



WHANGANUI
DISTRICT COUNCIL
Te Kaunihera a Rohe o Whanganui

Summary Annual Report

For the year ended 30 June 2016

Welcome

Welcome to our 2015/16 Annual Report Summary. In this summary you will find highlights of our key achievements and how we have performed over the past 12 months, as well as a summary of our financial performance.

We have our Whanganui Leading Edge Strategy now firmly in place and are beginning to focus more closely on initiatives to deliver on the strategy. We gained certainty for our community in November 2015 when Land Information Minister Louise Upston announced her decision to change the name of the Wanganui District to Whanganui. The decision fits in with our vision of Whanganui as a place which works for all of us.

The impact of the June 2015 weather event continued to dominate our work programmes, and we are working with Horizons Regional Council on options for the future management of the Whanganui River to help alleviate flood issues.

A highlight for the year was Whanganui once again being recognised by the Intelligent Community Forum for our work on developing community and economic prosperity using broadband technology.

This past year has certainly presented some challenges, but once again we have demonstrated our strong community resilience and spirit.



A handwritten signature in blue ink that reads "Annette Main".

Annette Main
Mayor of Whanganui

A handwritten signature in blue ink that reads "Kym Fell".

Kym Fell
Chief Executive

Our Vision

Council's vision is **Whanganui: Leading Edge**

Deeply united

Globally connected

Powered by creative smarts

Flowing with richness

Works for everyone

In essence this is about being confident leaders and influential trailblazers – operating comfortably on the cutting edge. It means we are a ‘bit different’, don’t follow the pack and are energised and dynamic. A “leading edge” approach sets the scene for our strategy and the types of innovative approaches that we will front-foot. It’s about Whanganui being seen as progressive and exciting – a magnetic place of abundance and diverse appeal.

Our work

Our work is structured around 12 areas. This includes core regulatory services and functions for residents and ratepayers. We are accountable to our community for the achievement of our objectives and we are required to report to the public each year on our performance.

In 2015, the Council adopted a 10-Year Plan for the period 2015 – 2025 which outlined the services and projects we planned to deliver for the district for that 10 year period.

This summary report highlights what we have achieved for each of our activity areas and our progress towards delivering on our community outcomes for the past 12 months – the first year of the 10-Year Plan.

WATER SUPPLY

Safe drinking water is a fundamental requirement for public health and for residents’ wellbeing. Water systems play a vital role in ensuring the health and safety of communities, a productive economy and a healthy environment.

Our water supply activity contributes to the following Leading Edge outcomes:

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

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

Key highlights

We installed a new pump at Kai iwi No 1 bore.

Investigations began for the design of a new water supply bore for Whanganui at Kai Iwi.

Structural repairs were undertaken to two pipe bridges at Kai Iwi resulting from the June 2015 floods.

We replaced 500 metres of pipe in Anzac Parade.



Anzac Parade

Our performance

We continued to achieve compliance with New Zealand drinking water standards for the urban area, and to supply an Aa grade water supply to the urban area all of the time. We met our targets for median response times for attending, and resolution of, urgent and non-urgent callouts. The results were: attending urgent call outs 16 minutes (target 1 hour); resolution of urgent call outs 1 hour 54 minutes (target 22 hours); attending non-urgent call outs 17 hours 30 minutes (target 24 hours); and resolution of non-urgent call outs 23 hours 35 minutes (target 4 days).

We also met our targets on consent conditions from Horizons Regional Council.

STORMWATER

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.

Our stormwater supply activity contributes to the following Leading Edge outcomes:

Flowing with richness: We dispose of stormwater to meet environmental and public health standards. We aim to protect people, land and property from adverse effects of ponding and flooding.

Key highlights

Our 1D/2D stormwater modelling continued – the next steps will be to analyse system improvements and look at growth scenarios.

Further stages were completed under the Healthy Streams initiative including a stream enhancement project on Kaikokopu stream, with a second stage planned to start in July 2016.

Information about overland flow paths, the predicted route stormwater takes on its way to streams, stormwater networks or the sea during an usually large rain event, have been added to Land Information Memorandums (LIMs) for properties in the Whanganui District.

Our performance

There were no flooding events this year therefore all measures regarding flood events and response times were met. We received one complaint about the performance of the stormwater network per 1000 properties. We held and met all compliance for our stormwater activity resource consents.

WATERWAYS AND NATURAL DRAINAGE

Natural water systems must be managed to meet environmental and amenity standards for the district's wellbeing. These systems are critical to allow or mitigate flooding impacts within the urban area.

Our waterways and natural drainage activity contributes to the following Leading Edge outcomes:

Deeply united: 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.

