality.

How will we know when we get there?

Indicators	Commentary	Result ³⁶
The types of jobs we offer in our district will increasingly support a knowledge economy	There were 1,041 filled jobs in information media, telecommunications services, professional, scientific and technical services in 2018. This is an increase of 2.8% from 2017. Knowledge economy job numbers from 2019 will be available in January 2020. (Source: Infometrics)	✓
The percentage of 15 to 24 year olds not in employment, education or training will decrease	The Whanganui NEETS rate for the 2018 year was 18.10%. This is higher than the National Average of 11.7%. The 2017 NEETS rate was 14.3% so this has been an increase. (Source for 2018 NEETS: Infometrics)	✗
We will have implemented our Arts and Culture Strategy	An Arts and Culture Strategic Plan was adopted in May 2019. Implementation of this will be initiated in 2019/20. (Source: Council minutes)	—
We will have more people engaged in our district's arts and cultural events	In a new question this year, 38% of residents reported that they were involved in or had attended an art event or activity in 2018/19. Only 10% of residents reported that they had not engaged in any art or cultural activity, down from 16% in 2017/18. (Source: Community Views Survey)	✓
There will be more social infrastructure and place-making activities in our district	Council delivered more social infrastructure and place-making activities in our district this year. This included work through the Town Centre Regeneration project as well as the introduction of new public art as a result of the successful Whanganui Walls Street Art Festival. The Little Park provided activation in the main avenue and the Conversation Station was created, a world first community connection tool. Regeneration work in Castlecliff also continued. (Source: Council minutes)	✓
More people will perceive our district as an arts hub	Significantly fewer people (29% in 2019 cf 61% in 2017) considered that Whanganui has lots of arts and cultural activities available. (Source: National Perceptions Survey)	✗
The number of people registered in tertiary / trades training will be maintained or increase	4243 students registered in tertiary and/or trade training for the 18/19 year. This data is for all	✓

³⁶ ✓ = achieved; — = not commenced/no result ✗ = not achieved

	registered in tertiary training through organisations and ITOs. <i>(Source: TEC New Zealand)</i>	
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DRAFT

 ENVIRONMENT

Goal: A district that safeguards its natural resources and provides an environment with a sense of place, identity and vitality.

How will we know when we get there?

Indicator	Commentary	Result ³⁷
<p>We will meet environmental monitoring targets through the State of the Environment Report</p>	<p>Environmental Monitoring outcomes included: -</p> <ul style="list-style-type: none"> • Long-term groundwater monitoring in the Whanganui Ground Water Management Zones (GWMZ) indicates that average winter water levels have been stable over the last five years suggesting that inflows to, and outflows from, the aquifer system are in balance over the long term, although the summer demands appear to be increasing. • The groundwater quality for the area is generally quite good, although treatment for ammonia and hardness is required in some of the deeper bores within the Whanganui GWMZ. This ammonia is unlikely to be a result of land-use activities because it is generally associated with deeper, older groundwater. Instead, it is likely that it is caused by the breakdown of organic matter under reducing conditions in this part of the aquifer. • Groundwater abstractions are concentrated in the Whanganui GWMZ, with the largest consents associated with municipal water supply. Other consents are used for the purposes of irrigation, drinking water supply (private, municipal and commercial), stockwater and process water supply. Current consented abstraction represents approximately 62% of the groundwater allocation limit specified in the One Plan (46,000,000 m³/year, which is based on 5% of the average annual rainfall across the GWMZ) with 40% utilised by municipal supply. Development studies for the region indicate that demand is unlikely to rapidly increase in the near future. • Given the limited projected growth of the area relative to the existing allocation limit and current groundwater use together with the relatively stable groundwater level patterns, it is considered that groundwater resources are not under significant pressure. 	<p>✓</p>

³⁷ ✓ = achieved; — = not commenced/no result ✗ = not achieved

	<ul style="list-style-type: none"> Saline intrusion does not appear to be a major risk in the Whanganui catchment. The deeper aquifer units are confined and become less permeable towards the coast which reduces the risks of rapid salt water intrusion into these units. However, shallow bores near the mouth of the river may be susceptible to salt water intrusion. A comparison with the 2009 mapping results show a potential improvement through a decrease in soft mud (16.2ha (17%) in 2017 compared to 23.6ha (28%) in 2009), but a decline in condition with a reduction saltmarsh (0.9ha to 0.5ha) and an increase in poorly oxygenated sediments. The combined results place the estuary in a "MODERATE" state overall in relation to ecological health with fine sediment issues evident in the estuary, and significant historical modification and loss of estuary saltmarsh around the margins. <p><i>(Source: State of the Environment Report 2019)</i></p>	
<p>We will have implemented a Town Centre Regeneration Strategy</p>	<p>This is an ongoing process. A focus has been on activation of Town Centre locations through art and social infrastructure as well as improving basic visitor needs.</p> <p><i>(Source: Council minutes)</i></p>	<p>✓</p>
<p>We will have achieved the targets in our Waste Management and Minimisation Plan</p>	<p>Work towards meeting the strategy's targets is an ongoing commitment but pleasing progress has been made. 17 of the 20 stated actions within the Strategy have either been completed or partially completed. This includes good progress with increased volumes and types of products being recycled through the Resource Recovery Centre and works towards assessing the community appetite for Council led kerbside waste and recycling collection services. Of the three targets not met, one is considered an unrealistic target, one Council has consciously decided not to pursue at this stage and the other has not been met yet, despite good efforts to do so. The Strategy is due for review in 2020.</p> <p><i>(Source: Waste Working Party Reports)</i></p>	<p>✓</p>
<p>Our corporate environmental impact will reduce and will become a resource-efficient Council</p>	<p>Council's resource efficiency has also improved with less paper being used and the implementation of a recycling programme. The total CO2-e emissions for the corporate vehicle fleet has increased however there has been a corresponding increase in distances travelled by Council vehicles. It is also noted that corporate electricity and gas usage has increased however these increases have largely been attributed to</p>	<p>—</p>

	the commissioning of the wastewater treatment plant which has improved the quality of the water discharged from Whanganui's wastewater outfall.	
We will demonstrate a sustainable approach to resource management in line with the goals of the District Plan	The District Plan is delivering sustainable development across the district, consistent with the purpose and principles of the Resource Management Act. <i>(Source: Council records)</i>	✓

DRAFT

ECONOMY

Goal: An easy-living place of choice of all – flourishing with employment and development opportunities.

How will we know when we get there?

Indicators	Commentary	Result
There will be more jobs and businesses established in the district	There were 19,690 filled jobs in Whanganui in 2018. This is an increase of 1.9% from 2017. Job numbers from 2019 will be available in January 2020. <i>(Source: Infometrics)</i>	✓
Our median income will increase	Our median income increased from \$19,800 to \$23,500 between 2006 and 2013. This compares to a median of \$28,500 for all of New Zealand. <i>(Source: Census results)</i>	✓
We will have more people in our district	There were an estimated 45,200 residents of the Whanganui District in 2018. This is an increase of 1.6% from 2017. Population estimates for 2019 will be available in January 2020. <i>(Source: Infometrics)</i>	—
We will have more people with NCEA Level 2	2018 statistics are due for release August 2019. The percentage of students leaving school with NCEA Level 2 increased by 2.6% from 81.8% (2016) to 84.4% (2017). A formal school qualification is a measure of the extent to which young adults have completed a basic prerequisite for higher education and training, and many entry-level jobs. <i>(Source: Ministry of Education)</i>	—
We will perform well on the Affordability Index	For 2018, the Whanganui District scored 4.76 on Infometric's Housing Affordability Index. This makes Whanganui significantly more affordable than New Zealand as a whole, which scored 10.5. The score reflects the ratio between average income and average house price, so a lower score means increased affordability. <i>(Source: Infometrics)</i>	✓
More people will have a positive view of the lifestyle benefits in Whanganui – both internally and externally	89% of residents surveyed reported being satisfied or very satisfied with living in Whanganui. The lifestyle benefits most frequently cited were "affordable living/a good place to raise a family/ family friendly" and "its size, easy to get around". <i>(Source: Community Views Survey)</i>	✓
	This year has seen a significant decrease in perceptions of each of the lifestyle factors surveyed. This is generally accounted for by increases in the percentages of people giving	✗

³⁰ ✓ = achieved; — = not commenced/no result ✗ = not achieved

	<p>"neutral" responses, rather than an increase in negative responses.</p> <p><i>(Source: National Perceptions Survey)</i></p>	
<p>Our residents' satisfaction in relation to their standard of living will improve</p>	<p>82% of residents rated their standard of living as good or extremely good. This suggests an improvement from the measure taken in 2016, where 67% of people were satisfied with their current material standard of living, however it should be noted that the questions were framed differently.</p> <p><i>(Source: Community Views Survey)</i></p>	✓
<p>We will meet the targets in our Economic Development Strategy</p>	<p>We recently adopted an Economic Development Strategy which is aligned to Whanganui and Partners Statement of Intent 2019/20. Whanganui and Partners have met the targets outlined in the 2018/19 Statement of Intent.</p> <p><i>(Source: Whanganui & Partners report)</i></p>	✓
<p>Our schools will have more international students</p>	<p>There has been an increase in international students with 306 students enrolled with Whanganui Education Providers in 2018/19 (239 in 2017/18). Formal data from ENZ is only captured every two years. This data is sourced from providers directly for the 2018/19 year. Short term students were also an additional 122.</p> <p><i>(Source: Whanganui Education providers)</i></p>	✓
<p>We will have the same rate of growth for tourism spend as the New Zealand total average</p>	<p>Tourism spend for the year ending June 2019 is up 1% for the Whanganui District. Nationally, visitor spend was up 3.2% over the same time period.</p> <p><i>(Source: MBIE Monthly Regional Tourism Estimates)</i></p>	✗

Council Controlled Organisations

Whanganui District Council Holdings Limited

Objectives

- 1.1 The Board intends to operate as a successful business in relation to its investments to the monitoring roles assigned to it under contract by WDC.*

The directors have closely monitored the performance of both its own investments and those assigned to it by WDC. The Board has worked with WDC staff to monitor current investment and develop new investment opportunities, with regular feedback being provided to its shareholder.

- 1.2 The company aims to improve the long term value and financial return that WDC receives from its trading undertakings.*

WDCHL's directors have continued to closely monitor the company's progress and have aggressively advised on implementing new income streams and have taken advantage of risk mitigating courses of action.

- 1.2.1 Optimise financial and physical resources through close scrutiny of potential areas of inefficiency, waste or under-utilisation of capital.*

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.

- 1.2.2 Provide 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.*

In 2014, as a result of the review, it was decided to replicate the Directors of Wanganui Gas Limited onto the Board of Whanganui District Council Holdings Limited to provide for a more streamlined and co-ordinated governance model. In addition, WDCHL's directors investigated new commercial projects such as property development opportunities, and the expansion of flight school operations.

- 1.2.3 Meet the expectations of WDC for quality, competitively priced strategic planning advice on investments and trading undertakings.*

The Board meets six-weekly to discuss its portfolio performance and the Chairman has reported to Council every meeting to update the Council on matters.

- 1.2.4 Review and advise on the strategies and plans of any subsidiary company, business unit or asset as requested by WDC.*

Board meetings are held on a six-weekly basis, and regularly include the Chief Executive of the Council for part of the meeting, which enables open communication regarding matters concerning the Council. Board papers include reports on each area under WDCHL's governance portfolio.

- 1.2.5 *Be 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.*

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 responsibilities of local government as defined by the Local Government Act 2002 and carry out their decision making with the benefits to the ratepayers of the Whanganui District in the forefront in addition to ensuring the sustainability and profitability of the business.

Performance targets

- 2 *To meet the dividend expectations of its shareholder while still maintaining sufficient cashflow to meet its own working capital needs*

	Budget	Actual	Actual
	2018/19	2018/19	2017/18
Dividend paid	\$1,000,000	\$1,000,000	\$0

- 3 *To facilitate its subsidiary Companies and other investments or undertakings assigned to it to achieve investment objectives per clause 2 and the performance targets identified in their Statements of Intent or as outlined in WDC’s 2018-28 Long Term Plan.*

The directors have closely monitored the Whanganui District Council’s investment in GasNet Limited, with all Directors of WDCHL, including the Chairman, sitting on the GasNet Board. The Board has facilitated the continuance of the Council’s investment with variances to performance targets being monitored.

GasNet Limited

Statement of Intent

GasNet Limited (the Company) is a company formed in accordance with and registered under the Companies Act 1993. The Company is incorporated in New Zealand and is domiciled in Wanganui, New Zealand. The Company’s parent entity is Wanganui Gas Limited.

The Statement of Intent sets out the overall intentions and objectives of GasNet Limited for the year beginning 1 July 2018.

Objectives

The Directors intend that the Company operate as a successful business and be at least as profitable and efficient as other gas distribution network companies.

The Company aims to provide a reasonable rate of return to its Shareholder after retaining adequate earnings for future business requirements.

Activities

The Company's core business is that of network infrastructure utility company with interests in natural gas distribution networks.

Performance Targets

The performance of the Company will be judged against the following measures:

KPIs

	Target 2018/19	Actual 2018/19	Actual 2017/18
Health and Safety			
Incidents Reported (No)	5	4	3
Lost Time Incidents	0	2	0
Lost Time Rate	0	1	0
Financial Performance			
EBITDA (before Subvention payment)	\$3.45m	\$3.46m	\$3.53m
Capex Depreciation Ratio	1	0.78	0.9
Rate of Return (minimum)	6.4%	9.5%	8.24%
Accumulated profits and capital reserves distributed to shareholder	\$1.60m	\$6.34m	\$1.25m
Network Throughput			
Total Throughput	1.32 PJ	1.28 PJ	1.24 PJ
UFG (Unaccounted For Gas)	1.00%	0.68%	1.40%
Operational Financial Performance			
Direct & indirect Costs per consumer	\$199	\$208	\$210
Direct & indirect Costs per GJ conveyed	\$1.55	\$1.64	\$1.69
Network Reliability			
<i>Planned Interruptions (Class B)</i>			
Consumer Hours Lost	200	162.90	310.27
SAIDI	923.43	745.14	1,428.70
	Target 2018/19	Actual 2018/19	Actual 2017/18
SAIFI	7.70	6.86	6.14
CAIDI	120.00	108.60	232.7
<i>Unplanned Interruptions (Class C)</i>			
Consumer Hours Lost	75	91.97	640.17
SAIDI	346.29	420.68	2947.81
SAIFI	4.23	5.11	7.14
CAIDI	81.82	82.36	413.01
<i>Unplanned Third Party Interruptions (Class I)</i>			
Consumer Hours Lost	50	135.93	18.65
SAIDI	230.86	621.79	85.88

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SAIFI	2.31	2.97	1.07
CAIDI	100.0	209.13	79.93
<i>Total Interruptions</i>			
Consumer Hours Lost	325	390.80	969.09
SAIDI	1500.58	1787.60	4462.39
SAIFI	14.24	14.94	14.35
CAIDI	105.41	119.63	310.94
Third Party Interference Damage (No)	30	25	22
Public Reported Gas Escapes (No)	50	44	28

SAIDI - represents the average number of minutes that a consumer was without gas during the reporting period

SAIFI - represents the average number of interruptions that a consumer experiences during the reporting period

CAIDI - represents the average duration in minutes that a consumer experienced during the reporting period

Assessment

The Company is of the opinion that, as a reasonable and prudent operator, it has achieved the above performance targets within acceptable margins and continues to exercise tight cost controls on the financial KPI's.

The company advanced \$6.338M to the parent Whanganui District Council Holdings Ltd as a dividend. With a target of \$1.6M the higher amount paid during the year was due to a number of extraordinary one off payments as follows.

- Divestment of Network Assets \$2.828M
- Special Dividend (Conversion of Investment to Dividend) \$1.350M
- Ordinary Dividend (Target \$1.6M) \$2.160M

With its focus on ensuring the health and safety of its employees and the safe transportation and delivery of gas to consumers, the low number of incidents reflects the company's commitment to health and safety. The two Lost Time Incidents were due to trip, slip & fall injury incidents each resulting in the loss of one working day. The triennial recertification audit of the company's Public Safety Management System (PSMS) was successfully completed by Telarc in March 2019 followed by the statutory declaration to Energy Safety.

Throughput of gas through the network was higher than the previous year despite being slightly lower than target, and connection numbers increased with a record number of 118 new consumer connections made during the year, a number not exceeded since 2008 when 122 connections were made.

Planned network interruptions (Class B) were similar in number to the previous three year's whilst the total duration of interruptions was half the previous year. This was due to fewer number of interruptions for main renewals which tend to be longer in duration and more interruptions for locating unmapped gas service pipes, which require a relatively short duration of interruption.

There were a similar number of similar duration unplanned interruptions (Class C) this year as in previous years except for the 2017-2018 year, when one event involving water inundation of mains resulted in multiple consumers losing supply for around 20 hours each.

The number of unplanned supply interruptions caused by third party damage (Class I) were marginally higher than in previous years and the total duration of interruptions was correspondingly higher. One event involving damage to a gas main in Marton contributed 22 to the total of 39 interruptions.

The Board has met on eight occasions during the financial year and have closely monitored the company's progress, using a substantial range of both financial and non-financial measures.

New Zealand International Commercial Pilot Academy Limited (NZICPA)

Description of Entity's outcomes

The New Zealand International Commercial Pilot Academy (NZICPA) trains professional flight-deck crew for the global aviation industry. The business is a wholly owned subsidiary of Whanganui District Council Holdings Limited (WDCHL).

The business was established under a regional economic development mandate and accordingly seeks to enable spend from New Zealand and international students within the district.