Flowing with richness: 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.

Key highlights

During the June 2015 storm event our network performed as it was designed. Whilst there were some blockages as a result of debris run-off these were cleared during the event and then again as part of the clean-up.

and accumulate during an unusually large rain event, when natural or man-made storm water networks are overloaded.

This information has been added to Land Information Memorandums (LIMs) for properties in the Whanganui District.

We produced an overland flow path map which indicates where water is likely to flow

Our performance

Compliances with the Whanganui River Flood Action plan was met, and reliable warning and support systems for protection against Whanganui River flooding and stormwater overflows lasting more than 8 hours were in place at all times.

Sewerage and the treatment and disposal of sewage

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.

Our Sewerage and the treatment and disposal of sewage supply activity contributes to the following Leading Edge outcomes:

Flowing with richness: Completing a new wastewater scheme will substantially reduce the risk of potential sewage overflows to the river and so improve river water quality. It will also reduce the risk of sewage flowing onto private properties and roadways.

Key highlights

In March the Council confirmed that the Cardno design for the plant would proceed with the addition of a sludge drying facility. On 30 June Council adopted an amendment to the 10-Year Plan 2015-25 to proceed with building a new wastewater treatment plant. We will continue working with the trade waste industries toward establishing a new trade waste bylaw when the new plant is operational. Construction of the new plant is expected to start early in July 2016.

Asset condition assessment work of small pump stations was been completed and repairs and replacement of assets will start in the 2016/17 year.

We completed the upgrade of the control cabinets for six pump stations. The upgrade of Jones Street pump station included more advanced control software and a larger cabinet to accommodate a three pump configuration.

Our performance

We did not meet target with the number of complaints (result: 6; target: <5) or dry weather sewerage overflows from the system (result: 10.3; target: <5) – however we did exceed both targets for median response and resolution time for sewerage overflows and blockages (median response time for attending was 21 minutes; target: 6 hours. Median response time for resolution was 2 hours 30 minutes; target: 5 days). With regards to resource consents, we are currently authorised to discharge milliscreened wastewater for a period of three years (until 31 May 2019) to enable the construction and commissioning of a new wastewater treatment plant.

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.

Our roads and footpaths activity contributes to the following Leading Edge outcomes.

Deeply united: We support communities along the Whanganui River and provide and operate a safe local roading network. We provide the core infrastructure that will allow access to all healthcare services.

Globally connected: We maintain well-connected pathways throughout the district and a safe interconnected roading network. We provide the core infrastructure that will allow access to the port in order to develop it to its full potential.

Works for everyone: We provide the core access infrastructure to: allow 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.

Key highlights

Construction work began in May on Stage 1 of the new City to North Mole shared pathway which runs from the Whanganui City Bridge to the North Mole at Castlecliff Beach. The City to North Mole pathway is one of two urban shared pathways that will be developed with funding assistance from the government's Urban Cycleways Programme.

The second shared pathway, planned for construction in 2017/18, is the Te Tuaiwi Shared Pathway. This will be a three metre wide sealed path that will provide a safe route across the Whanganui City Bridge, through town and past some of our central schools.

We replaced the existing pedestrian crossing near the Whanganui East shopping centre with a raised pedestrian crossing.

Archers Bridge – work began in November to rebuild Archer's Bridge at Mowhanau Beach. The bridge was severely damaged during the severe weather event in June 2015.

A new Wyley's bridge was opened in August. The new bridge, (officially called 'Bridge 46'), is the main access to the Mangamahu settlement. The new bridge was built next to the old one, which will be retained as a heritage feature. This was a joint project co-funded with Rangitikei District Council.



Our performance

We continued to exceed most of our roading and footpath targets including the number of roading and footpath requests actioned within 5 working days, percentage of the sealed road network resurfaced, the percentage of the sealed roads considered 'smooth', and the total number of footpath faults.

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.

Our parks and recreation activity contributes to the following Leading Edge outcomes.

Deeply united: Our parks and recreation activities are delivered to improve the health and social wellbeing of the community.

Globally connected: Our quality sporting venues enable regional and national events. We also provide well connected accessible pathways throughout the district.

Powered by creative smarts: We promote our district as an arts and culture hub through community art and sculpture.

Flowing with richness: Environmental sustainability remains a key aspect of our processes.

Works for everyone: 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.

Key highlights

Kowhai Park was closed after the storm event in June 2015, and reopened in January 2016. This included the installation of four new swings, including group swings, a disability swing and a rope swing.

initiative between Sport Whanganui and the Wanganui Mountain Bike Club.

Approximately 85 trees were felled during the year, and the tree planting programme is due to commence with 180 trees to be planted.