NZICPA acts in alignment with corporate social responsibility best practice, and this is particularly focused on a community approach to youth development. This is facilitated through our pastoral care operations at the Dublin Street student flats, and other accommodation providers used within the Whanganui city. The new Nazareth student facility has been settled on the 9th of August 2019, and this will further add to the pastoral care and community economic development goals with the employment of new staff, and facility managers.

Description and Quantification of the Entity's outputs

The Company provides professional flight training programmes for New Zealand and International students. New Zealand students typically complete training a Private Pilot Licence, or a level 5 or 6 New Zealand Diploma in Aviation qualification. Flight training and education is delivered under New Zealand rules and regulations for both education and aviation, including those established by; Tertiary Education Commission (TEC) and New Zealand Qualifications Authority (NZQA) and Civil Aviation Authority (CAA).

NZICPA delivers the following programmes and or qualifications:

- Private Pilot Licence (aeroplane).
- Commercial Pilot Licence (aeroplane).
- New Zealand Multi-engine Instrument Rating.
- Aerobatics Rating.
- New Zealand Diploma in Aviation (Aeroplane) General Aviation Strand (level 5)
- New Zealand Diploma in Aviation (Aeroplane) Flight Instruction Strand (level 6)
- New Zealand Diploma in Aviation (Aeroplane) Airline Preparation Strand (level 6)

Generally, in New Zealand the minimum pilot hours requirement for employment by a passenger airline exceeds the hours attained during flight training. Accordingly many young pilots are employed as flight instructors following their training courses to gain experience. NZICPA employs a high number of graduates who have completed the initial flight instructor qualification.

Performance Results

The Company is regularly assessed through detailed independent audits of our aviation training provision, our education quality, and as a Council Controlled Organisation - Audit NZ audits our financial results.

- NZICPA has maintained the highest education organisation ranking against the NZQA External Evaluation and Review (EER) assessment criteria, being Highly Confident in Educational Performance (1), and Highly Confident in Capability in Self-Assessment.
- The Company has completed the CAA audits for both certificates, including the Part 141 approved training organisation (ATO), and Part 135 air operator. The detailed and comprehensive audit was completed with no findings.
- The Company is also a signatory to the Code of Practice for the Pastoral Care of International Students

Description and Quantification of the Entity's Outputs

NZICPA delivered an improved performance during the FY 18/19. Increasing flying hours from 3,926 to 7,015 and revenue from \$1,291,007 to \$2,278,081.

The transition to Whanganui has continued to result in increased costs. As the entity continues to grow to a stage where it can be premier venue for flight training and financially self-sufficient.

NZICPA maintained superior results against CAA and NZQA measures of performance.

Account	2019	2019 SOI	2018
Description and Quantification of the Entity's Outputs			
EBITDA for the year before one off costs	(304,760)	0	(436,679)
One off Costs	19,850	0	0
EBITDA	(328,110)	100,000	(436,679)
Return%	(89)	15	(84)

Account	2019	2019 SOI	2018
Other Performance Objectives			
Donations	100	500	100
Flying hours available to community groups	55	50	67

The target ratio of consolidated shareholders' funds (including parent company advances) to total assets for the period covered by this Statement of Intent shall be less than 50%. This target ratio does not take into account unusual or one-off type transactions that impact this ratio.

The Ratio for the year was 14.5% (2018:25.1%) so within the range set out on the Statement of Intent.

	2019	2019 SOI	2018
Consolidated Shareholder Funds	\$368,960	-	\$520,130
Total Assets	\$2,538,913	-	\$2,074,448
Ratio Shareholder Funds Divided by Total Assets	14.5%	< 50%	25.1%

NZICPA maintained currency with all external creditors throughout the year. The only creditor with an aged balance at year end was Whanganui District Council Holdings Limited the owner.

Whanganui District Council
Annual Report for the year ended 30 June 2019

	2019	2019 SOI	2018
Student Numbers	63	55	48
Flying Hours	7,015	7,200	3,926
Margin per Flying Hour	\$62	\$40	\$65
Holdings aircraft utilization percentage	64%	50%	56%

Whanganui Airport Joint Venture (WAJV)

The primary objectives of the airport operation are 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 in line with the size of Whanganui Airport.
- Operate the airport in a sound and business-like manner.
- Improve the long term value and financial performance of the airport while improving the economic value of the airport to Whanganui.

The objectives of the Whanganui Airport Joint Venture for this financial year and the following two financial years are clearly specified in the statement of intent which was approved by the joint partners.

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 Whanganui.

Achievement

	2015	2016	2017	2018	2019
Net Profit/(Loss)	-226,000	-253,000	266,000	-313,000	-347,000

The 2017 figure includes an \$884,000 gain on revaluation.

The airport was operated in a business-like manner. Cost control was a focus again this year, with a reduction in a number of costs, such as maintenance and contractors; but this was offset by an increase in a number of expenses such as compliance costs (primarily regulation changes), depreciation and personnel expenses. Operating income increased on 2017 because the New Zealand International Commercial Pilot Academy (NZICPA) moved its operations from Fielding to Whanganui.

The result is acceptable to the Joint Venture Partners.

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 Whanganui Airport.

Performance measure

Compliance with all aspects of Part 139 of Civil Aviation Rules with a minimum of one requirement per inspection.

Achievement

Full compliance with Civil Aviation Rules Part 139 was achieved. The CAA audit in February 2017 had no findings.

Objective

Improve the long term value and financial performance of the airport along with improving the economic value of the airport to Whanganui.

Performance measure

Delivery of an activity plan and subsequent achievement of the individual targets outlined within that plan.

Achievement

The Joint Partners continue to investigate ways of improving revenue streams as well as controlling costs. Board members meet on a six to eight week cycle to monitor the performance of the Airport. Positive development continues with the direction being taken by the airport aimed at increasing user satisfaction.

Exempt Council Controlled Organisations

Whanganui River Enhancement Charitable Trust

The purposes of the Whanganui River Enhancement Charitable Trust are to promote the enhancement of the quality of the waters and catchment of the Whanganui River; to encourage other parties to promote the enhancement of the quality of the waters and catchment of the Whanganui River; to make funds available to allow river enhancement projects (social, economic and environmental) to be undertaken; to contribute to public education about the health and wellbeing of the Whanganui River; and to assist in the education of students engaged in full-time tertiary study, where that study is relevant to the Whanganui River.

Although Council appoints two of the six Trustees (two also appointed by Ruapehu District Council) they do not exercise significant influence over the Trust. Genesis contributes all revenue, and provides management and accounting personnel. The life of the Trust is linked to the resource consents of Genesis's Tongariro Power Development.

The Whanganui River Enhancement Charitable Trust 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.

Sarjeant Gallery Trust Board

The purpose of the Sarjeant Gallery Trust Board is to promote and foster the interests of the Whanganui Sarjeant Gallery and the interests of Whanganui's art and artists.

The Whanganui Sarjeant Gallery provides a nationally recognised art experience for both residents of Whanganui and visitors. In addition to providing up-to-date exhibitions, it facilitates educational talks and forums, as well as providing artists a platform for displaying local art.

The Sarjeant Gallery 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.

Manawatu-Whanganui Local Authority Shared Services Limited (MW LASS Ltd)

MW LASS Ltd was formed in October 2008 to provide an 'umbrella vehicle' for the councils of the Manawatu-Whanganui region to investigate, procure, develop and deliver shared services.

Such services will be initiated under the umbrella of MW LASS Ltd where a business case shows that they provide benefits to the council users by either improved levels of service, reduced costs, improved efficiency and/or increased value through innovation. Current work is being undertaken on establishing a common debt collection unit, enabling participating councils to benefit from the use of specialised debt collection resources.

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Annual report disclosure statement

For the year ending 30 June 2019

What is the purpose of this statement?

The purpose of this statement is to disclose the council’s financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

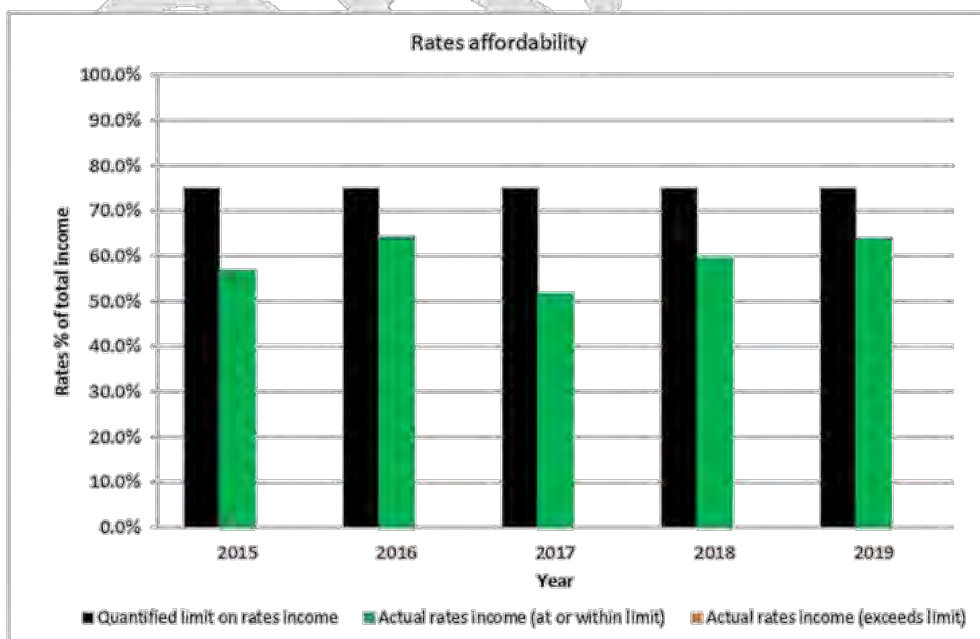
Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

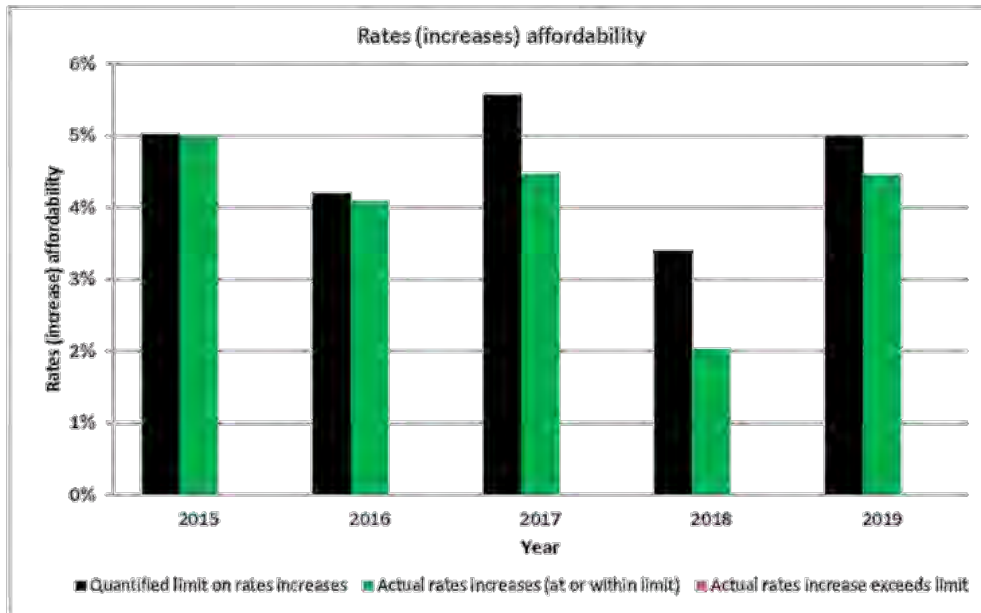
Rates (income) affordability

The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. The quantified limit is the indicative rate limit measured in that rates (excluding metered water, trade waste and penalties) will not be more the 75% of Council’s income.



Rates (increases) affordability

The following graph compares the Council’s actual rates increases (excluding water by meter, trade waste targeted rates and penalties) with a quantified limit on rates increases included in the financial strategy included in the Council’s long-term plan. The quantified limit is based on the Local Government Consumer Index plus 3% in 2018/19, and the Local Government inflation rate plus 2% in all other years (after accounting for growth).



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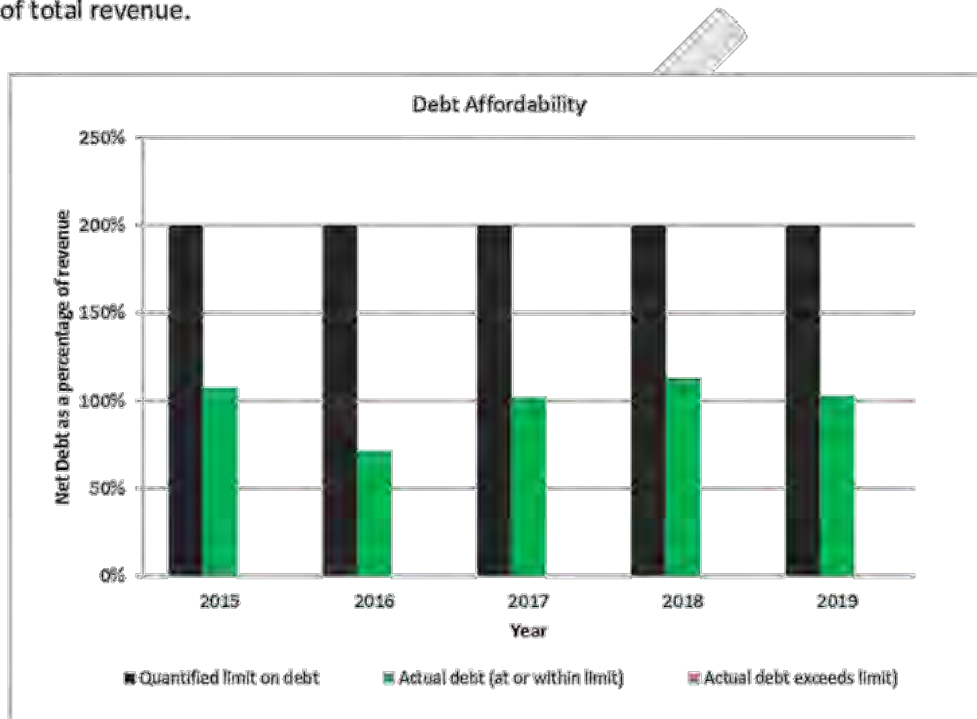
Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing as detailed below.

The following graph compares the council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan.

The quantified limit is that net borrowing will not exceed 200% of total revenue (net borrowing is defined as total debt less cash or near cash financial investments)

The council meets the debt affordability benchmark if planned net borrowing is less than 200% of total revenue.

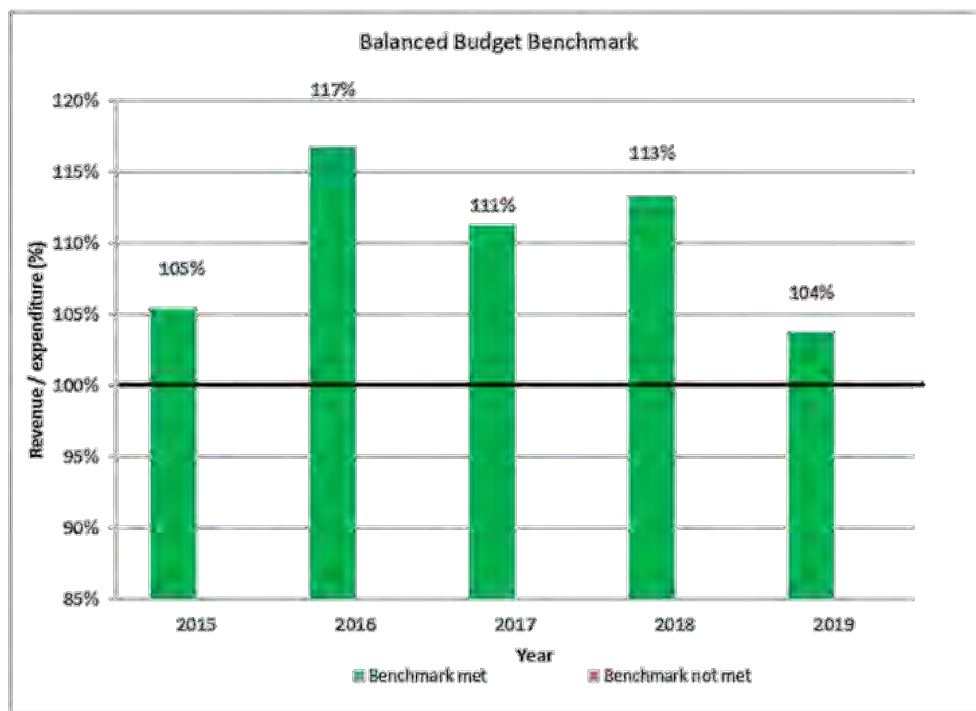


SUSTAINABILITY BENCHMARKS

Balanced budget benchmark

The following graph displays the council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