Work on a new bike park development commenced in March. The bike park is an

Our performance

We failed to meet targets regarding the presentation and maintenance of our open spaces (74%; target 90%), and satisfaction with sportsgrounds (68%; target: 85%), premier parks (82%; target: 95%) and public toilets (48%; target 55%).

Usage of our walkways was consistent with previous years, and safety checks were carried out throughout the year.

The June 2015 storm event impacted on the use of playgrounds and the availability of the Wharf Street ramp for the Coastguard.

Satisfaction remains high with our swimming pools, and we saw an increase in the number of Splash Centres users.

COMMUNITY AND CULTURAL

Supporting community services and facilities as well as promoting cultural enrichment encourages a tolerant and strong community. 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 as well as enhancing our cultural and community strengths.

Our community and cultural activity contributes to the following Leading Edge outcomes.

Deeply united: We develop collaboration frameworks to implement our key strategies. We work closely with our Iwi partners.

Globally connected: We work to develop and sustain national and international partnerships. We actively seek and achieve appropriate global benchmarking frameworks.

Powered by creative smarts: We support a programme of iconic arts and cultural events. We ensure all strategies we lead and implement have a powerful digital component.

Works for everyone: Our work leads the Safer Whanganui Safe Community Accreditation, and we deliver the For Our Kids programme.

Key highlights

Once again we supported and hosted Whanganui Artists Open Studios in March. This included the Festival of Glass.

Whanganui Community Glass Facility – Whanganui's reputation as a centre for glass arts excellence was secured, thanks to Council purchasing the privately-owned business Chronicle Glass through the Whanganui District Council's charitable trust Wanganui Incorporated (WINC).

We supported Whanganui's premier heritage event the annual Vintage Weekend which was held over three days in January.

The Alexander Heritage and Research Library was awarded \$120,117 by the Lottery WW1

Commemorations, Environment and Heritage fund to improve conservation and storage of heritage collections.

Safer Whanganui received reaccreditation as a Safe Community on 23 June 2016.

The Lottery World War One Commemorations, Environment and Heritage Committee approved \$400,000 toward the cost of seismic upgrade of the Royal Whanganui Opera House.

The Sarjeant Gallery hosted a total of 99 events including Musicians for the Sarjeant, Artist Forum talks, presentations outside of the Gallery to community groups, exhibition opening events, special functions and Members events.

Our performance

Targets were not met for physical visits to libraries (383,414; target: 410,000) or satisfaction (89%; target: 90%), however we exceed target for the number visiting our libraries online (62,083; target: 50,000). While the target for the percentage of the population that use the library was not met (60%; target: 65%), we did see an increase of 5% from the previous year.

The number of visitors to the Sarjeant Gallery Te Whare o Rehua Whanganui was met (47,644, target: 45,000), and we exceeded the target for the total number of items catalogued to best practice international standards (1875; target: 1000).

The target for hosting events at the Royal Wanganui Opera House was not met (47; target: 125) as this was impacted by the seismic strengthening work, however attendance (36%; target: 35%) and satisfaction (88%; target: 85%) both met target.

We continued to work collaboratively with our Iwi partners, youth committee and community groups.

The War Memorial Centre retained their Category 1 heritage status but failed to meet targets with the number of hours the Centre was hired (1779; target: 1867) , and hirer satisfaction (72%; target: 90%).

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 Visitor services.

Our economic development activity contributes to the following Leading Edge outcomes.

Deeply united: We facilitate working collaboratively with other organisations across the region to promote economic growth and social wellbeing.

Globally connected: National and international recognition programmes e.g. Smart21 Community status 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.

Powered by creative smarts: 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.

Works for everyone: 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.

Key highlights

In October, Whanganui was announced as a Smart21 Intelligent Community 2016 by the Intelligent Community Forum (ICF), an international think-tank which helps communities adapt to the demands of the broadband economy. This is the fourth time Whanganui has made the list.

Our International Education Strategy has been signed off by Education New Zealand and they are providing significant funding and other support to drive implementation.

We worked with several entrepreneurs and existing businesses to develop business plans, assist with consent processing, raise capital, network with potential customers and provide access to central government support services.

We worked in collaboration with our regional partners and central government to launch projects linked to the Regional Growth Study (Accelerate 25).

We partnered with Mainstreet to launch a project to fill empty shops with art, temporary displays and “pop up” test shops.

A successful Whanganui “Den of Dragons” event was held to foster and encourage new events within the district during the winter and shoulder seasons.

Our performance

We exceeded our target with regards to the number of international students studying in Whanganui (169, target: 145) and the number of tertiary and trade training opportunities in Whanganui (175; target: 170).