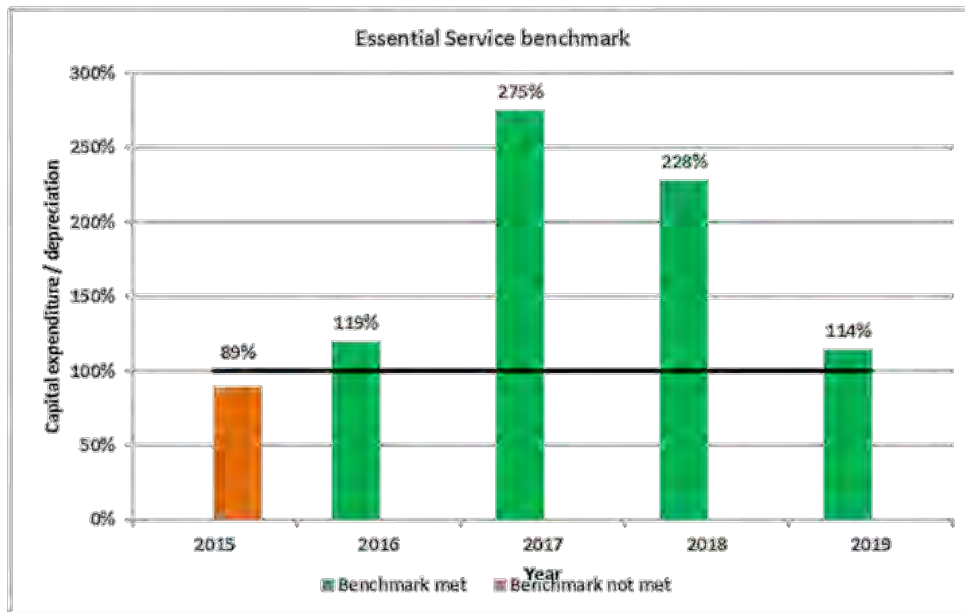
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



SUSTAINABILITY BENCHMARKS

Essential Services Benchmark

The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services.
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



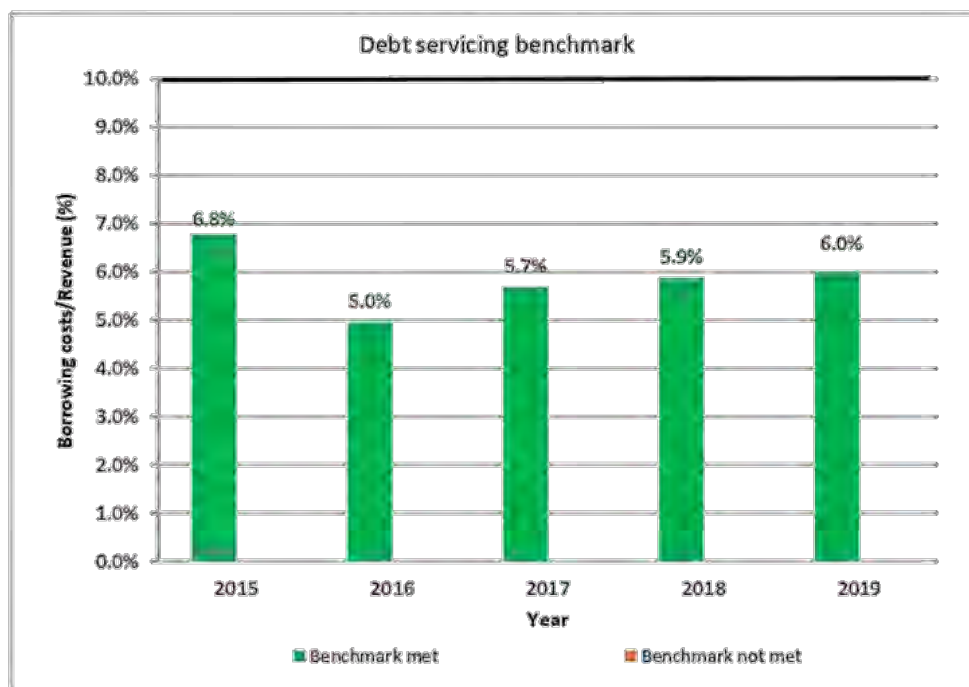
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SUSTAINABILITY BENCHMARKS

Debt servicing benchmark

The following graph displays the council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council’s population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

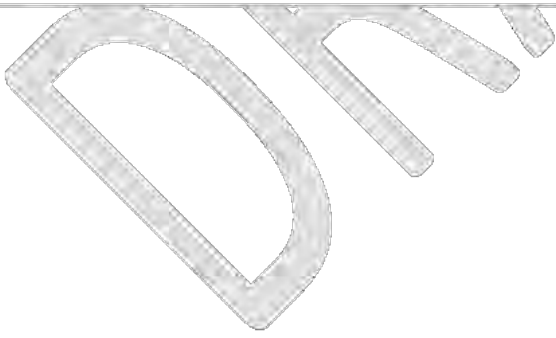
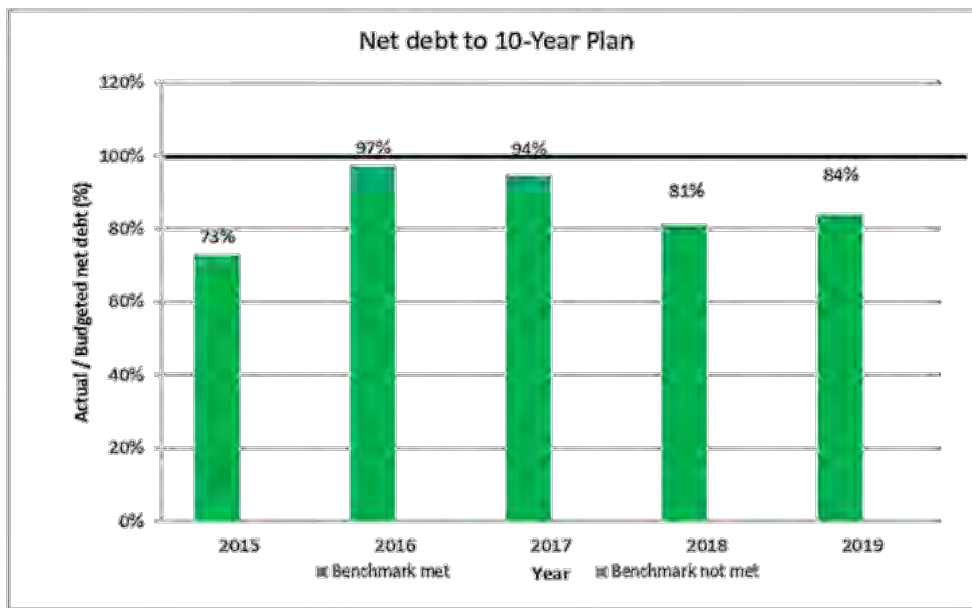


PREDICTABILITY BENCHMARKS

Debt control benchmark

The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

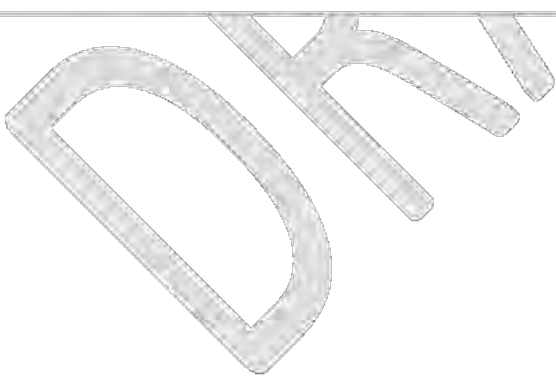
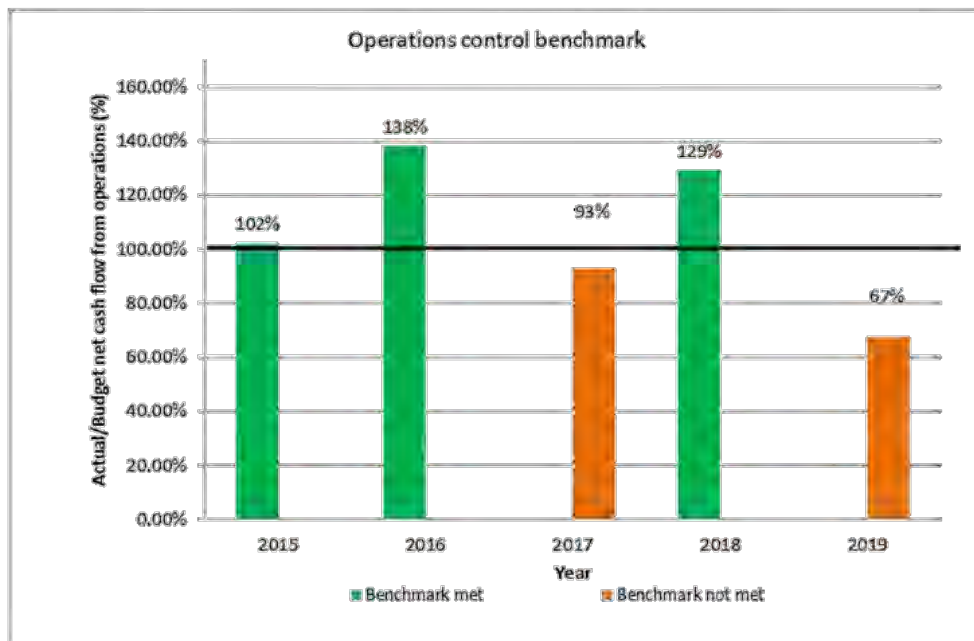


PREDICTABILITY BENCHMARKS

Operations control benchmark

This graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Statement of comprehensive revenue and expense

For the year ended 30 June 2019

		Budget	Council		Group	
	Note	2019	2019	2018	2019	2018
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates revenue (including metered water, trade waste and penalties) split as below:						
Rates (excluding water supply and trade waste)	1	57,486	57,444	54,902	57,444	54,902
Rates from metered water supply and trade waste	1	2,746	2,685	3,007	2,685	3,007
Total Rates		60,232	60,129	57,909	60,129	57,909
Finance revenue	2	1,111	2,651	891	1,740	312
Development and financial contributions		15	16	-	16	-
Other revenue:	3					
Subsidies and grants		11,815	12,767	19,146	13,188	19,146
User fees and other revenue		23,490	13,691	10,753	20,517	21,034
Gains	4	484	691	7,001	689	7,112
Total revenue		97,146	89,944	95,700	96,279	105,513
Expenses						
Personnel costs	5	17,241	17,747	17,370	19,684	19,189
Depreciation and amortisation expense	6	19,441	22,526	20,393	24,016	21,751
Finance costs	2	6,100	5,316	5,220	6,013	5,889
Other expenses	7	38,223	45,117	35,580	47,488	38,376
Total expenses		81,005	90,705	78,563	97,201	85,211
Share of associate surplus/(deficit)		-	(6)	26	(6)	26
Surplus/(deficit) before tax		16,141	(767)	17,163	(927)	20,328
Income tax expense	8	-	(30)	(54)	(45)	(305)
Surplus/(deficit) after tax		16,141	(737)	17,217	(883)	20,633
Surplus/deficit attributable to:						
Whanganui District Council		16,141	(737)	17,217	(883)	20,632
Other comprehensive revenue and expense						
Gain/(loss) on property plant & equipment revaluations		-	3,440	10,307	3,440	14,225
Gain/(loss) on carbon credits revaluation		-	70	136	70	136
Financial assets at fair value through other comprehensive revenue and expense		-	67	43	67	43
Adjustments from CCO through retained earnings		-	-	-	-	-
Income tax re components of other comprehensive income		-	-	(28)	-	(1,126)
Total other comprehensive revenue and expense			3,576	10,458	3,576	13,278
Total comprehensive revenue and expense		16,141	2,840	27,675	2,694	33,910
Total comprehensive revenue and expense attributable to:						
Whanganui District Council		16,141	2,840	27,675	2,694	33,910
		16,141	2,840	27,675	2,694	33,910

Explanations of major variances against budget are detailed in note 39.

Some of the Annual Plan budgets have been restated, to better align to the categories shown in the Annual Report.

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2019

	Budget 2019 \$000	Council 2019 \$000	Council 2018 \$000	Group 2019 \$000	Group 2018 \$000
Balance at 1 July	840,055	852,472	824,797	879,498	845,587
Net surplus / (deficit)	16,141	(737)	17,217	(883)	20,633
Other comprehensive revenue and expense		3,576	10,458	3,576	13,278
Total comprehensive revenue and expense for the year	16,141	2,840	27,675	2,694	33,911
Balance at 30 June	25 856,196	855,312	852,472	882,193	879,498
<i>Total comprehensive revenue and expense attributable to: Whanganui District Council</i>	16,141	2,840	27,675	2,694	33,911

Explanations of major variances against budget are detailed in note 39.

The accompanying notes form part of these financial statements.

Whanganui District Council
Annual Report for the year ended 30 June 2019

Statement of financial position

As at 30 June 2019

	Note	Budget 2019 \$000	Council 2019 \$000	Council 2018 \$000	Group 2019 \$000	Group 2018 \$000
Assets						
Current assets						
Cash and cash equivalents	9	4,086	7,457	8,788	8,978	13,685
Receivables	10	7,070	4,999	5,365	7,745	7,456
Other financial assets	11	-	2,255	212	5,588	4,890
Inventories	12	-	1	1	298	298
Non-current assets held for sale	13	-	-	10,414	-	11,414
Taxation		-	-	-	7	5
Total current assets		11,156	14,701	24,780	22,616	37,748
Non-current assets						
Derivative financial Instruments	14	-	-	-	-	-
Investments in associates	15	-	129	135	179	135
Other financial assets	11	11,937	9,906	12,184	3,996	2,547
Property, plant and equipment	16	944,561	926,340	915,909	966,546	954,898
Intangible assets	17	778	1,280	1,174	9,698	9,590
Forestry assets	18	-	-	925	-	925
Investment property	19	24,661	24,060	23,381	23,054	22,459
Total non-current assets		981,938	961,715	953,708	1,003,423	990,554
Total assets		993,093	976,416	978,488	1,026,039	1,028,302
Liabilities						
Current liabilities						
Payables and deferred revenue	21	10,739	8,181	10,550	11,506	13,050
Derivative financial Instruments	14	-	89	30	69	71
Borrowings & other financial liabilities	22	9,000	26,000	30,000	26,000	32,350
Employee entitlements	23	1,316	1,620	1,581	1,796	1,726
Provisions	24	-	-	-	-	-
Total current liabilities		21,055	35,869	42,161	39,370	47,197
Non-current liabilities						
Payables and deferred revenue	21	-	-	-	-	642
Derivative financial Instruments	14	8,300	11,349	8,949	11,777	9,417
Borrowings & other financial liabilities	22	107,372	73,750	74,750	86,121	84,800
Employee entitlements	23	120	136	126	136	126
Deferred tax liability	8	50	-	30	6,443	6,622
Total non-current liabilities		115,842	85,235	83,855	104,476	101,607
Total liabilities		136,897	121,105	126,016	143,846	148,803
Net assets		856,196	855,312	852,472	882,193	879,498
Equity						
Retained earnings	25	578,709	560,120	560,765	578,660	579,449
Restricted reserves		60,317	63,986	64,068	63,986	64,068
Revaluation reserves		216,463	230,172	226,742	238,514	235,084
Other reserves		707	1,034	897	1,034	897
Total equity attributable to WDC		856,196	855,312	852,472	882,193	879,498
Total equity		856,196	855,312	852,472	882,193	879,498
Investments in CCOs and similar entities	37		8,669	8,594		

Explanations of major variances against budget are detailed in note 39.

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2019

	Budget	Council	Council	Group	Group
Note	2019	2019	2018	2019	2018
	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities					
Receipts from rates revenue	60,232	59,852	57,850	59,852	57,850
Interest received	306	3,995	158	4,098	147
Dividends received	805	1,005	6	5	6
Subvention receipt	-	-	600	-	-
Receipts from other revenue	35,321	26,675	31,701	34,939	43,787
Payments to suppliers	(38,726)	(44,482)	(35,551)	(47,759)	(39,513)
Payments to employees	(16,738)	(17,698)	(17,306)	(19,602)	(19,137)
Goods and services tax (net)	-	(287)	(297)	(85)	(340)
Interest paid	(6,100)	(5,310)	(5,218)	(6,106)	(5,880)
Income tax paid	-	-	(24)	(632)	(27)
Net cash from operating activities	26	35,099	23,750	31,919	24,709
Cash flows from investing activities					
Receipts from sale of property, plant and equipment	50	10,642	141	10,642	153
Purchase of property, plant and equipment	(39,960)	(29,462)	(45,055)	(31,167)	(47,538)
Acquisition of investments	-	(3,468)	-	(3,400)	(4,248)
Receipts for sale and maturity of investments	200	2,277	335	2,277	720
Purchase of intangible assets	(94)	(80)	(139)	(98)	(139)
Net cash from investing activities		(39,804)	(44,718)	(21,745)	(51,052)
Cash flows from financing activities					
Proceeds from borrowings	12,663	9,000	17,000	10,059	17,800
Dividends paid	-	-	-	-	-
Repayment of borrowings	(7,793)	(14,000)	(6,300)	(17,729)	(6,700)
Net cash from financing activities		4,870	10,700	(7,671)	11,100
Net (decrease)/increase in cash and cash equivalents		165	(2,099)	(4,707)	(3,058)
<i>Cash and cash equivalents at the beginning of the year</i>		<i>3,921</i>	<i>8,798</i>	<i>13,685</i>	<i>16,743</i>
Cash and cash equivalents at the end of the year	9	4,086	7,447	8,788	13,685

Explanations of major variances against budget are detailed in note 39.

The accompanying notes form part of these financial statements.

Whanganui District Council
Annual Report for the year ended 30 June 2019

Funding Impact Statement for the Whole of Council

For the year ended 30 June 2019

	Annual Plan 2019 \$000	Annual Report 2019 \$000	Annual Plan 2018 \$000	Annual Report 2018 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	28,296	28,273	27,930	28,092
Targeted rates	31,936	31,856	29,918	29,818
	-	-	-	-
Subsidies and grants for operating purposes	4,004	4,871	3,686	4,505
Fees and charges	8,816	8,618	6,872	7,693
Interest and dividends from investments	1,110	1,698	898	888
Local authorities fuel tax, fines, infringement fees and other receipts	2,146	3,832	2,345	3,016
Total operating funding (A)	76,308	79,148	71,649	74,012
Application of operating funding				
Payments to staff and suppliers	55,464	57,819	49,197	52,828
Finance costs	6,100	5,316	6,121	5,220
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	61,564	63,135	55,318	58,048
Surplus (deficit) of operating funding (A - B)	14,744	16,013	16,331	15,964
Sources of capital funding				
Subsidies and grants for capital expenditure	7,811	7,896	5,812	14,291
Development and financial contributions	15	16	-	-
Increase (decrease) in debt	4,870	(5,000)	30,481	10,700
Gross proceeds from asset sales	50	10,642	-	141
Lump sum contributions	-	-	-	-
Other dedicated capital funding	12,529	979	2,584	388
Total sources of capital funding (C)	25,275	14,534	38,877	25,520
Application of capital funding				
Capital expenditure				
-to meet additional demand	910	111	-	-
-to improve the level of service	22,514	13,264	36,272	23,493
-to replace existing assets	16,630	18,960	18,746	18,882
Increase (decrease) in reserves	165	562	390	(491)
Increase (decrease) of investments	(200)	(2,350)	(200)	(400)
Total application of capital funding (D)	40,019	30,547	55,208	41,484
Surplus (deficit) of capital funding (C - D)	(14,744)	(16,013)	(16,331)	(15,964)
Funding balance ((A - B) + (C - D))	-	-	-	-

Explanations of major variances against budget are detailed in note 39.

Statement of accounting policies

For the year ended 30 June 2019

REPORTING ENTITY

Whanganui District Council is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation that governs the operations of the Council includes the LGA and the Local Government (Rating) Act 2002.

The Whanganui District Council group (WDCG) consists of the ultimate parent Whanganui District Council (WDC) and its subsidiaries, Whanganui District Council Holdings Limited (100% owned) which in turn owns 100% of GasNet Limited and the New Zealand International Commercial Pilot Academy (NZICPA), Whanganui Airport Joint Venture (50%) and Wanganui Incorporated. Its 49% equity share of New Zealand Masters Games Limited, its 15% interest in the Manawatu Wanganui LASS Limited and its 33% interest in the Whanganui River Enhancement Trust are equity accounted. All WDC subsidiaries and associates are domiciled in New Zealand.

The primary objective of WDC is to provide local infrastructure, regulatory functions and goods or services to the community for social benefit.

Accordingly, WDC has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of WDC are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 1 October 2019.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been consistently applied throughout the period.

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).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE standards.

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, certain intangible 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.

Standards issued and not yet effective and not early adopted

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

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial

Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1

January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

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, revenue and expenses on a line-by-line basis. All significant intragroup balances, transactions, revenue 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 the Council 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.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consideration transferred in an acquisition of a subsidiary reflects the fair value of the assets transferred by the acquirer and liabilities incurred by the acquirer to the former owner.

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 surplus or deficit.

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 comprehensive income. 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.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

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 activity that is subject to joint control. For jointly controlled assets, WDC recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and revenue from the sale or use of its share of the output of the joint venture.

Revenue

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

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

In a non-exchange transaction Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange. An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As Council satisfies a present obligation (recognised as a liability) in respect of an inflow of resources from a non-exchange transaction (recognised as an asset), it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Gas

Revenue is derived from gas network distribution services. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Government grants

WDC receives government grants from the New Zealand Transport Agency 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.

Other grants received

Other grants are recognised as revenue when receivable unless there is a condition return the funds if they are not used as specified by the grant. If there is such an obligation when the grant is received it is recorded as a grants received in advance and revenue is only recognised when conditions of the grant are satisfied.

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, unless there is a use or return condition attached to the asset.

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. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

Interest and dividends

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. If a dividend is declared from pre-acquisition surpluses the dividend is deducted from the cost of the investment.

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.

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 is the aggregate of current period movements in relation to both current and deferred tax.

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. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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 profits.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. 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 surpluses 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 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 and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly 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 surplus or deficit 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.

Receivables

Receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt 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. 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 surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Derivative financial instruments

WDC uses derivative financial instruments to manage 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 surplus or deficit.

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

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 surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit taking. Derivatives are also categorised as held for trading unless they are designated as hedges for which hedge accounting is applied. WDC's financial assets at fair value through surplus or deficit include derivatives that are not designated as hedges.

Financial assets acquired principally for the purpose of selling in the short-term, or part of a portfolio classified as held for trading, are classified as a current asset. If a contract is due for settlement, or its remaining maturity is, within 12 months of balance date it is classified as current.

After initial recognition they are measured at their fair values with gains or losses on remeasurement are recognised in the surplus or deficit.

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 surplus or deficit.

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 surplus or deficit 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 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 surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not 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 or if the debt instrument is not expected to be realised within 12 months of 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.

WDC's investments in its subsidiary and associate companies are not included in this category as they are held at cost (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 recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Fair value

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

Impairment of financial assets

At each balance 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 surplus or deficit.

Loans and receivables, and held-to-maturity investments

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 surplus or deficit. 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.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. If such evidence exists for investments at fair value through other comprehensive revenue and expense, 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 surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

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 (using the FIFO

method), adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the fair value at the date of acquisition.

WGL inventories, comprising the network, is 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 surplus or deficit 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 surplus or deficit. 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 land and buildings in the City Endowment and Harbour Endowment portfolios. 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 infrastructure networks 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.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted), infrastructural assets (except land under roads) and artworks 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 net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

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.

Work in progress is recognised at cost less impairment and is not depreciated.

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.

Derecognition and Disposals

An asset is derecognised on disposal or when no future economic benefits or service potential is expected from its use or disposal. Gains and losses on derecognition are determined by comparing the proceeds, or future economic benefits, with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. The revaluation surplus included in net assets/equity in respect of property, plant and equipment will be transferred directly to retained earnings when the assets are derecognised.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

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
Land (including Restricted properties)		Not a Depreciable item
Buildings and leasehold improvements (including Restricted properties)	5 to 50 years	2-20%
Plant, vehicles and equipment	3 to 20 years	5-33%
Furniture & Fittings	5 to 10 years	10-20%
Library books	10 years	10%

Art Works

Not a Depreciable
item*Infrastructural assets*

Roading network

Pavement	4-18 years	3.6%
Basecourse	80-100 years	3.6%
Footpaths	8-100 years	3.6%
Bridges & large culverts	100 years	3.6%
Kerb and channel	20-100 years	3.6%
Retaining Walls	50-100 years	3.6%
Street lighting	15-50 years	3.6%
Culverts	80 years	3.6%
Traffic signals and under road assets	5-50 years	3.6%
Wastewater system	20 to 120 years	2.5%
Storm water system	20 to 120 years	1.7%
Water system	9 to 100 years	2.6%
Gas distribution network mains and services	7 to 100 years	1% - 15%
Gas distribution network condition renewals	50 years	2%
Gas measurement systems and distribution network customer stations	10 to 100 years	1% - 10%
Airport runway	10 years	10%

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.

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.

Carbon credits

Carbon credits are initially recognised at cost. After initial recognition they are not amortised but all carbon credits are measured, annually, at fair value.

The net revaluation result is credited or debited to other comprehensive revenue and expense and is accumulated to fair value through general reserve. Where this results in a debit balance in the reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase in revaluation that reverses a previous decrease in value

recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense. They are derecognised when they are used to satisfy carbon emission obligations.

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 in the surplus or deficit when incurred.

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

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

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 surplus or deficit.

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	3-10 years	10%-33%

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or are 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 and whenever events and circumstances indicate the carrying amount may not be recoverable. 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 for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash generating assets are those held for the primary purpose of generating a commercial return.

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. The total impairment loss is recognised in the surplus or deficit. Where an impairment loss is reversed this is recognised in the surplus or deficit.

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 prices, 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 surplus or deficit.

The costs to maintain forestry assets are included in the surplus or deficit when incurred.

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 surplus or deficit.

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus 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 or if the borrowings are expected to be settled within 12 months of 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 compensated 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

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities; 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.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

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
- other 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.

Revaluation Reserves

These relate to the revaluation of land, buildings and infrastructural assets to fair value.

Other Reserves

These relate to the revaluation of financial assets (shares and bonds) to fair value and the revaluation of carbon credits to fair value.

WDC's objectives, policies and processes for managing capital are described in note 38.

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 statement of financial position.

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 in its 2018-28 Long Term Plan relating to the 2018-2019 year. 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.

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 operating expenditure net of NZTA subsidies.

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 surplus or deficit. 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.

Valuations of infrastructural assets are performed in-house by experienced engineers and the valuations are peer reviewed by independent experts.

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 surplus or deficit, 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 internally by experienced engineers 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.

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 2019.

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.

Impairment of shares in subsidiary

Management reviews its share investment in its subsidiary and has made estimates and assumptions concerning the future. These estimates and assumptions include revenue growth, future cash flows and future economic and market conditions. These estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. WDC minimises the risk of this estimation uncertainty by annually reviewing the value of its share investment.

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Notes to the financial statements

For the year ended 30 June 2019

1. Rates (Other than a targeted rate for water supply)

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
CBD rate	461	458	461	458
General rate	28,083	27,799	28,083	27,799
Roading and footpath rates	8,198	7,765	8,198	7,765
Stormwater rate	5,118	4,864	5,118	4,864
Wastewater rate	7,124	6,457	7,124	6,457
Water charge (excluding metered water)	4,545	4,005	4,545	4,005
Storm damage rate	-	830	-	830
Roading Resilience rate	857	-	857	-
Fire capacity rate	1,135	1,001	1,135	1,001
Debt retirement rate	583	577	583	577
Earthquake strengthening rate	871	823	871	823
Exotic forestry rate	135	-	135	-
Rates Penalties	461	549	461	549
Rates discounts	(233)	(202)	(233)	(202)
Rates remissions	(14)	(23)	(14)	(23)
Total rates revenue (excluding metered water and trade waste)	57,444	54,903	57,444	54,903
Tradewaste fees	1,360	1,596	1,360	1,596
Metered water supply charges	1,325	1,410	1,325	1,410
Total rates revenue (including metered water and trade waste)	60,129	57,909	60,129	57,909

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$1.7M (2018 \$1.6M).

WDC is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by the Council for which those other local authorities rate.

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.

Rating base information

	The number of rating units	The total capital value of rating units \$000	The total land value of rating units \$000
At the end of the preceeding financial year (i.e. 30 June 2018)	21,494	6,898,489	2,676,108
Last year (i.e. 30 June 2017)	21,421	6,828,151	2,670,715

Notes to the financial statements

For the year ended 30 June 2019

2. Finance revenue and finance costs

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Finance revenue				
Interest revenue:				
- money market and term deposits	1,474	86	1,513	165
- related party loans	138	168	-	-
- other	34	31	222	141
Subvention receipt	-	600	-	-
Dividend revenue	1,005	6	5	6
Total finance revenue	2,651	891	1,740	312
Finance costs				
Interest expense:				
- interest on borrowings and swaps	5,316	5,220	6,014	5,889
- interest on finance leases	-	-	-	-
Total finance costs	5,316	5,220	6,014	5,889
Net finance costs	2,665	4,329	4,274	5,577

3. Other revenue

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Subsidies and Grants				
New Zealand Transport Agency Roading subsidies	9,797	15,075	9,797	15,075
Lotteries Board Grant - Gallery Redevelopment project	-	2,000	-	2,000
Lotteries Board Grant - War Memorial Hall seismic upgrade	-	601	-	601
Other government grants	2,970	1,470	3,392	1,470
Subsidies and grants Total	12,767	19,146	13,189	19,146
User fees and other revenue				
Other user charges	1,999	2,013	1,999	2,013
Regulatory revenue	2,206	2,161	2,206	2,161
Rental from investment properties	1,333	1,510	1,333	1,510
Rental from other properties	2,882	2,461	2,882	2,461
Infringements and fines	424	470	424	470
Rendering of services	322	502	322	502
Petrol tax	338	331	338	331
Trade waste user fees	713	-	713	-
Vested assets	158	318	158	318
Property, plant and equipment gain on disposal	171	-	171	-
Forestry revenue	90	5	90	5
Other (includes trading revenue from GasNet Limited)	3,054	982	9,880	11,264
Total User fees and other revenue	13,691	10,753	20,517	21,034
Total other revenue	26,457	29,899	33,705	40,181

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies or any government grant recognised (2018 nil).

Notes to the financial statements

For the year ended 30 June 2019

4. Gains

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Non-financial instruments				
Investment property revaluation gains/(losses) (note 19)	658	(637)	574	(637)
Investment property gains/(losses) on disposal	-	-	-	-
Gain on shares held in WDC Holdings Ltd	-	-	-	-
Gain/(loss) arising from physical change of forestry assets	-	988	-	988
Gain/(loss) arising from change in fair value of forest assets	-	1,519	-	1,519
Decreases due to harvest of forest assets	-	-	-	-
Change in fair value of property, plant and equipment (including reversal of previous year write-downs)	33	5,007	115	5,118
Total non-financial instruments gains	691	6,877	689	6,987
Financial instruments				
Fair value through other comprehensive revenue and expense gains/(losses) on disposal (note 25)	-	124	-	124
Total financial instruments gains	-	124	-	124
Total gains	691	7,001	689	7,112

5. Personnel costs

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Salaries and wages	17,220	16,890	19,124	18,692
Employer contributions to defined contribution plans	504	498	537	532
Increase/(decrease) in employee entitlements/liabilities	23	(18)	23	(35)
Total personnel costs	17,747	17,370	19,684	19,189

Council received employment subsidies of \$154,245 (2018 \$160,007)

Notes to the financial statements

For the year ended 30 June 2019

6. Depreciation and amortisation expense by group of activity

	Council	
	2019 \$000	2018 \$000
Water supply	2,311	2,224
Stormwater drainage	1,770	1,730
Waterways and natural drainage	50	50
Sewerage and the treatment and disposal of sewage	4,973	3,747
Provision of roads and footpaths	9,647	9,079
Parks and recreation	1,120	1,076
Community and cultural	1,099	929
Economic development	8	28
Community facilities and services	567	585
Transportation	133	119
Investments	86	56
Corporate	761	770
Total depreciation and amortisation expense	22,526	20,393

7. Other expenses

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Fees to auditors:				
- Audit New Zealand for financial statement audit	200	177	270	247
- Audit New Zealand for 10-Year Plan audit & Consultation Document	-	100	-	100
- Audit New Zealand for audit related fees for disclosure regulations	-	-	46	41
- Audit New Zealand for audit related fees for Debenture Trust Deed	-	-	-	-
- Audit New Zealand for joint venture financial statement audit	8	7	8	7
- Road Alliance Contract - Brian Smith Advisory Services	13	12	13	28
- Road Alliance Contract - McHale Group	-	16	-	-
Donations	1	9	1	9
General grants	1,301	951	2,345	951
Contractors	15,199	14,052	15,199	14,052
Maintenance	2,343	2,557	2,343	2,557
Electricity	2,236	1,958	2,236	1,958
Planned maintenance	2,380	1,601	2,380	1,601
Insurance premiums	1,414	1,088	1,414	1,088
Directors' fees	-	-	242	236
Consultancy	1,976	1,947	1,976	1,948
Legal fees	278	442	278	442
Rates Expense	1,943	1,828	1,943	1,828
Property, plant and equipment losses on disposal	-	(28)	-	(28)
Losses from derivative financial instruments	2,439	-	2,357	(98)
Loss on acquisition of port assets	482	-	482	-
Impairment of receivables (note 10)	58	155	58	155
Minimum lease payments under operating leases	47	49	314	131
Forestry expenditure	174	149	174	149
Loss on reclassification of forestry assets	1,950	-	1,950	-
Other operating expenses	10,675	8,510	11,458	10,972
Total other expenses	45,117	35,580	47,488	38,376

Notes to the financial statements

For the year ended 30 June 2019

8. Tax

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Components of tax expense				
Current tax expense	-	-	130	142
Deferred tax expense	(30)	126	465	379
Prior year adjustment	-	(180)	(640)	(826)
Income tax expense	(30)	(54)	(45)	(305)
impairment of receivables (note 10)				
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	(767)	17,163	(927)	20,609
Tax at 28%	(215)	4,806	(260)	5,771
Non-deductible expenditure	135	(4,735)	121	(5,432)
Loss not recognised	50	55	-	-
Prior year adjustment to deferred tax	-	(180)	(640)	(826)
Deferred tax adjustment	-	-	733	383
Total tax expense	(30)	(54)	(45)	(305)

Council

Council has not recognised a deferred tax asset in relation to tax losses of \$923,000 (2018 \$923,000). However, these tax losses have been recognised at group level.

Deferred tax liability

	Property, plant and equipment	Financial instruments	Tax losses	Employee entitlements	Total
	\$000	\$000	\$000	\$000	\$000
Council					
Balance 1 July 2017	740	-	(657)	(5)	80
Charged to profit and loss	(200)	-	185	(61)	(77)
Charged to equity	28	-	-	-	28
Balance 30 June 2018	568	-	(472)	(66)	30
Charged to profit and loss	(15)	-	(14)	(1)	(30)
Charged to equity	-	-	-	-	-
Balance 30 June 2019	553	-	(486)	(67)	-
Group					
Balance 1 July 2017	7,430	(193)	(1,173)	(130)	5,936
Charge/(credit) to revenue	(218)	30	(188)	(62)	(439)
Charge/(credit) to equity	1,125	-	-	-	1,125
Balance 30 June 2018	8,336	(164)	(1,362)	(192)	6,622
Charged to profit and loss	(47)	9	(140)	(1)	(179)
Charged to equity	-	-	-	-	-
Balance 30 June 2019	8,289	(155)	(1,503)	(192)	6,443

9. Cash and cash equivalents

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Cash at bank and on hand	7,447	6,960	8,978	11,857
Term deposits with maturities less than 3 months at acquisition	-	1,828	-	1,828
Total cash and cash equivalents	7,447	8,788	8,978	13,685

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 (2018 \$nil).