We saw an average real GDP increase of 2.73% and exceeded our satisfaction target with our Business Whanganui partners.

The number of visitors to our iSite was impacted by the storm event in June 2015 (23,183; target: 30,000) and while we didn’t meet our target with regards to customer satisfaction (84%; target: 100%) we did have 84% of the reviews rating the service as ‘very good’ or ‘excellent’

COMMUNITY FACILITIES AND SERVICES

This group 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. Our regulatory services include provision of advice, consent and licence management, monitoring and compliance. We provide social housing for elderly people with low to moderate financial means and provide for the effective management and minimisation of waste in our district to protect the health and sustainability of our community and natural environment.

Our community facilities and services activity contributes to the following Leading Edge outcomes.

Deeply united: This activity includes services and facilities that help to sustain the safety and welfare of our community.

Globally connected: We provide services and facilities that maintain a link between family and friends outside of the district.

Powered by creative smarts: We seek new and innovative technology that will enhance our cemeteries and access to enable global connectivity.

Flowing with richness: We protect our environment and awa. We work to foster our district’s unique identity and image in a positive way.

Key highlights

Reshaping Whanganui – The town centre project aims to reshape Whanganui’s town centre and make it a more vibrant place to be. The project began in October with a series of stakeholder meetings with businesses, retailers, landowners, community groups, public agencies and arts representatives.

As a result from public feedback on the Dog Control Policy and Bylaw, we continued with a stronger stance on bad dog owners – resulting in three court prosecutions and two more pending.

We continued our review of the Pensioner Housing Activity with key considerations being the financial sustainability of the portfolio and

the social housing needs of our community. Council will only consider the long term

strategy for the Pensioner Housing Activity upon conclusion of this review.

Our performance

We exceeded our targets regarding waste services including the number of educational visits to schools, and user satisfaction at the Resource Recovery Centre. The amount of product recycled decreased slightly this year.

Our pensioner housing tenants remained satisfied and we met our occupation target.

We met all targets regarding our emergency management including the percentage of residents prepared to be self-sufficient for at least three days during an emergency event.

We met satisfaction targets with our resource management services, environmental health services, building consent services, and animal control.

While we didn't meet our statutory timeframes for processing of all building consents, there was a significant increase from the previous year.

TRANSPORTATION

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

Our transportation activity contributes to the following Leading Edge outcomes.

Deeply united: Continuing to work with NZ Airways to ensure the safety of the airport through the provision of industry standard navigation and approach services. The airport enables the air ambulance service to be based in Whanganui.

Globally connected: We continue to work as a joint venture with the Crown to maintain our district's connectedness through the air network.

Flowing with richness: 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.

Works for everyone: Our airport provides aviation connections and forms a key component of the medical services locally, 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.

Key highlights

A staged upgrade began of the Wharf Street recreational Slipway and a user's group was established to explore opportunities for better facilities and services such a boat storage and servicing.

Work had been planned on stage two (of four) upgrade of the North Mole, however this did not take place as the impact of recent storms

has identified the need to first undertake an engineering investigation process followed by a detailed design before commencing work. It is expected that this work will commence in 2017.

We applied for funding, via the Region's economic development initiative, Accelerate 25, to undertake a scoping study for a

Whanganui Port Revitalisation program and marine service centre. The application resulted in a pre-feasibility study being completed, funded jointly by the Harbour

Endowment and Government. The pre-feasibility study highlighted a number of promising opportunities that warrant further investigation.



Our performance

We maintained our safety certification at the Airport, and though the user satisfaction did not meet target it remained high at 86%.

The Durie Hill Elevator also retained its safety certification, and the Port saw a decrease in the number of commercial vessel visits due to repairs at the wharf.

INVESTMENTS

This group intends to enhance the development of Whanganui and provide an acceptable financial return to the Whanganui community.

Our investments activity contributes to the following Leading Edge outcomes.

Works for everyone: 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.

Key highlights

Whanganui District Council Holdings (WDCHL) purchased a well-established flight school Flight Training Manawatu. The flight school operates under a wholly owned company of WDCHL 'New Zealand International Commercial Pilot Academy Ltd'. The flight school operations will remain at the Feilding Aerodrome while we establish new hangars

and educational facilities at Whanganui Airport and look at accommodation options for the students.

The Council retained its long-term AA- credit rating from global rating agency Standard and Poor's. AA- is Standard and Poor's fourth highest credit rating and is the same as the rating of New Zealand's major banks. Standard

and Poor's has also given the Council a short-term issue rating of A-1+. This is the highest short-term credit rating, indicating the

Council's very strong capacity to meet its short-term obligations.

Our performance

Our targeted forecasted return for Whanganui District Council Holdings Limited was met.

The forecast return for Whanganui District Council's Forestry Joint Committee was not met, and the forestry portfolio is currently up for sale.

The forecast net income from Council's Harbour Endowment property and City Endowment property portfolio were both met.

CORPORATE

This group of activities provides support for Council staff and elected members to work together for the benefit of the community. We want to involve people, and maintain their confidence, in our decision-making.

Our corporate activity contributes to the following Leading Edge outcomes.

Deeply united: This group of activities provides support for Council staff and elected members to work together for the benefit of the community.

Key highlights

Whanganui District Council was selected to take part in an online voting trial for the next local authority elections. In April the Government decided not to proceed with enabling the trial for the 2016 elections.

will feature a series of topics for people to provide feedback on via comments, polls and surveys.

We hosted two information evenings for prospective candidates for the upcoming local body elections.

We launched our online community forum *Viewpoint Whanganui*. *Viewpoint Whanganui*

Our performance

While we failed to meet target with the percentage of community that consider that Council has responded well or very well to community needs and issues, we are committed partnering with the community to address and appropriately respond to our district's needs and issues.

We continued to make all Council and committee agendas available to the public two working days prior to the meeting.

There was a drop in satisfaction with the performance of Council staff, Mayor and councillors and the Rural Community Board.

Community satisfaction with access to Council information failed to meet target, and we will continue to implement our communication strategies and monitor the effectiveness and reach of information provided to the community.

All our documents received an unmodified audit opinion, all archive requests were responded to within 24 hours and all decision letters on our Annual Plan were provided within 10 working days of adoption of the plan.

Financial summary

The following pages provide a summary of Council's financial performance for 2016.

Whanganui District Council

Summary statement of comprehensive revenue and expense

For the year ended 30 June 2016

Summary Statement of comprehensive revenue and expense

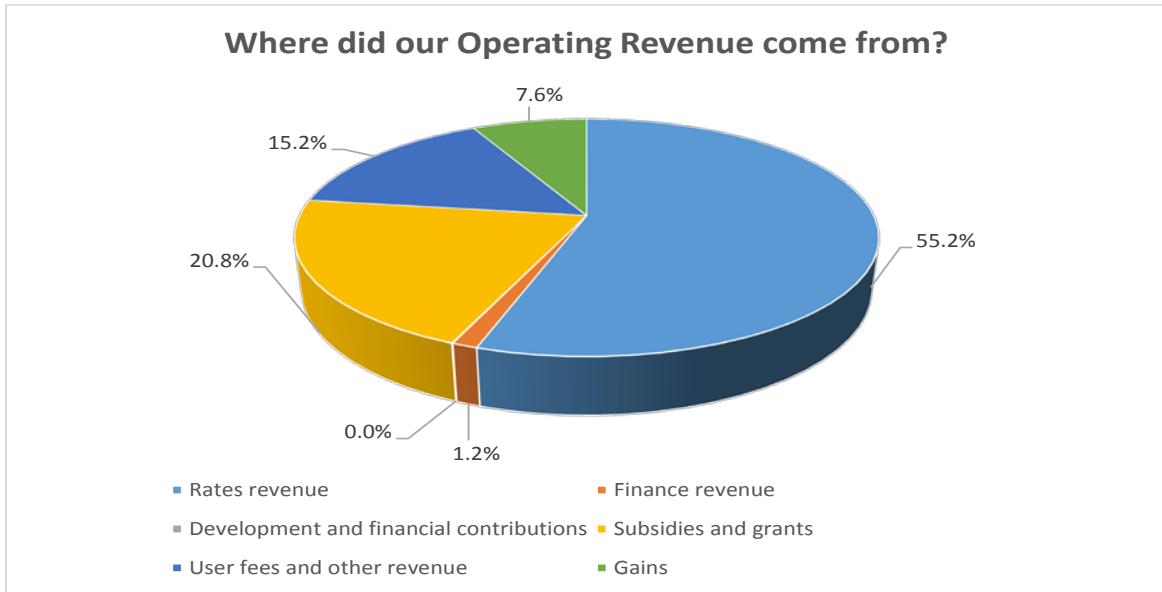
	Budget	Council		Group	
	2016	2016	2015	2016	2015
	\$000	\$000	\$000	\$000	\$000
Rates	54,643	54,316	52,975	54,316	52,975
Other Revenue	21,155	44,167	23,757	49,593	29,362
Total Revenue	75,798	98,483	76,732	103,909	82,337
Finance costs	(4,886)	(4,600)	(5,243)	(5,285)	(5,968)
Other operating expenses	(66,820)	(79,289)	(71,456)	(83,491)	(75,943)
Surplus/(deficit) before tax	4,092	14,594	33	15,133	426
Share of associate surplus/(deficit)	-	11	(13)	11	(13)
Income tax (expense)/benefit	-	27	45	(421)	(309)
Surplus/(deficit) after tax	4,092	14,632	65	14,723	104
Other comprehensive revenue and expense					
Gain on property plant & equipment revaluations	2,482	2,912	-	2,912	-
Impairment of roading network	-	-	(17,937)	-	(17,937)
Gain on carbon credits revaluation	-	671	187	671	187
Financial assets at fair value through other comprehensive revenue and expense	-	(126)	66	(128)	70
Prior period adjustments from CCO through retained earnings	-	-	-	-	(87)
<i>Total other comprehensive revenue and expense</i>	<i>2,482</i>	<i>3,458</i>	<i>(17,684)</i>	<i>3,455</i>	<i>(17,767)</i>
Total comprehensive revenue and expense attributable to:					
Whanganui District Council	6,574	18,090	(17,619)	18,178	(17,663)
	6,574	18,090	(17,619)	18,178	(17,663)