Notes to the financial statements

For the year ended 30 June 2019

10. Receivables

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Rates receivables	4,893	4,567	4,893	4,567
Other receivables:				
- related party receivables	-	-	-	-
- New Zealand Transport Agency subsidies	449	1,052	449	1,052
- interest receivable	-	-	-	-
- other	2,287	2,098	5,042	4,207
Gross Receivables	7,629	7,717	10,384	9,826
Less provision for impairment	(2,631)	(2,352)	(2,639)	(2,370)
Total Receivables	4,999	5,365	7,745	7,456
<i>Total receivables comprise:</i>				
Receivables from exchange transactions	717	652	3,464	2,743
Receivables from non exchange transactions	4,282	4,713	4,281	4,713
Gross Receivables	4,999	5,365	7,745	7,456

Fair value

Receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of 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 ageing profile of receivables as at 30 June 2019 and 2018 are detailed below:

Council	2019		
	Gross \$000	Impairment \$000	Net \$000
Not past due	2,292	-	2,292
Past due 1-60 days	212	14	226
Past due 61-120 days	38	-	38
Past due > 120 days	5,088	(2,645)	2,443
Total	7,629	(2,631)	4,999

Council	2018		
	Gross \$000	Impairment \$000	Net \$000
Not past due	2,890	-	2,890
Past due 1-60 days	121	(14)	107
Past due 61-120 days	6	-	6
Past due > 120 days	4,700	(2,338)	2,362
Total	7,717	(2,352)	5,365

Notes to the financial statements

For the year ended 30 June 2019

	2019		
	Gross \$000	Impairment \$000	Net \$000
Group			
Not past due	4,900	-	4,900
Past due 1-60 days	212	14	228
Past due 61-120 days	56	-	56
Past due > 120 days	5,215	(2,653)	2,562
Total	10,384	(2,639)	7,745

	2018		
	Gross \$000	Impairment \$000	Net \$000
Group			
Not past due	4,875	-	4,875
Past due 1-60 days	175	(14)	161
Past due 61-120 days	8	-	8
Past due > 120 days	4,768	(2,356)	2,412
Total	9,826	(2,370)	7,456

All receivables greater than 30 days in age are considered to be past due.

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

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Individual impairment	2,631	2,352	2,639	2,370
Collective impairment	-	-	-	-
Total provision for impairment	2,631	2,352	2,639	2,370

Individually impaired receivables have been determined to be impaired because of the unlikeliness of the debt being repaid. An analysis of these individually impaired debtors are as follows:

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Not past due	-	-	-	-
Past due 1-60 days	(14)	14	(14)	14
Past due 61-120 days	-	-	-	-
Past due > 120 days	2,645	2,338	2,653	2,356
Total individual impairment	2,631	2,352	2,639	2,370

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

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
At 1 July	2,352	2,161	2,370	2,170
Additional provisions made during the year	543	613	279	199
Provisions reversed during the year	-	-	-	-
Receivables written-off during period	(265)	(422)	(10)	1
At 30 June	2,631	2,352	2,639	2,370

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 2019

11. Other financial assets

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current portion				
Loans to subsidiaries and associates	213	212	213	212
Long term receivables	2,042	-	5,375	4,678
<i>Total current portion</i>	2,255	212	5,588	4,890
Non-current portion				
Community loans	-	-	-	-
Loans to subsidiaries and associates	-	2,350	-	-
Government Indexed Bonds	-	-	-	-
NZ Local Government Funding Agency borrower notes	1,269	1,263	1,269	1,263
Unlisted shares in NZ Local Government Insurance Corporation Limited	462	439	462	439
Unlisted shares in NZ Local Government Funding Agency Limited	330	286	330	286
Sarjeant Gallery (NJ Young Fund with Craigs Investment Partners & Term Dep)	-	-	1,935	559
Shares in subsidiary (at cost - WDCHL)	7,846	7,846	-	-
<i>Total non-current portion</i>	9,906	12,184	3,996	2,547
Total other financial assets	12,161	12,396	9,583	7,437

Fair value

Community loans

The fair value of community loans is their carrying value of \$0 (2018 \$nil), which has not been discounted due to immaterial size. 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 Group loans to related parties is \$212,959 (2018 \$212,013).

Unlisted shares

Due to the immaterial size and nature, 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 2019.

Due to the immaterial size and nature of the Council's investment in the NZ Local Government Funding Authority Limited ("LGFA"), WDC has estimated the fair value of this investment based on the LGFA's net asset backing as at 30 June.

Notes to the financial statements

For the year ended 30 June 2019

12. Inventories

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
<i>Held for distribution/Commercial inventories</i>				
Inventory	1	1	1	1
Network	-	-	297	297
Total inventories	1	1	298	298

Network inventories are pledged as security for liabilities 2019 \$289,000 (2018 \$297,000). There has been no write-down of commercial inventories to net realisable value (2018 \$nil).

13. Non-current assets held for sale

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Land	-	-	-	281
Buildings	-	-	-	-
Forestry Assets	-	10,414	-	10,414
Port Assets	-	-	-	719
Total non-current assets held for sale	-	10,414	-	11,414

14. Derivative financial instruments

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
Non-current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
Total derivative financial instrument assets	-	-	-	-
Current liability portion				
Interest rate swaps - cash flow hedges	69	30	69	71
Non-current liability portion				
Interest rate swaps - cash flow hedges	11,349	8,949	11,777	9,417
Total derivative financial instrument liabilities	11,417	8,979	11,846	9,488

Fair value

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sources market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for WDC were \$102,500,000 (2018 \$79,500,000) and for the WDC group were \$106,500,000 (2018 \$85,000,000). At 30 June 2019 the Fixed interest rates on the swaps ranged from 2.23% to 6.39%.

Notes to the financial statements

For the year ended 30 June 2019

15. Investments in associates

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Whanganui River Enhancement Charitable Trust (WRET)	66	80	66	80
New Zealand Masters Games Limited (NZMGL)	31	31	31	31
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	31	24	31	24
Total investments in associates	129	135	129	135

Summarised financial information of associate entities

	WRET	
	2019	2018
	\$000	\$000
Assets	393	403
Liabilities	192	161
Revenues	147	144
Surplus/(deficit)	(41)	25
Group's interest	33%	33%

	NZMGL	
	2019	2018
	\$000	\$000
Assets	67	72
Liabilities	3	9
Revenues	25	68
Surplus/(deficit)	1	32
Group's interest	49%	49%

	MW LASS	
	2019	2018
	\$000	\$000
Assets	548	428
Liabilities	380	261
Revenues	1,204	1,145
Surplus/(deficit)	52	41
Group's interest	14%	14%

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

Wanganui-Manawatu LASS Limited

This company was set up in 2008 by seven Local Councils to investigate the possibilities of economies of scale by joint procurement.

Notes to the financial statements

For the year ended 30 June 2019

16. Property, plant and equipment

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

Council 2019	Cost/ revaluation	Accumulated depreciation and impairment charges	Carrying amount	Current year additions	Current Years Vesting Additions	Current year disposals	Accumulated depreciation & impairments eliminated on disposals/ revaluations	Current year depreciation	Current year impairment charges	Transfers	Depreciation Transfers	Revaluation surplus	Cost/ revaluation	Accumulated depreciation and impairment charges	Carrying amount
	1/7/2018 \$000	1/7/2018 \$000	1/7/2018 \$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	30/6/2019 \$000	30/6/2019 \$000	30/6/2019 \$000
Operational assets															
Land	61,639	-	61,639	-	-	(2,734)	-	-	-	-	-	-	58,905	-	58,905
Buildings	57,113	(102)	57,011	4,892	-	(173)	-	(2,082)	-	790	-	-	62,622	(2,183)	60,439
Leasehold Improvements	2,556	(390)	2,167	3	-	-	-	(92)	-	-	-	-	2,550	(491)	2,078
Plant, equipment and motor vehicles	14,895	(12,553)	2,332	1,502	-	(575)	564	(305)	-	264	-	-	16,087	(12,904)	3,183
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-
Furniture and fittings	3,707	(2,666)	1,042	189	-	-	(1)	(138)	-	-	-	-	3,896	(2,804)	1,092
Library books	3,737	(2,190)	1,547	156	-	-	-	(310)	-	-	-	-	3,993	(2,500)	1,492
Artworks	28,219	-	28,219	15	158	-	-	-	-	-	-	3,440	31,632	-	31,632
Capital work in progress (see breakdown below)	3,928	-	3,928	4,784	-	-	-	-	-	(3,334)	-	-	7,398	-	7,398
Total operational assets	176,972	(19,089)	157,883	11,642	158	(3,482)	564	(3,527)	-	(260)	-	3,440	188,470	(22,050)	166,420
Infrastructural assets															
Stormwater and Drainage	110,965	(1,769)	109,196	3,811	-	-	-	(1,808)	-	-	-	-	114,776	(3,577)	111,199
Wastewater Other	127,682	(3,363)	124,319	921	-	-	-	(3,382)	-	-	-	-	128,603	(6,744)	121,859
Waste Water Treatment Plants & Facilities	57,790	(357)	57,433	930	-	-	-	(1,540)	-	260	-	-	58,980	(1,897)	57,083
Water Other	62,255	(1,794)	60,461	1,289	-	-	-	(1,837)	-	-	-	-	63,524	(3,631)	59,893
Water Treatment Plants & Facilities	14,135	(410)	13,725	2,516	-	-	-	(446)	-	-	-	-	16,651	(856)	15,795
Roading network	369,885	(9,074)	359,811	10,666	-	-	-	(9,643)	-	-	-	-	379,551	(19,717)	359,834
Land under roads	8,166	-	8,166	-	-	-	-	-	-	-	-	-	8,166	-	8,166
Airport runway	1,939	(55)	1,914	57	-	-	-	(88)	-	-	-	-	2,056	(173)	1,883
Total infrastructural assets	751,977	(16,852)	735,025	20,171	-	-	-	(18,743)	-	260	-	-	772,907	(35,535)	736,712
Restricted assets															
Land	17,099	-	17,099	-	-	-	-	-	-	-	-	-	17,099	-	17,099
Buildings	5,901	-	5,901	421	-	-	-	(212)	-	-	-	-	6,321	(212)	6,110
Total restricted assets	23,000	-	23,000	421	-	-	-	(212)	-	-	-	-	23,420	(212)	23,209
Total property, plant and equipment	900,653	(21,706)	878,947	32,233	158	(3,482)	564	(22,481)	-	-	-	3,440	984,198	(57,857)	926,340

Note: Vested assets to Whanganui District Council; Artworks \$158,350 (2018 \$318,500).

Notes to the financial statements

For the year ended 30 June 2019

Group 2019	Accumulated depreciation and impairment charges		Carrying amount 1/7/2018 \$000	Current year additions \$000	Current Years Vesting Additions \$000	Current year disposals \$000	Accumulated depreciation & impairments eliminated on disposals / revaluations \$000	Current year depreciation \$000	Current year Impairment charges \$000	Transfers \$000	Depreciation Transfers \$000	Revaluation surplus \$000	Accumulated depreciation and impairment charges		Carrying amount 30/6/2019 \$000	
	Cost/ revaluation 1/7/2018 \$000	1/7/2018 \$000											30/6/2019 \$000	30/6/2019 \$000		
Operational assets																
Land	51,678	-	51,678	-	-	(2,734)	-	-	-	-	-	-	58,944	-	58,944	
Buildings	60,345	(246)	60,100	5,170	-	(173)	-	(2,085)	-	790	-	-	66,132	(2,331)	63,801	
Leasehold Improvements	2,556	(390)	2,167	3	-	-	-	(92)	-	-	-	-	2,550	(481)	2,078	
Plant, equipment and motor vehicles	16,771	(13,795)	2,976	3,000	-	(582)	582	(1,129)	-	264	-	-	19,444	(14,343)	5,101	
Leased equipment	1,178	(1,178)	0	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-	
Furniture and fittings	3,955	(2,688)	1,267	217	-	(3)	3	(164)	-	-	-	-	4,169	(2,850)	1,319	
Library books	3,737	(2,190)	1,547	256	-	-	-	(310)	-	-	-	-	3,983	(2,500)	1,483	
Art work	28,219	-	28,219	15	158	-	-	-	-	-	-	3,440	31,832	-	31,832	
Capital work in progress	3,926	-	3,926	4,764	-	-	-	-	-	(1,314)	-	-	7,387	-	7,387	
Total operational assets	182,366	(20,487)	161,880	13,445	158	(3,501)	583	(3,780)	-	(261)	-	3,440	195,648	(23,683)	171,965	
Infrastructural assets																
Stormwater and Drainage	110,965	(1,769)	109,196	1,411	-	-	-	(1,808)	-	-	-	-	114,776	(3,577)	111,199	
Wastewater Other	127,681	(3,363)	124,318	911	-	-	-	(3,361)	-	-	-	-	128,602	(5,744)	122,859	
Waste Water Treatment Plants & Facilities	57,790	(357)	57,433	930	-	-	-	(1,540)	-	260	-	-	58,980	(1,897)	57,094	
Water Other	62,255	(1,794)	60,461	1,269	-	-	-	(1,837)	-	-	-	-	63,524	(3,631)	59,894	
Water Treatment Plants & Facilities	14,135	(410)	13,725	2,516	-	-	-	(446)	-	-	-	-	16,551	(856)	15,795	
Roading network	369,884	(9,074)	359,810	10,666	-	-	-	(9,643)	-	-	-	-	379,550	(19,717)	359,833	
Land under roads	8,166	-	8,166	-	-	-	-	-	-	-	-	-	8,166	-	8,166	
Airport runway	1,999	(85)	1,914	57	-	-	-	(88)	-	-	-	-	2,056	(173)	1,883	
Gas network infrastructure	34,994	-	34,994	1,349	-	-	-	(1,222)	-	(462)	-	-	35,881	(1,222)	34,660	
Total infrastructural assets	786,869	(16,852)	770,018	21,500	-	-	-	(19,964)	-	(202)	-	-	808,187	(36,817)	771,372	
Restricted assets																
Land	17,099	-	17,099	-	-	-	-	-	-	-	-	-	17,099	-	17,099	
Buildings	5,901	-	5,901	421	-	-	-	(212)	-	-	-	-	6,321	(212)	6,110	
Total restricted assets	23,000	-	23,000	421	-	-	-	(212)	-	-	-	-	23,420	(212)	23,209	
Total property, plant and equipment	992,235	(37,338)	954,898	35,386	158	(3,501)	583	(23,955)	-	(463)	-	3,440	1,027,256	(60,712)	966,546	

Notes to the financial statements

For the year ended 30 June 2019

Council 2018	Accumulated depreciation and impairment charges		Carrying amount 1/7/2017 \$000	Current year additions \$000	Current Years		Accumulated depreciation & impairments eliminated on disposals / revaluations		Current year depreciation \$000	Current year impairment charges \$000	Transfers \$000	Depreciation Transfers \$000	Revaluation surplus \$000	Accumulated depreciation and impairment charges		Carrying amount 30/6/2018 \$000	
	Cost/ revaluation 1/7/2017 \$000	1/7/2017 \$000			Vesting Additions \$000	Current year disposals \$000	disposals / revaluations \$000	30/6/2018 \$000						30/6/2018 \$000			
Operational assets																	
Land	57,437	-	57,437	-	-	-	(11)	-	-	-	(140)	-	4,354	61,639	-	61,639	
Buildings	53,096	(4,002)	49,094	1,058	-	-	(65)	5,435	(1,927)	-	1,234	-	4,347	59,671	(492)	59,178	
Plant, equipment and motor vehicles	13,751	(11,815)	1,936	1,319	-	-	(177)	161	(910)	-	2	-	14,885	(12,563)	2,322		
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-	
Furniture and fittings	3,608	(2,530)	1,078	101	-	-	-	-	(136)	-	-	-	3,707	(2,665)	1,042		
Library books	3,461	(1,877)	1,584	276	-	-	-	-	(313)	-	-	-	3,737	(2,150)	1,547		
Artworks	27,898	-	27,898	2	319	-	-	-	-	-	-	-	28,219	-	28,219		
Capital work in progress (see breakdown below)	31,273	-	31,273	2,282	-	-	-	-	-	-	(29,627)	-	-	3,928	-	3,928	
Total operational assets	191,702	(21,401)	170,301	5,038	319	(254)	5,596	(3,287)	-	(28,532)	-	8,701	176,974	(19,090)	157,884		
Infrastructural assets																	
Stormwater and Drainage	108,523	-	108,523	2,442	-	-	-	-	(1,769)	-	-	-	-	110,965	(1,769)	109,196	
Wastewater Other	127,007	-	127,007	675	-	-	-	-	(3,363)	-	-	-	-	127,682	(3,363)	124,319	
Waste Water Treatment Plants & Facilities	13,505	-	13,505	16,275	-	-	-	-	(357)	-	28,010	-	-	57,790	(357)	57,433	
Water Other	60,701	-	60,701	1,595	-	-	-	-	(1,794)	-	-	-	-	62,255	(1,794)	60,461	
Water Treatment Plants & Facilities	13,806	-	13,806	329	-	-	-	-	(410)	-	-	-	-	14,135	(410)	13,725	
Roading network	353,294	-	353,294	15,501	-	-	-	-	(9,074)	-	-	-	-	368,885	(9,074)	359,811	
Land under roads	8,053	-	8,053	112	-	-	-	-	-	-	-	-	-	8,165	-	8,165	
Airport runway	1,999	-	1,999	-	-	-	-	-	(85)	-	-	-	-	1,999	(85)	1,914	
Total infrastructural assets	696,878	-	696,879	36,988	-	-	-	(16,852)	-	28,010	-	-	751,877	(16,852)	735,025		
Restricted assets																	
Land	16,270	-	16,270	12	-	-	-	-	-	-	-	-	817	17,089	-	17,089	
Buildings	5,802	(305)	5,497	169	-	-	515	(209)	-	-	-	-	(71)	5,901	-	5,901	
Total restricted assets	22,072	(305)	21,767	181	-	-	515	(209)	-	-	-	-	747	23,000	-	23,000	
Total property, plant and equipment	906,653	(21,706)	878,947	42,308	319	(254)	6,111	(20,348)	-	(522)	-	9,448	951,850	(35,941)	915,909		