Explanation of major variances:

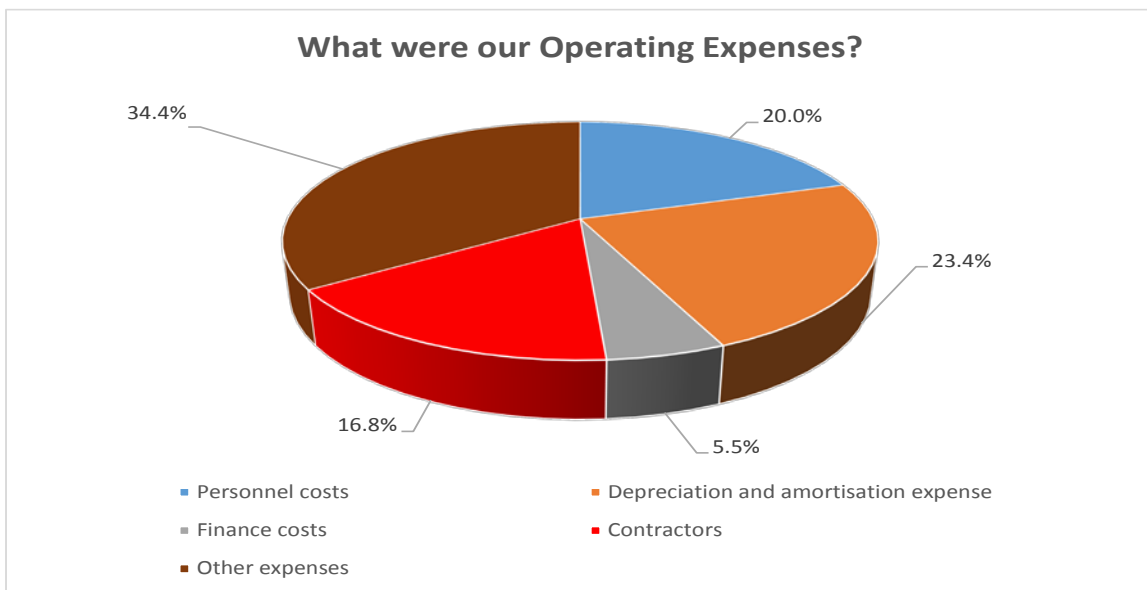
- Rates revenue: lower by \$327K due to remissions granted because of June 15 weather event.
- Total other revenue over budget due mainly to unbudgeted subsidies and grants related to flood damage work, and unbudgeted revaluation gains on property, artworks and forestry. There were also unbudgeted receipts for logging, donations and a one off receipt.
- Finance costs were under budget due to general market conditions giving lower interest rates and savings from the timing of when borrowings were required.
- Other operating expenses are over budget due to:
 - Increase in depreciation expense due to a revision of the estimated useful lives of assets, particularly in the roading network
 - Personnel costs higher due to additional staff costs associated with the June 2015 storm and also the costs of a restructure

- o Additional roading costs for cleaning up damage due to the June 2015 weather event
- o Losses on derivative financial instruments due to movements in long term interest rates. Council utilises

derivatives to mitigate the risk of interest rate movements and to provide certainty around long term costs.



Council receives revenue from a number of different sources, as shown on the graph above. Rates are the primary source of revenue for the Council accounting for 55.2% (\$54.3M) of the total. The subsidies and grants are primarily government transport subsidies –which were considerably higher this financial year due primarily to the flood damage repairs as a result of the June 2015 weather event (2015/16 20.8%, 2014/15 14.8%). User fees are paid by those using Council services such as building consents, dog fees and water by meter.