Note: Vested assets to Whanganui District Council; Art Works \$318,500 (2017 \$191)

Notes to the financial statements

For the year ended 30 June 2019

Group 2018	Accumulated depreciation and impairment charges		Carrying amount 1/7/2017	Current year additions	Current Years		Accumulated depreciation & impairments eliminated on disposals / revaluations		Current year depreciation	Current year impairment charges	Transfers	Depreciation Transfers	Revaluation surplus	Accumulated depreciation and impairment charges		Carrying amount 30/6/2018
	Cost/ revaluation 1/7/2017	1/7/2017			Vesting Additions	Current year disposals	disposals / revaluations	Cost/ revaluation 30/6/2018						30/6/2018		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets																
Land	57,476	-	57,476	0	-	(21)	-	-	-	(140)	-	4,354	61,678	-	-	61,678
Buildings	54,414	(4,178)	50,236	1,064	-	(55)	5,528	(1,976)	0	3,142	-	4,347	62,902	(635)	-	62,267
Plant, equipment and motor vehicles	15,818	(12,954)	2,864	1,696	-	(635)	526	(1,104)	(352)	2	-	-	16,771	(13,795)	-	2,976
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-	-
Furniture and fittings	3,626	(2,541)	1,084	334	-	(3)	2	(148)	-	(2)	-	-	3,955	(2,688)	-	1,267
Library books	3,461	(1,877)	1,584	276	-	-	-	(313)	-	-	-	-	3,737	(2,190)	-	1,547
Artwork	27,898	-	27,898	2	319	-	-	-	-	-	-	-	28,218	-	-	28,218
Capital work in progress	32,535	-	32,535	3,195	-	-	-	-	-	-	(31,803)	-	-	3,926	-	3,926
Total operational assets	196,406	(20,628)	175,779	6,507	319	(766)	6,096	(3,542)	(352)	(28,801)	-	8,701	182,365	(20,487)	-	161,880
Infrastructural assets																
Stormwater and Drainage	108,523	-	108,523	2,442	-	-	-	(1,769)	-	-	-	-	110,955	(1,765)	-	109,196
Wastewater Other	127,006	-	127,006	675	-	-	-	(3,363)	-	-	-	-	127,681	(3,363)	-	124,318
Waste Water Treatment Plants & Facilities	13,505	-	13,505	16,175	-	-	-	(357)	-	28,010	-	-	57,790	(357)	-	57,433
Water Other	60,701	-	60,701	1,555	-	-	-	(1,794)	-	-	-	-	62,255	(1,794)	-	60,461
Water Treatment Plants & Facilities	13,806	-	13,806	329	-	-	-	(410)	-	-	-	-	14,135	(410)	-	13,725
Roading network	353,284	-	353,284	15,601	-	-	-	(9,074)	-	-	-	-	368,884	(9,074)	-	359,810
Land under roads	8,053	-	8,053	112	-	-	-	-	-	-	-	-	8,166	-	-	8,166
Airport runway	1,999	-	1,999	-	-	-	-	(85)	-	-	-	-	1,989	(85)	-	1,914
Gas network infrastructure	35,357	(4,190)	31,167	1,302	-	-	5,290	(1,102)	-	(294)	-	3,919	34,994	-	-	34,994
Total infrastructural assets	722,234	(4,190)	718,045	38,290	-	-	6,290	(17,953)	-	27,716	-	3,919	785,969	(16,852)	-	770,018
Restricted assets																
Land	16,268	-	16,268	12	-	-	-	-	-	-	-	-	817	-	-	17,097
Buildings	5,804	(305)	5,498	169	-	-	515	(209)	-	-	-	-	(71)	-	-	5,903
Total restricted assets	22,072	(305)	21,766	181	-	-	515	(209)	-	-	-	-	747	-	-	23,000
Total property, plant and equipment	940,712	(27,124)	913,590	44,977	319	(766)	11,841	(21,704)	(352)	(1,085)	-	13,367	992,235	(37,338)	-	954,898

Notes to the financial statements

For the year ended 30 June 2019

16. Property, plant and equipment (continued)

Valuation

Operational and restricted land and buildings

Under NZ IFRS, this portfolio is being held for operational purposes, is valued and accounted for under the public Benefit Entity International Public Sector Accounting Standard 17 (PBE IPSAS 17) Property Plant and Equipment. The most recent valuation was performed by Mr KD Pawson (ANZIV, SPINZ, Bcom (VPN), of Morgans Property Advisors, Valuers and the valuation is effective as at 30 June 2018.

Fair value of individual structures have been assessed assuming the continued "economic" use for each structure with same forming an integral part of the total operation of the various portfolios. This use is typically considered the highest and best use. The properties contain a range of improved and bareland operational assets with various different uses relating to the Council function.

Where there has been a definable market for the asset then market comparisons have been utilised to determine Fair Value.

Where the asset is not one that has a defined market then Depreciated Cost method has been adopted to determine Fair Value.

Where Council only holds a land interest, then Fair Value has been determined by comparison with market based land sales. A proportion of the portfolio is subject to term ground leases. Where this is the case, only the lessors' (Councils) interest in the land has been assessed - i.e. The freehold value of the land has been discounted (where applicable) to adequately reflect any rental detriment (through under-renting) and/or the (where perpetually renewable) the tenants' right to occupy.

Some of the portfolio is impacted by reserves status (zoned or gazetted) and designations. Where land is impacted by same, the approach has been to firstly assess market values as per underlying zoning/status and then discounted values by a percentage that appropriately reflects the 'percentage chance' of changing the zoning/status or uplifting the designation. The property has been valued as if free and clear of any mortgages, debenture or other charge against the property. No allowance has been made for any liability for taxation which may arise on disposal of the property, nor any allowance for capital based Government grants investments allowances which may apply if the property was being built at the date of valuation.

Replacement cost has been based on known recent contract prices along with references to most recent QV Cost Builder Statistics.

Leasehold improvements are held at cost less depreciation.

Forestry land has been valued by Mr KD Pawson (ANZIV, SPINZ, Bcom (VPN), of Morgans Property Advisors, Valuers and the valuation is effective as at 30 June 2018. Forestry assets were sold in the 2018/19 financial year.

Infrastructural asset classes: roads, airport runway, water system, sewerage reticulation, stormwater system.

These are valued at fair value determined on a depreciated replacement cost basis. The most recent valuation, as at 30 June 2017, was performed by Robin Mackie (an employee of WDC), NZCE, Member of NZWWA, with John Vessey of Opus consultants (BE (Civil), BA (Econ), CPENG, IPENZ, Affiliate Member PINZ, Member of ACEENZ) peer reviewing the methodology.

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

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. Subsequent additions are shown at cost.

Gas distribution network

The distribution network of WGL was valued using a discounted cash flow model, as at 30 June 2018 by Geoff Evans, BE (Mech), Network Manager and reviewed in accordance with NZ IAS 16 by Jeff Whitlock CA (FP), B.BS, of Moore Stephens Markhams. The network is revalued on a five yearly cycle.

Art collection

The art collection of the Sarjeant Gallery has been valued by Mr James Parkinson (MPINZ) and Mr Ben Plumbly of Art+ Object, and Christies of London, on 31 March 2019. Subsequent additions are shown at cost.

Impairment

There are no impairments to Property, plant and equipment for the year ending 30 June 2019 (2018 \$Nil).

Work in progress

	Council		Group	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Operational Buildings & Improvements	5,336	2,903	5,880	2,903
Plant & Equipment	-	17	-	17
Waste Water Treatment Plants & Facilities	-	260	-	260
Storm Water	76	6	76	6
Water Other	1,048	621	1,048	621
Roading	32	14	32	14
Waterways & Natural Drainage	105	105	105	105
Gas distribution network	-	-	13	13
Restricted Buildings & Improvements	-	-	-	-
Intangible	-	-	-	-
Total work in progress	7,397	3,926	7,417	3,946

Leasing

The net carrying amount of plant and equipment held under finance leases is \$Nil (2018 \$Nil).

Notes to the financial statements

For the year ended 30 June 2019

Core infrastructure asset disclosures

Included within the Council infrastructure assets above are the following core Council assets:

	Closing book value	Additions constructed by Council	Additions transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
2019				
Stormwater & Drainage	111,199	3,811	-	183,188
Wastewater Other	124,859	921	-	248,987
Wastewater Treatment Plants & Facilities	57,083	1,190	-	56,118
Water Other	59,893	1,269	-	127,411
Water Treatment Plants & Facilities	15,795	2,516	-	26,225
Roading network	360,834	10,666	-	682,906
2018				
Storm Water	109,196	2,442	-	169,458
Wastewater Other	124,319	675	-	253,209
Waste Water Treatment Plants & Facilities	57,433	44,285	-	79,111
Water Other	60,461	1,555	-	119,242
Water Treatment Plants & Facilities	13,725	329	-	40,925
Roading network	359,811	15,601	-	636,117

Notes to the financial statements

For the year ended 30 June 2019

17. Intangible assets

	Council computer software \$000	Council other \$000	Council total \$000	Group other \$000	Group goodwill \$000	Group \$000
Movements for each class of intangible asset are as follows:						
Balance at 1 July 2018						
Cost	3,349	868	4,217	1,099	9,496	14,812
Accumulated amortisation and impairment	(3,043)	-	(3,043)	(1,070)	(1,110)	(5,223)
Opening carrying amount	307	868	1,174	29	8,386	9,590
Year ended 30 June 2019						
Additions	80	-	80	19	-	99
Amortisation / Impairment charge	(44)	-	(44)	-	(16)	(60)
Disposals/Transfers	-	-	-	678	(678)	-
Amortisation charge eliminated on disposal	-	-	-	-	-	-
Revaluation increment	-	70	70	-	-	70
Closing carrying amount	342	937	1,280	726	7,692	9,698
Year ended 30 June 2018						
Cost	3,430	937	4,367	1,796	8,818	14,981
Accumulated amortisation and impairment	(3,087)	-	(3,087)	(1,070)	(1,126)	(5,283)
Closing carrying amount	342	937	1,280	726	7,692	9,698
Balance at 1 July 2017						
Cost	3,171	1,205	4,376	420	10,702	15,498
Accumulated amortisation and impairment	(2,997)	-	(2,997)	(1,070)	-	(4,067)
Opening carrying amount	174	1,205	1,379	(650)	10,702	11,432
Year ended 30 June 2018						
Additions	122	17	139	1	-	140
Amortisation charge	(45)	-	(45)	-	(1,110)	(1,155)
Disposals/Transfers	56	(481)	(434)	678	(1,206)	(963)
Amortisation charge eliminated on disposal	-	-	-	-	-	-
Revaluation increment	-	136	136	-	-	136
Closing carrying amount	307	868	1,174	29	8,386	9,590
Year ended 30 June 2018						
Cost	3,349	868	4,217	1,099	9,496	14,812
Accumulated amortisation and impairment	(3,043)	-	(3,043)	(1,070)	(1,110)	(5,223)
Closing carrying amount	307	868	1,174	29	8,386	9,590

Council's other intangible assets relate to Whanganui District Council's Forestry Joint Committee's holdings of Carbon Credits under the Emissions Trading Scheme.
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 the consolidation of GasNet Limited and the New Zealand International Commercial Pilot Academy in the books of Whanganui District Council Holdings Limited and the consolidation of the WING glass school into the books of WDC. 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 comprehensive revenue and expense. There is no impairment of goodwill as the net book value of assets, cashflows and the meeting of expected dividends are all in line with the expectations contained in the Council's 10 year plan 2018/28.

Work in progress

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Software	96	96	96	96
Leasements	-	-	-	-
	96	96	96	96

Notes to the financial statements

For the year ended 30 June 2019

18. Forestry assets

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Balance at 1 July	925	8,833	925	8,833
Increases due to purchases	76	-	76	-
Gain/(loss) arising from physical change	-	988	-	988
Gain/(losses) arising from changes in fair value	33	1,518	33	1,518
Decreases due to harvest	-	-	-	-
Transfers to non-current assets held for sale	511	(10,414)	511	(10,414)
Asset write-down	(1,546)	-	(1,546)	-
Balance at 30 June	-	925	-	925

Valuation assumptions

Independent registered valuers Alan Bell and Associates have valued forestry assets as at 30 June 2018. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 6.5% (2018 6.5%) has been used in discounting the present value of expected after tax cash flows;
- land is excluded from the tree crop value by applying an annual "land cost" of \$90 per ha per annum (2018 \$90);
- 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 on the basis that costs and prices rise equally in line;
- 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 prices. 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.

Notes to the financial statements

For the year ended 30 June 2019

19. Investment property

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Balance at 1 July	23,381	23,737	22,459	22,912
Additions from acquisitions	21	335	21	335
Disposals/Transfers	-	(54)	-	(151)
Fair value gains/(losses) on valuation	658	(637)	575	(637)
Balance at 30 June	24,060	23,381	23,054	22,459
Less Impairment of earthquake prone buildings	-	-	-	-
Balance at 30 June	24,060	23,381	23,054	22,459

WDC's investment properties are valued annually at fair value effective 30 June 2019. All investment properties were valued independently based on open market evidence. The valuation was performed by KD Pawson (ANZIV, SPINZ, Bcom (VPN)) of Morgans Property Advisors (Morgans). Morgans is an experienced valuer with extensive market knowledge in the types of investment properties owned by WDC.

The fair value of the investment property has been determined using the capitalisation of actual/potential net revenues and direct comparison methods. The methods are also based on assumptions of 'highest and best use' and have regard for current lease arrangements. Where long term ground leases are in place only the lessors' (councils) interest in the land has been assessed.

Net revenue from properties within the harbour endowment must be applied to the maintenance and development of the Port. Net revenue from the City Endowment properties is used to aid the people of Whanganui. For both endowments Crown approval is required for any change to the make up or purpose of the endowment. Also all capital or divestment proceeds must remain within those Endowments.

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
<i>Revenue and expenses in relation to investment properties:</i>				
Rental revenue	1,333	1,510	1,333	1,510
Expenses from investment property generating revenue	(734)	(976)	(680)	(938)
Expenses from investment property not generating revenue	(55)	(38)	(55)	(38)
Contractual obligations for capital expenditure	-	-	-	-
Contractual obligations for operating expenditure	-	-	-	-

20. Joint ventures

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

	Council and Group	
	2019 \$000	2018 \$000
Current assets	115	96
Non-current assets	4,484	4,519
Current liabilities	232	220
Non-current liabilities	1	31
Revenue	276	254
Expenses	564	464

Notes to the financial statements

For the year ended 30 June 2019

WDC had an interest in the Whanganui District Councils' Forestry Joint Committee (the joint committee was disestablished in the 2018/19 financial year). WDC's share was 95.09%. WDC's interest in the jointly controlled operation is as follows:

	Council and Group	
	2019 \$000	2018 \$000
Current assets	-	515
Non-current assets	-	4,417
Current liabilities	-	388
Non-current liabilities	-	-
Revenue	1,077	2,748
Expenses	578	149

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 27 and 28.

21. Payables and deferred revenue

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current portion				
<i>Payables under exchange transactions</i>				
Trade payables	4,915	5,980	5,793	6,433
Deposits and bonds	1,056	2,276	1,056	2,276
Accrued expenses	398	493	398	493
Amounts due to related parties	-	14	-	-
Accrued interest payable	665	659	819	819
Revenue in advance	380	372	1,877	1,395
<i>Payables under non exchange transactions</i>				
Income tax payable	-	-	760	760
Other taxes payable	166	162	(97)	280
Rates in advance	601	594	601	594
Grants and funding with conditions	-	-	300	-
	8,181	10,550	11,506	13,050
Non-current portion				
<i>Payables under non exchange transactions</i>				
Grants and funding with conditions	-	-	-	642
	-	-	-	642
Total payables and deferred revenue	8,181	10,550	11,506	13,692

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

22. Borrowings & other financial liabilities

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current portion				
Secured loans	26,000	30,000	26,000	32,350
Finance leases	-	-	-	-
Total current portion	26,000	30,000	26,000	32,350
Non-current portion				
Secured loans	73,750	74,750	86,121	84,800
Finance leases	-	-	-	-
Total non-current borrowings	73,750	74,750	86,121	84,800
Total borrowings	99,750	104,750	112,121	117,150

Notes to the financial statements

For the year ended 30 June 2019

Secured loans

WDC's secured debt of \$99,750,000 (2018 \$104,750,000) 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 0.09-1.05% for credit risk.

There is a multi option credit facility of \$15,000,000 (2018 \$15,000,000) available with Westpac. At year end there had been drawdowns of \$750,000 (2018 \$750,000) on this facility. In addition WDC has a loan facility of \$15,000,000 available with ANZ. At year end there was no drawdown (2018 \$NIL). It also has a \$75,000 credit card facility with ANZ Bank. At 30 June 2019 \$14,402.97 was owing on this facility (2018 \$11,162.55).

WDC has debt raised with the New Zealand Local Government Funding Agency. At 30 June 2019, \$73,000,000 is outstanding (2018 \$78,000,000) with maturities from 2021 to 2027.

Security

Council loans are secured over rates revenue or property. WDC adopted a new Liability Management Policy during the 2017/18 year.