In order to provide the services for the community Council incurs costs as illustrated above. In addition to the above, \$11.5M of subsidies and grants received were spent on capital projects.

Whanganui District Council
Summary statement of changes in equity

For the year ended 30 June 2016

Summary Statement of changes in equity

	Budget	Council	Council	Group	Group
	2016	2016	2015	2016	2015
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	813,268	786,642	804,261	805,196	822,859
Total comprehensive revenue and expense for the year	6,574	18,090	(17,619)	18,178	(17,663)
Balance at 30 June	819,842	804,732	786,642	823,374	805,196
Components of equity					
Retained earnings	533,978	535,980	522,656	549,126	535,710
Restricted reserves	56,343	57,357	55,735	57,357	55,735
Revaluation reserves	229,151	210,227	207,629	215,747	213,150
Other reserves	370	1,168	622	1,144	601
Balance at 30 June	819,842	804,732	786,642	823,374	805,196

Whanganui District Council Summary statement of Financial Position

As at 30 June 2016

Summary Statement of financial position

	Budget 2016 \$000	Council 2016 \$000	Council 2015 \$000	Group 2016 \$000	Group 2015 \$000
Total current assets	11,836	16,268	19,990	19,449	22,821
Total non-current assets	904,735	885,441	871,238	919,307	904,103
Total current liabilities	(28,002)	(27,587)	(38,773)	(32,122)	(43,067)
Total non-current liabilities	(68,727)	(69,390)	(65,813)	(83,260)	(78,661)
Net assets	819,842	804,732	786,642	823,374	805,196
Total equity	819,842	804,732	786,642	823,374	805,196

Explanation of major variances:

- Cash and cash equivalents (Current Assets) are \$2.9M over budget due to the timing between cash received and payment of invoices. Council increased its working capital at year end to cover expected end of year payments. Receivables were \$1.5M higher due to normal fluctuations.
- Total non-current assets were \$19.3M less than budget due to the deferral of a number of capital projects, including the Wastewater Treatment Plant.
- Liabilities: Borrowings were below budget by \$7M. This variance was mainly due to the deferral of capital expenditure, such as the Wastewater Treatment Plant. In addition there was an unbudgeted movement in the value of derivative financial instruments.

Whanganui District Council Summary statement of cash flows

For the year ended 30 June 2016

	Budget 2016 \$000	Council 2016 \$000	Council 2015 \$000	Group 2016 \$000	Group 2015 \$000
Cash and cash equivalents at the beginning of the year	3,308	11,011	4,302	12,663	5,400
Net cash from operating activities	21,928	30,291	19,038	32,649	20,766
Net cash from investing activities	(17,709)	(22,304)	(15,265)	(24,384)	(16,439)
Net cash financing activities	(3,706)	(12,250)	2,936	(12,249)	2,936
Cash and cash equivalents at the end of the year	3,821	6,748	11,011	8,679	12,663

Explanation of major variances are:

- 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 \$30.2M cash surplus from operating activities. This is \$8.4M above budget due mainly to unbudgeted subsidies received for June 2015 flood damage.
- Investing Activities: Cash flows from investing activities were \$4.6M above budget due mainly to additional roading work required as a result of the June 2015 flood event.
- Financing Activities: Net repayments were \$12.3M which is \$8.5M above budget. This is due to capital projects not being undertaken mainly as a result of the 2015 flood event. The majority of the work was carried over to 2016/17.

Whanganui District Council Summary funding impact statement

For the year ended 30 June 2016

	Annual 2016 \$000	Actual 2016 \$000	Actual 2013 \$000	Actual 2015 \$000
Sources of operating funding				
Rates	54,643	54,316	52,695	52,971
Other income	14,611	24,824	14,692	15,888
Total operating funding (A)	69,254	79,140	67,387	68,859
Application of operating funding				
Payments to staff and suppliers	48,466	54,880	47,104	48,310
Finance costs	4,886	4,600	6,295	5,243
Total application of operating funding (B)	53,352	59,480	53,399	53,553
Surplus (deficit) of operating funding (A - B)	15,902	19,660	13,988	15,306
Sources of capital funding				
Subsidies, grants and development contributions	5,731	11,498	4,481	6,840
Increase (decrease) in debt	(3,706)	(12,250)	13,682	2,936
Gross proceeds from asset sales	-	391	-	806
Lump sum contributions	-	-	-	-
Other dedicated capital funding	294	158	134	104
Total sources of capital funding (C)	2,319	(203)	18,297	10,686
Application of capital funding				
Capital expenditure				
-to improve the level of service	5,788	4,373	19,319	6,126
-to replace existing assets	11,921	19,662	12,473	11,777
Increase (decrease) in reserves	513	(4,578)	493	864
Increase (decrease) in investments	-	-	-	7,224
Total application of capital funding (D)	18,221	19,457	32,285	25,992
Surplus (deficit) of capital funding (C - D)	(15,902)	(19,660)	(13,988)	(15,306)
Funding balance ((A - B) + (C - D))	-	-	-	-

Notes to the Summary Financial Statements

Events after the balance date

On 20 September 2016, a guaranteed maximum price contract was signed with Hawkins Infrastructure for the construction of the new Wastewater Treatment Plant to be completed by December 2018.

There are no other material events after the balance date (2015 nil)

Capital commitments

The Group capital commitments as at 30 June 2016 are \$50,061,000.

The amount of \$41,200,000 included in the above total for the Wastewater Treatment Plant is not a capital commitment in that WDC does not have signed contracts for this amount of work. However Council is committed to building a Treatment Plant and has made allowance for the build in its 2015-25 10-Year Plan.

Summary of Capital Expenditure

The following table shows a summary of the expenditure on capital work for the Council. Major variations to the Annual Plan are discussed below.

Activity	Budget 2016 \$000	Actual 2016 \$000
Water Supply	1,173	1,413
Stormwater	940	836
Waterways and natural drainage	86	67
Sewerage and the treatment and disposal of sewage	2,360	2,056
Roads, footpaths and pathways	8,580	14,849
Parks and recreation	1,760	4,089
Community and cultural	1,785	2,583
Economic Development	-	3
Community facilities and services	282	204
Transportation	6	3
Investments	137	1,159
Corporate	600	455
Total	17,709	24,036

Explanation of major variances:

Parks and recreation: Numerous Parks projects were not undertaken this year, mainly as a result of the June 2015 flood damage repair taking priority. This work included Cooks Gardens, Bason Reserve, Virginia Lake, Peat Park and Victoria Park. The north Mole structural upgrade of \$517k was delayed

while the quarry was closed and awaiting a scoping study to determine the most economic way forward – unspent funds are carried forward to 2016/17.

Roads, footpaths and pathways: The main variance within this area was due to the June 2015 weather event which caused considerable damage and meant remedial work took priority over other non-flood projects. This included minor safety, pathways construction, sealed pavement maintenance, traffic services renewals and unsealed road metalling.

Investments: The wharf upgrade project was commenced during the year and \$704K was spent. Also \$323K was spent on the purchase of 1 Kirk Street.

Additional information about this Summary

This Summary Annual Report has been prepared in accordance with PBE FRS 43: Summary Financial Statements. It has been extracted from the full Annual Report and is designed to give an overview of the Council and Group* operations. This summary does not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as the full financial report of the Council. The Annual Report contains detailed information on the finances and service performance and was adopted by the Council on 30th October 2016.

The Council has designated itself a Public Benefit Entity (PBE) for financial reporting purposes. The full financial statements were prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with Tier 1 Public Benefit Entity (PBE) accounting standards. The financial statements are for the year ended 30 June 2016 and all figures are in New Zealand dollars and are rounded to the nearest thousand dollars.

Audit New Zealand has audited the full financial statements and has issued an unmodified report. This summary has been examined by Audit New Zealand for consistency with the full Annual Report. The Summary Annual Report was authorised for issue on 25 November 2016 by the Mayor, Hamish McDouall, and Chief Executive, Kym Fell. Copies of the Whanganui District Council's Annual Report are available from the Council's website www.whanganui.govt.nz or the Council offices at 101 Guyton Street, Whanganui or by phoning 06 349 0001.

* The Whanganui District Council group consists of the ultimate parent Whanganui District Council and its subsidiaries, Wanganui District Council Holdings Limited (100% owned) which in turn owns 100% of Wanganui Gas Limited and its subsidiaries, Whanganui District Councils' Forestry Joint Committee (95.09%), Whanganui Airport Joint Venture (50%) and Wanganui Incorporated. Its 49% equity share of New Zealand Masters Games Limited, its 15% interest in the Manawatu Whanganui LASS Limited and its 33% interest in the Whanganui River Enhancement Trust are equity accounted.

Independent Auditor's Report

To the readers of Whanganui District Council and group's summary annual report for the year ended 30 June 2016

The summary annual report was derived from the annual report of the Whanganui District Council (the District Council) and group for the year ended 30 June 2016. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 3 to 21:

- the summary statement of financial position as at 30 June 2016;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2016;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 26 October 2016.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 26 October 2016 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council or any of its subsidiaries.



Debbie Perera,
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
25 November 2016