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

Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

Notes to the financial statements

For the year ended 30 June 2019

23. Employee entitlements

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current portion				
Accrued pay	400	374	463	422
Annual leave	1,106	1,078	1,219	1,175
Retirement and long service leave	101	116	101	116
Sick leave	13	13	13	13
<i>Total current portion</i>	1,620	1,581	1,796	1,726
Non-current portion				
Retirement and long service leave	136	126	136	126
<i>Total non-current portion</i>	136	126	136	126
Total employee entitlements	1,756	1,707	1,932	1,852

The present value of long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used are from 2 year, 5 year and 10 year bond yields. The salary inflation factor has been determined after considering historical salary inflation patterns. An average discount rate of 1.34% (2018 2.28%) and an inflation factor of 2.3% (2018 2.3%) were used.

24. Provisions

Council has not made any provisions during the 2018/19 and 2017/18 periods.

Notes to the financial statements

For the year ended 30 June 2019

25. Equity

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Retained earnings				
Balance at 1 July	560,765	547,363	579,449	562,632
Asset adjustment to equity 1 July	-	-	-	-
Transfers (to)/from restricted reserves	82	(4,306)	83	(4,306)
Adjustment to equity from CCO's	-	-	-	-
Transfers from property revaluation reserves on disposal	9	-	10	-
Transfers from other revaluation reserves on disposal	-	491	-	491
Surplus/(deficit) for the year	(737)	17,217	(883)	20,632
Balance at 30 June	560,120	560,765	578,660	579,449
Restricted reserves				
Balance at 1 July	64,068	59,762	64,068	59,762
Transfers (to)/from retained earnings	(82)	4,306	(82)	4,306
Balance at 30 June	63,986	64,068	63,986	64,068
Asset revaluation reserves				
Balance at 1 July	226,742	216,463	235,084	221,984
Revaluation gains/(losses)	3,468	10,307	3,469	14,226
Impairment of roading assets	-	-	-	-
Transfer to accumulated funds on disposal of property	(9)	-	(10)	-
Tax on property revaluations	(28)	(28)	(29)	(1,126)
Balance at 30 June	230,172	226,742	238,514	235,084
Asset revaluation reserves consist of:				
Operational assets:				
- land	39,540	39,540	39,540	39,540
- buildings	4,814	4,823	4,814	4,823
- Artworks	7,069	3,630	7,069	3,630
Infrastructural assets:				
- wastewater system (including stormwater)	117,172	117,172	117,172	117,172
- water system	15,464	15,464	15,464	15,464
- roading network	25,109	25,109	25,109	25,109
- Airport runway	-	-	-	-
- gas network infrastructure	-	-	8,341	8,342
Restricted assets:				
- land	19,615	19,615	19,615	19,615
- buildings	1,389	1,389	1,389	1,389
	230,172	226,742	238,514	235,084
Other reserves				
Balance at 1 July	897	1,209	897	1,209
Valuation gains/(losses) taken to equity	67	43	67	43
Transfer to accumulated funds on disposal of carbon credits	-	(491)	-	(491)
Gain/(loss) on carbon credits revaluation	70	136	70	136
Balance at 30 June	1,034	897	1,034	897
Other reserves consist of:				
- Fair value through equity	228	161	228	161
- Carbon credit reserve	806	736	806	736
	1,034	897	1,034	897
Total Equity	855,312	852,472	882,193	879,498

Notes to the financial statements

For the year ended 30 June 2019

Restricted Reserves consists of:

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2018 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance at 30 June 2019 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	2,685	48	(340)	2,403
City Endowment	Investments	To provide alternative income for funding of Council activities	23,587	292	(60)	23,819
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	25,869	586	(316)	26,239
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of art works	681	17	-	693
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	4	-	-	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	12	-	-	12
Gallery Redevelopment project	Community & cultural	Lotteries Board funds to go towards Gallery project	1,968	62	(526)	1,502
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	20	-	-	20
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	349	178	(205)	322
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	437	122	-	619
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	153	2	-	155
De-sexing program	Community facilities and services	To fund future dog de-sexing program	3	-	(4)	1
MA Larsen Bequest	Parks and recreation	To finance improvements at the Bason Reserve	547	111	-	503
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	29	-	-	29
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	10	-	-	10
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	8	1	-	9
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	105	2	-	107
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	25	-	-	25
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	12	-	-	12
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	6	-	-	6
Nagaizumi Donation	Parks and recreation	For qualifying expenditure	10	-	-	10
Nicholson bequest	Parks and recreation	For qualifying expenditure	41	1	-	42
Tree Planting contribution	Parks and recreation	For qualifying expenditure	3	-	-	3
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,793	-	(10)	6,793
Rural road special rate - Whangaeahu No 1	Roads, footpaths and pathways	Rural rates specifically collected for future works	42	12	-	54
Rural road special rate - Whangaeahu No 2	Roads, footpaths and pathways	Rural rates specifically collected for future works	79	8	-	87
CUVL renewals fund	Economic development	To fund renewals of community under-veranda lighting	185	4	-	188
International Education	Economic development	To fund education initiatives	12	1	-	13
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	39	-	-	39
Aged Citizens Benefit Trust	Corporate	To benefit aged citizens	5	1	-	6
Tram Fund	Community & cultural	To fund the Tram project	11	-	-	11
Welcoming Communities grant	Community & cultural	To administer the Welcoming Communities scheme	36	-	-	36
Community Development grants	Community & cultural	To fund Youth Committee projects	11	-	-	11
Tylee Cottage	Community & cultural	To fund the Artists in Residence scheme	5	10	-	15
Opera House Friends	Community & cultural	To fund future Friends projects	-	3	-	3
Library mobile vans	Community & cultural	To fund purchase of new mobile vans	-	10	-	10
Li Smith Bequest	Community & cultural	To fund an arts award	68	1	(2)	79
			64,068	1,374	(1,456)	63,986

Notes to the financial statements

For the year ended 30 June 2019

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2017 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance at 30 June 2018 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	2,409	331	(55)	2,685
City Endowment	Investments	To provide alternative income for funding of Council activities	21,914	1,717	(44)	23,587
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	26,697	5	(730)	25,972
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of artworks	395	292	(6)	681
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	3	1	-	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	12	-	-	12
Gallery Redevelopment project	Community & cultural	Lotteries Board funds to go towards Gallery project	-	2,028	(60)	1,968
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	20	-	-	20
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	299	178	(128)	349
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	338	159	-	497
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	150	3	-	153
De-sexing program	Community facilities and services	To fund future dog de-sexing program	15	-	(12)	3
MA Larsen Bequest	Parks and recreation	To finance improvements at the Bason Reserve	577	10	-	587
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	29	-	-	29
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	10	-	-	10
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	8	-	-	8
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	104	1	-	105
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	19	6	-	25
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	11	1	-	12
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	6	-	-	6
Nagaizumi Donation	Parks and recreation	For qualifying expenditure	9	1	-	10
Nicholson bequest	Parks and recreation	For qualifying expenditure	40	1	-	41
Tree Planting contribution	Parks and recreation	For qualifying expenditure	-	3	-	3
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,254	549	-	6,803
Rural road special rate - Whangaehu No 1	Roads, footpaths and pathways	Rural rates specifically collected for future works	33	9	-	42
Rural road special rate - Whangaehu No 2	Roads, footpaths and pathways	Rural rates specifically collected for future works	68	11	-	79
CIWL renewals fund	Economic development	To fund renewals of community under-veranda lighting	182	3	-	185
International Education	Economic development	To fund education initiatives	12	-	-	12
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	38	1	-	39
Aged Citizens Benefit Trust	Corporate	To benefit aged citizens	5	-	-	5
Tram Fund	Community & cultural	To fund the Tram project	10	1	-	11
Welcoming Communities grant	Community & cultural	To administer the Welcoming Communities scheme	-	29	-	29
Community Development grants	Community & cultural	To fund Youth Committee projects	17	-	(1)	16
LI Smith Bequest	Community & cultural	To fund an arts award	81	2	-	83
			59,762	5,342	(1,037)	64,068

Notes to the financial statements

For the year ended 30 June 2019

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

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Surplus/(deficit) after tax	(737)	17,217	(883)	20,633
Add/(less) non-cash items				
Share of associate surplus/(deficit)	6	(26)	6	(26)
Interest credited directly to investments	2,350	(128)	2,484	(128)
Depreciation and amortisation expense	22,526	20,393	24,016	21,751
Vested assets	(158)	(318)	(158)	(318)
(Gains)/losses in fair value of biological assets	-	(2,506)	1	(2,505)
Movement in fair value of investment property	(658)	637	(574)	637
(Gains)/losses on derivative financial instruments	2,439	(124)	1,971	(222)
(Gains)/losses on shares held in WDC Holdings Ltd	-	-	-	-
(Gains)/losses in fair value of plant, property and equipment	(33)	(5,035)	(33)	(5,035)
Increase/(decrease) in deferred tax	(30)	(50)	(359)	686
(Gains)/losses on other investments	-	-	571	1,413
	26,441	12,843	27,924	16,253
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	-	(28)	(68)	(28)
	-	(28)	(68)	(28)
Add/(less) movements in working capital items				
Accounts receivable	366	2,472	968	2,158
Inventories	-	-	(6)	(11)
Accounts payable	(2,330)	(586)	(3,224)	(2,127)
Employee benefits	10	1	(3)	15
	(1,954)	1,886	(2,265)	35
Net cash inflow/(outflow) from operating activities	23,750	31,919	24,709	36,893

27. Capital commitments and operating leases

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Capital commitments				
Plant & Equipment	199	165	199	165
Parks	571	2,099	571	2,099
Building & Improvements	1,327	3,360	1,327	3,360
Water System	7,882	7	7,882	7
Storm Water & Drainage System	1,440	2,475	1,440	2,475
Waste Water System	-	73	-	73
Roading Network	14,646	952	14,646	952
Wastewater Treatment Plant (see note 22)	-	4,361	-	4,361
Investment property	-	-	-	-
Library Stock	432	-	-	-
Total capital commitments	26,496	13,492	26,065	13,492

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

Notes to the financial statements

For the year ended 30 June 2019

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 60 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Not later than one year	150	161	586	348
Later than one year and not later than five years	24	172	773	408
Later than five years	-	-	306	14
Total non-cancellable operating leases	173	333	1,664	769

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2018 \$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 not 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's financial statements include lease expenditure of \$210,492 (2018 \$201,711). The lease expenditure is for photocopiers, water coolers, and Eftpos terminals.

Operating leases as lessor

WDC leases its investment property under operating leases. These leases have a varying non-cancellable terms.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Not later than one year	1,352	1,249	1,352	1,249
Later than one year and not later than five years	2,018	2,843	2,018	2,843
Later than five years	5,797	5,075	5,797	5,075
Total non-cancellable operating leases	9,168	9,167	9,168	9,167

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

Notes to the financial statements

For the year ended 30 June 2019

28. Contingencies

	Council		Group	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Litigation	239	200	239	200
Building Act claims	100	100	100	100
Total contingent liabilities	339	300	339	300

Building act claims

The Building Act (2004) imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done. At the date of this report, 1 matter under that act indicating potential liability had been brought to the Council's attention.

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Whanganui District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, 5 of which are located within the Whanganui District. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

Defined Benefit Plan Contributors Scheme

Whanganui District Council is a participating employer in the Defined Benefit Plan Contributors Scheme (the scheme), which is a multi-employer defined benefit scheme. If the other participating employers cease to participate in the scheme, Whanganui District Council could be responsible for any deficit of the scheme. Similarly, if a number of employers cease to participate in the scheme, the Whanganui District Council could be responsible for an increased share of any deficit.

Financial Assistance Package

Whanganui District Council will be a participating territorial authority to the Financial Assistance Package (FAP) scheme passed into legislation by the Weathertight Homes Resolutions Services (Financial Assistance Package) Amendment Act 2011. The scheme is optional to the homeowner. In signing up to the scheme, WDC is committing to funding 25 per cent of eligible claims. It is a five-year commitment. There is currently one property which Whanganui District Council has agreed meets the requirements of the FAP.

New Zealand Local Government Funding Agency

WDC is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

WDC is one of 52 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20M is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, WDC is a guarantor of all of NZLGFA's borrowings. At 30 June 2019, NZLGFA had borrowings totalling \$9,531M (2018: \$8,272M).

Financial reporting standards require WDC to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The WDC considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Unquantified Liabilities

There are a small number of claims Council are contesting. These have not been quantified due to the nature of the issues and uncertainty over the outcome of Council's liability.

Contingent Assets

As at 30 June there were no contingent assets.

Notes to the financial statements

For the year ended 30 June 2019

29. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transactions required to be disclosed

The Council received from Gasnet Limited a subvention payment of \$600,000 (2018 \$600,000).

The Council believe the following to be arms length transactions, but are disclosing them for transparency and include transactions with entities that Councillors and Management have an interest in:

During the year, tax losses in Council were transferred to GasNet by subvention of \$600,000 and loss offset of \$96,937.07.

The Council paid the Drawing Room \$5,750 for the provision of Architectural services (2018: \$1,183).

The Council paid Downer NZ \$17.7M for the supply of various contract works (2018: \$37.9M)

The Council paid MWLASS for shared services \$72,106 (2018: \$128,691).

The Council paid Whanganui District Council Holdings Ltd (WDCHL) by way of Port grants \$219,160 (2018 \$467,120).

The Council made equity contributions to Whanganui Joint Venture Airport totalling \$241,688 (2018 \$339,028).

The Council received from NZ Masters Games Ltd for administrative services \$105,443 (2018: \$36,812).

The Council received from the Sarjeant Gallery Trust grants totalling \$10,000 (2018 \$172.50). An amount of \$Nil was outstanding at 30 June 2018 (2018 \$nil).

Key management personnel compensation

	2019	2018
	\$000	\$000
<i>Councillors</i>		
Remuneration	571	551
Full-time equivalent members	13	13
<i>Senior Management, including the Chief Executive</i>		
Remuneration	1,435	1,240
Full-time equivalent members	7	6
	<u>2,006</u>	<u>1,791</u>
Total full-time equivalent personnel	19.5	19

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 2019

30. Remuneration

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$388,280 (2018 \$338,008) including annual leave bought out of \$25,823 (2018 \$nil).

Elected representatives

Elected representatives received the following remuneration:

Whanganui District Council

Mayor Hamish McDouall (includes car)

Councillor Charlie Anderson

Councillor Philippa Baker-Hogan

Councillor David Bennett

Councillor Josh Chandulal-Mackay

Councillor Murray Cleveland

Councillor Helen Craig

Councillor Jenny Duncan

Councillor Kate Joblin

Councillor Hadleigh Reid

Councillor Alan Taylor

Councillor Rob Vinsen

Councillor Graeme Young

Whanganui Rural Community Board

Chairperson David Matthews

Bill Ashworth

Michael Dick

Alistair Duff

Sandra Falkner

Grant Skilton

David Wells

	Council 2019 \$000	2018 \$000	WGL/WDCHL 2019 \$000	2018 \$000
Mayor Hamish McDouall (includes car)	123	117	-	-
Councillor Charlie Anderson	35	34	-	-
Councillor Philippa Baker-Hogan	34	33	-	-
Councillor David Bennett	34	33	-	-
Councillor Josh Chandulal-Mackay	36	34	-	-
Councillor Murray Cleveland	37	35	-	-
Councillor Helen Craig	41	39	-	-
Councillor Jenny Duncan	44	42	-	-
Councillor Kate Joblin	40	39	-	-
Councillor Hadleigh Reid	36	34	-	-
Councillor Alan Taylor	41	40	-	-
Councillor Rob Vinsen	38	38	-	-
Councillor Graeme Young	34	32	-	-
	571	551	-	-
Chairperson David Matthews	11	11	-	-
Bill Ashworth	6	6	-	-
Michael Dick	6	5	-	-
Alistair Duff	6	5	-	-
Sandra Falkner	6	5	-	-
Grant Skilton	6	5	-	-
David Wells	6	6	-	-
	44	45	-	-
Total	615	596	-	-

Notes to the financial statements

For the year ended 30 June 2019

Employee staffing levels and remuneration

As at 30 June, the number of employees (including casuals) receiving total annual remuneration and other benefits within specified bands were as follows:

	2019 Number of employees
\$0 - \$59,999	176
\$60,000 - \$79,999	62
\$80,000 - \$99,999	34
\$100,000 - \$119,999	12
\$120,000 - \$139,999	8
\$140,000 - \$379,999	8
	-
Total number of employees as at 30 June 2019	300
	2018 Number of employees
\$0 - \$59,999	157
\$60,000 - \$79,999	76
\$80,000 - \$99,999	31
\$100,000 - \$119,999	14
\$120,000 - \$179,999	7
\$180,000 - \$299,999	7
	-
Total number of employees as at 30 June 2018	292

At 30 June, WDC employed 188 (2018 196) full time employees, with the balance of staff representing 49 (2018 47) full-time equivalent employees. A full-time equivalent employee is determined on the basis of a 40 hour working week.

31. Severance payments

Severance payments were made to four employees during the year. The payments amount totalled \$96,839 (2018 two payments totalling \$53,600).

The value of each of the severance payments were \$14,813, \$16,583, \$14,951 and \$50,492 (2018 \$40,000, and \$13,600).

32. Events after the balance date

There were no material post balance date events.

(2018: The WDCJFC received OIO approval in August to sell four (4) forestry blocks, of which WDC will receive 95.09% of the sale price.)

Notes to the financial statements

For the year ended 30 June 2019

33. Financial instruments

Financial instrument categories

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

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Financial assets				
Loans and receivables				
Cash and cash equivalents	7,447	8,788	8,978	12,966
Receivables	4,999	5,365	7,745	11,988
Loans to related parties	213	2,562	(2,537)	(188)
Community loans	-	-	-	-
Long term receivables	2,042	-	2,042	-
Fair value through other comprehensive revenue and expense				
Other financial assets:				
- unlisted shares	792	725	792	725
LGFA borrower notes	1,269	1,263	1,269	1,263
Government Indexed Bonds	-	-	-	-
Financial liabilities				
Fair value through surplus or deficit - Held for trading				
Derivative financial instrument liabilities	11,417	8,979	11,845	9,488
Financial liabilities at amortised cost				
Payables	8,181	10,550	11,506	13,045
Borrowings:				
- secured loans	99,750	104,750	112,121	117,150

34. Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable

Notes to the financial statements

For the year ended 30 June 2019

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position

	Valuation technique		
	Total market price \$000	inputs \$000	non- \$000
30 June 2019 - Council			
Financial assets			
Unlisted shares	792	792	
LGFA borrower notes	1,269	1,269	
Government indexed bonds	-		
Financial liabilities			
Derivatives	11,417	11,417	
30 June 2019 - Group			
Financial assets			
Shares unlisted	792	792	
LGFA borrower notes	1,269	1,269	
Government indexed bonds	-		
NJ Young bequest with Craigs Investment Partners / Term Deposits	-	1,935	
Financial liabilities			
Derivatives	11,845	11,845	
30 June 2018 - Council			
Financial assets			
Shares unlisted	725	725	
LGFA borrower notes	1,263	1,263	
Government indexed bonds	-		
Financial liabilities			
Derivatives	8,979	8,979	
30 June 2018 - Group			
Financial assets			
Shares unlisted	725	725	
LGFA borrower notes	1,263	1,263	
Government indexed bonds	-		
NJ Young bequest with Craigs Investment Partners / Term Deposits	-	558	
Financial liabilities			
Derivatives	9,488	9,488	

There were no transfers between the different levels of the fair value hierarchy

Notes to the financial statements

For the year ended 30 June 2019

35. 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 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 2019 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus by \$Nil (2018 Nil). If interest rates on borrowings at 30 June 2019 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$433,750 (2018 \$463,750) as a result of higher/lower interest expense on floating-rate borrowings.

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 WDC, causing WDC to incur a loss. WDC has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and WDC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. WDC 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.

The Council and group holds no other collateral or credit enhancements for financial instruments that give rise to credit risk.

Notes to the financial statements

For the year ended 30 June 2019

Maximum exposure to credit risk

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

	Council		Group	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Cash at bank and term deposits	9,489	8,788	8,978	13,685
Receivables	4,999	5,365	7,745	7,456
LGFA borrower notes	1,269	1,263	1,269	1,263
Related party and community loans	213	2,562	5,588	4,890
Total credit risk	15,970	17,978	23,580	27,294

WDC is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 28.

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	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Counterparties with credit ratings				
Cash at bank, term deposits and sinking funds:				
AA	-	-	-	-
AA-	9,489	8,788	8,978	13,685
Total cash at bank, term deposits and sinking fund	9,489	8,788	8,978	13,685
LGFA borrower notes:				
AA+	1,269	1,263	1,269	1,263
AA-	-	-	-	-
Total LGFA borrower notes:	1,269	1,263	1,269	1,263
Counterparties without credit ratings				
Community and related party loans:				
Existing counterparty with no defaults in the past	213	2,562	5,588	4,890
Existing counterparty with defaults in the past	-	-	-	-
Total long term receivables and related party loans	213	2,562	5,588	4,890

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

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 11 and 22 respectively.

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 and include interest payments.

Notes to the financial statements

For the year ended 30 June 2019

	Carrying amount cash flows	contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Council 2019						
Payables	8,181	8,181	8,181	-	-	-
Secured loans	99,750	120,311	2,896	2,896	53,152	61,367
Total	107,931	128,492	11,077	2,896	53,152	61,367
Group 2019						
Payables	11,506	11,506	11,506	-	-	-
Secured loans	112,121	138,814	15,296	2,896	59,254	61,367
Total	123,626	150,319	26,803	2,896	59,254	61,367
Council 2018						
Payables	10,550	10,550	10,550	-	-	-
Secured loans	104,750	120,311	2,896	2,896	53,152	61,367
Total	115,300	130,861	13,445	2,896	53,152	61,367
Group 2018						
Payables	13,050	13,050	13,050	-	-	-
Secured loans	117,150	138,814	15,296	2,896	59,254	61,367
Total	130,200	151,864	28,348	2,896	59,254	61,367

The table below analyses WDC's derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6 months to 2 years \$000	More than 2 years \$000
Council and group 2019					
Contracts:					
Council	11,417	11,417	90	122	11,206
Group	11,845	11,845	90	211	11,544
Council and group 2018					
Contracts:					
Council	8,949	8,949	90	122	8,737
Group	9,488	9,488	90	211	9,187

WDC is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 28.

Notes to the financial statements

For the year ended 30 June 2019

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
Council 2019				
Cash and cash equivalents	7,447	7,447	-	-
Receivables	4,999	4,999	-	-
Other financial assets:				
- term deposits	-	-	-	-
- related party loans	213	213	-	-
- community loans	-	-	-	-
Total	12,657	12,657	-	-
Group 2019				
Cash and cash equivalents	8,978	8,978	-	-
Receivables	7,745	7,745	-	-
Other financial assets:				
- term deposits	-	-	-	-
- related party loans	213	213	-	-
- community loans	-	-	-	-
Total	16,935	16,935	-	-
Council 2018				
Cash and cash equivalents	8,788	8,788	-	-
Receivables	5,365	5,365	-	-
Other financial assets:				
- term deposits	-	-	-	-
- related party loans	2,562	2,562	-	-
- community loans	-	-	-	-
Total	16,714	16,714	-	-
Group 2018				
Cash and cash equivalents	13,685	13,685	-	-
Receivables	7,456	7,456	-	-
Other financial assets:				
- term deposits	-	-	-	-
- related party loans	212	212	-	-
- community loans	-	-	-	-
Total	21,351	21,351	-	-

Notes to the financial statements

For the year ended 30 June 2019

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit 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.

Council
2019 \$'000

	- 50bps Other Equity	+ 100bps Other Equity
Interest rate risk	Surplus	Surplus
<i>Financial assets</i>		
Cash and cash equivalents	(37)	74
Other financial assets:	(1)	2
<i>Financial liabilities</i>		
<i>Borrowings:</i>		
- bank overdraft	-	-
- term loans	434	(868)
- Derivatives	(368)	735
Total sensitivity to interest rate risk	28	(57)

Council

2018 \$'000

	- 50bps Other Equity	+ 100bps Other Equity
Interest rate risk	Surplus	Surplus
<i>Financial assets</i>		
Cash and cash equivalents	(44)	88
Other financial assets:	(13)	26
<i>Financial liabilities</i>		
<i>Borrowings:</i>		
- bank overdraft	-	-
- term loans	464	(928)
- derivatives	(398)	795
Total sensitivity to interest rate risk	9	(20)

Notes to the financial statements

For the year ended 30 June 2019

Group

2019 \$000

Interest rate risk

Financial assets

Cash and cash equivalents

Other financial assets:

Financial liabilities

Borrowings:

- bank overdraft

- term loans

- derivatives

Total sensitivity to interest rate risk

	Surplus	- 50bps Other Equity	Surplus	+ 100bps Other Equity
Cash and cash equivalents	(45)		90	
Other financial assets:	(1)		2	
<i>Borrowings:</i>				
- bank overdraft	-		-	
- term loans	496		(992)	
- derivatives	(388)		775	
Total sensitivity to interest rate risk	62	-	(125)	-

Group

2018 \$000

Interest rate risk

Financial assets

Cash and cash equivalents

Other financial assets:

Financial liabilities

Borrowings:

- bank overdraft

- term loans

- derivatives

Total sensitivity to interest rate risk

	Surplus	- 50bps Other Equity	Surplus	+ 100bps Other Equity
Cash and cash equivalents	(68)		137	
Other financial assets:	(1)		2	
<i>Borrowings:</i>				
- bank overdraft	-		-	
- term loans	526		(1,052)	
- derivatives	(425)		850	
Total sensitivity to interest rate risk	31	-	(63)	-

Explanation of interest rate sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50bps/+100bps (2018 -50bps/+100bps).

Notes to the financial statements

For the year ended 30 June 2019

36. Insurance Contracts

Whanganui District Council (WDC) is part of a regional collective of local authorities (Manawatu Local Authority Shared Services - MWLASS) for insurance purposes. Through this collective economies of scale WDC has access to the best process and cover.

As at the end of the financial year, WDC had the following insurance cover in place.

Material Damage - full replacement value \$313,668,170

Council's Material Damage cover is based on a Maximum Probable Loss model (MPL) which means that its assets are insured for the value of the largest probable loss that could result from a disaster in Whanganui. The collective has insured up to \$300m combined limit for Material Damage/Business Interruption any one loss or series of losses.

Fine Arts - full replacement value \$31,451,160

This cover is for the total replacement value of art, artifacts owned or on loan to WDC, as follows;
\$28,118,410 for all WDC owned art.
\$1,000,000 for Whanganui Visitor Information Centre.
\$1,000,000 for art on temporary loan to WDC.
\$1,332,750 for the Edith Collier collection, which is on long term custodial care with WDC.

Commercial Motor Vehicles - full replacement value \$2,121,395

Motor insurance up to the market value of each individual vehicle.

Infrastructure (3 Waters) -full replacement value \$869,952,456

Based on risk engineering and loss modelling for the Manawatu/Whanganui hazardscape a \$300m shared loss limit is in place with the MWLASS collective. Insurance is 40% in anticipation of a 60% contribution from central government in a disaster. WDC has a MPL of \$250M

Infrastructure (Roading) -full replacement value \$610,550,000

WDC currently receives a minimum subsidy of 62% from the NZTA for any roading works with this % increasing in the event of a disaster. In the event of a disaster the shortfall between repair costs and subsidy received is loan funded.

The Council carries a self insurance fund, currently valued at \$2,403,000. This fund covers excesses for the Material Damage and Commercial Motor Vehicle policies.

Notes to the financial statements

For the year ended 30 June 2019

37. Investments in CCOs and similar entities

Section 5(3) of the Local Government (Financial Reporting and Prudence) Regulations 2014 requires the Council to present a single Council Controlled Organisation (CCO) investment figure in the Statement of Financial Position. As Council is also required to comply with IAS 1, Presentation of Financial Statements, Council has decided to disclose the total CCO investment amount as a footnote to the Statement of Financial Position

	Council	
	2019	2018
	\$000	\$000
Shares in subsidiary (at cost - WDCHL)	7,846	7,846
Unlisted shares in NZ Local Government Funding Agency Limited	330	286
Unlisted shares in NZ Local Government Insurance Corporation Limited	462	439
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	31	24
	<u>8,669</u>	<u>8,594</u>

38. 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 Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also 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 LTP.

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.

Notes to the financial statements

For the year ended 30 June 2019

39. Explanation of major variances to budget

Statement of comprehensive revenue and expense

Revenue

Rates revenue of \$60.129M was close to budget with a small variance (-0.2%). Finance revenue of \$2.651M was ahead of budget by \$1.540M (139%), mainly as a result of interest earned on the sale of Forestry funds, and an additional \$200k dividend from Holdings.

Subsidies and grants of \$12.767M are ahead of budget by \$952k (8.1%). This was mainly due to footpaths now eligible for NZTA subsidies for the first time (\$724k) - previously unbudgeted.

User fees and other revenue of \$13.691M was well behind the budget of \$23.490M. This mainly related to the Sarjeant Gallery Redevelopment project. The project was delayed resulting in the delay in receiving donations and grants of \$11.6M. It is assumed donations and grants received will match the timing of expenditure.

Partially offsetting this reduction in user fees and other revenue were additional grants from MBIE of \$660k for the Upokongaro Cycleway and Riverfront Toilets projects.

Gains of \$691k are ahead of the budgeted \$484k. The gains mainly relate to the revaluation of Investment Property assets.

Expenditure

Personnel costs are over budget by \$506k (2.9%). There were a number of reasons for this variance, including:

- unbudgeted corresponding external funding not showing in the personnel cost line e.g. Welcoming Communities grant, GasNet payroll contract, NZ Masters Games.
- bringing roles in-house (e.g. Port employees) with resulting reductions in other expense lines.
- Council delivering increased levels of service (e.g. NZ Glassworks, digitisation).

Depreciation and amortisation expense is \$3.1M (15.9%) higher than the budget. This mainly relates to the new Treatment Plant now operating, in addition to extensive Roading flood damage work completed.

Finance costs were \$784k (12.9%) lower than budget due to capital expenditure being behind budget resulting in a corresponding reduction in loans required to fund overall capital expenditure.

Other expenses of \$45.11M were over budget by \$6.89M (18% variance). The main reasons for this variance relates to loss on interest rate swaps (\$2.44M), and losses on changes in fair value of Port and Forestry assets (\$2.43M). There were also additional costs for repairs and maintenance (\$596k); insurance costs (\$554k); and other costs such as legal fees, subcontractors, materials etc.

Statement of financial position

Assets

Cash and cash equivalents of \$7.45M are \$3.36M higher than budget. This variance is mainly due to Council taking advantage of favourable interest rates to pre-fund upcoming capital expenditure.

Receivables fluctuate regularly due to the timing of invoicing and workloads.

Total non-current assets were \$20M (2.1%) lower than budget. This variance is mainly the result of a number of budgeted capital projects being deferred or delayed, such as roading projects, stormwater projects, water supply projects, the Gallery Redevelopment project, wastewater projects, and the Port Revitalisation project.

Significant capital projects are detailed in the 'Groups of Activities' section of this Annual Report.

Liabilities

Payables fluctuate regularly due to the timing of invoicing and workloads.

Total borrowings are \$16.6M lower than budget due mainly to the capital underspend discussed above.

The variance in derivative financial instruments is due to changing market conditions affecting the revaluation of these financial instruments.

Notes to the financial statements

For the year ended 30 June 2019

Statement of cash flows

Operating activities

Cash flows from operating activities is an indication of whether an entity is able to finance its normal operations from short-term funds. Council generated a \$23.7M cash surplus from operating activities. This is a negative variance to budget of \$11.4M (32%), due mainly to variances discussed above.

Investing activities

Cash flows from investing activities show net asset purchases to be \$20.0M, which is \$19.8M (18%) less than budget. The main reason for this relates to the capital deferrals discussed above. Capital variances to budget are discussed in detail in the 'Groups of Activities' section of this Annual Report.

Financing activities

Cash flows from financing activities shows net repayments of \$5.0M, which is \$9.9M more than budgeted. Borrowings were made on the basis of projected capital spending, some of which did not happen as detailed above. Additional funds was held in Cash at the year end to reflect this.

Mayor's Relief Fund

	Actual 2019 \$000	2018 \$000
Balance at 1 July	9	9
Money Received	-	-
Interest received	-	-
Payments made	5	-
Balance at 30 June	4	9

WDC administers the Mayor's Relief Fund which is held in a separate bank account from the Council's normal banking facilities. Transactions and balances are not recognised in the Group financial statements.

Notes to the financial statements

For the year ended 30 June 2019

Reconciliation of Prospective statement of comprehensive revenue and expense to the Funding impact statement (FIS)

The Funding Impact statements are prepared in accordance to with the Local Government (Financial Reporting and Prudence) Regulations 2014. They do not comply with Generally accepted accounting practices (GAAP). However, the Statement of comprehensive revenue and expense is prepared in compliance with GAAP. The following is a reconciliation between the and expense shown on the statement of comprehensive revenue and expense and the funding impact statement for the whole of Council

	Annual Plan 2019 \$000	Annual Report 2019 \$000	Annual Plan 2018 \$000	Annual Report 2018 \$000
Operating funding in the FIS	76,308	79,148	71,649	74,012
Subsidies and grants for capital expenditure	7,811	7,896	5,812	14,291
Development and financial contributions	15	16	-	-
Property, plant and equipment gain on disposal	-	171	-	-
Forestry revenue	-	90	-	5
Forestry interest income	-	953	-	3
Other dedicated capital funding	12,529	979	2,584	388
Net gains not included in the FIS	484	691	616	7,001
Total Revenue in the Statement of Comprehensive revenue and expense	97,146	89,944	80,661	95,700
Application of operating funding in the FIS	61,564	63,135	55,318	58,048
Depreciation not included in the FIS	19,441	22,526	20,404	20,393
Losses from derivative financial instruments	-	2,439	-	-
Forestry expenditure	-	174	-	149
Loss on acquisition of port assets	-	482	-	-
Loss on reclassification of forestry assets	-	1,950	-	-
Property, plant and equipment losses on disposal	-	-	-	(28)
Total expenditure in the statement of revenue and expense	81,005	90,705	75,722	78,563

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, policies 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.
- EEO principals are adhered to and part of the Council Recruitment and Selection policy
- Giving staff the opportunity to express their views through the annual staff survey and addressing issues that arose.
- Giving staff the opportunity to feed issues to senior management through operational leaders meetings and staff team meetings.
- The recent appointment of the Strategic Lead Culture and Community ensures further education for all staff in relation to the Treaty of Waitangi alongside developing Council's Maori Language Strategy, Cultural Toolkit and Te Reo courses supporting professional development for all staff.
- Having in place an Employees Assistance Programme which includes:
 - 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 an independent counselling service.
- Adopting health and safety initiatives and supporting wellness programmes through:
 - Appointing the Risk Manager and soon to be appointed Risk & Assurance Advisor to support the Risk Manager's initiatives and recommendations.
 - 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 and eye checks.
 - Introduction of post incident staff debriefing process and guidelines

Whanganui District Council
Annual Report for the year ended 30 June 2019

AUDIT NEW ZEALAND
Māori Arotake Aotearoa

DRAFT