



Summary Annual Report

For the year ended 30 June 2019



WHANGANUI
DISTRICT COUNCIL
Te Kaunihera a Rohe o Whanganui

Message from the Mayor and Chief Executive

Welcome to our 2018/19 Annual Report summary.

As with all Councils', Whanganui District Council must prepare an Annual Report at the end of each financial year. This document is a condensed version of the full Annual Report and provides you with a high level overview of our key achievements and performance over the 1 July 2018 to 30 June 2019 period. It confirms that we have managed our finances responsibly, maintained our Standards and Poors' AA credit rating, and continued to operate within prudent debt levels.

This past year we have integrated our Leading Edge Strategy into our organisational culture, practices and strategies, and have ensured our decision-making upholds the Whanganui district's overall social, economic, cultural and environmental well-being.

Within this summary you will see that we have continued to strengthen the way we deliver services to better serve our community – including bringing a number of our services into the 21st century with a customer-centric design and enabling accessibility online.

It is exciting times for Whanganui with a number of major projects setting us on a trajectory for economic growth and prosperity. We will continue to focus on developing our infrastructure and services to meet the growing needs of our district and front-footing community issues.



A handwritten signature in blue ink, which appears to read 'Hamish McDouall'.

Hamish McDouall
Mayor of Whanganui



A handwritten signature in blue ink, which appears to read 'Kym Fell'.

Kym Fell
Chief Executive

Our 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.

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.



Our work

This report provides a high level overview of our performance outcomes which are delivered through the following work structure: -

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

Our work structure ensures there is clear methodology to Council's services and functions which align to the needs of the Whanganui district. We recognise that we have a duty to Whanganui by meeting the objectives we set out to achieve and by reporting on those objectives so the public are kept informed.

In 2018, the Council adopted a Long-term Plan for the period 2018-2028. This document is the summary of our performance for the first year of that Long-term Plan and highlights what we have achieved for each of our activity areas and how we performed for Year One of that Plan against the targets we set.

2018/19 Annual Report	2019/20 Annual Plan	2020/21 Annual Plan	2021 Long Term Plan
Year 1 of the 2018-28 LTP = Complete YOU ARE HERE!	Year 2	Year 3	Year 4 The next LTP process is undertaken.

WATER SUPPLY

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.

This activity contributes 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.

Key highlights

- ❖ We achieved Ministry of Health Compliance and Implementation of Water Safety Plans for the current Urban Network.
- ❖ We successfully obtained a resource consent for the new production bore at Kai Iwi.
- ❖ We completed the Westmere No 1 Reservoir roof replacement.
- ❖ A new interlink main between reservoir 1 and 2 was completed.

Our performance

- ☑ We met our target for the percentage of real water loss from the network reticulation system¹ (Result: 38% Target: <40%).
- ☑ We met all our water quantity and quality measurements and maintained our 100% compliance record on New Zealand drinking water standards for the urban area. This included ensuring Aa grade water supply was provided to the urban area at all times.
- ☑ We met our targets for median response times for attending, and resolution of, urgent and non-urgent callouts. We also met our targets on the average amount of water consumed per resident per day, and our consent conditions from Horizons Regional Council.
- ⊖ We did not meet our target of receiving less than 50 complaints per 1000 connections regarding water, with 60 complaints being received for the 2018/19 period.

¹ Due to absence of water meters in the reticulation system this is calculated by comparing minimum night flows to the average water consumption.

STORMWATER DRAINAGE

Stormwater collection and its disposal are necessary in order to protect the health and safety of people and their land and property. Stormwater Infrastructure is sized based on land development standards.

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.

This activity contributes 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.

Key highlights

- ❖ 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.
- ❖ We completed the construction of the Wikitoria Road Culvert Renewal.
- ❖ We completed the installation of the rain-gardens as part of the Rangiora Street renewal in Castlecliff.

Our performance




- ☑ There were no flooding events this year therefore all measures regarding flood events and response times were met. The Whanganui River Flood Action plan did not require to be activated.
- ☑ We held and met all compliance for our stormwater activity resource consents.

- ⦿ We did not meet the target for the number of complaints received about the performance of the stormwater system per 1000 properties but we did achieve a reduction from the previous period.

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.

This activity contributes 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.

Key highlights

- ❖ 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 completed minor upgrade works on our Beach Road and small pump stations.

Our performance

- ☑ We met our target for the number of dry weather sewerage overflows² from the system (expressed per 1000 sewerage connections) (Result: 3.98 Target: <5)
- ☑ We ensured Whanganui was maintained with a safe and reliable sewerage system by exceeding our median response times for attending and resolving blockages or other faults. Median response time for resolution was 12 hours and 22 minutes; Target: 5 days.
- ⦿ We were unable to comply with our resource consent for discharge from the wastewater system which resulted in prosecution from Horizons Regional Council. A Powerco pole fuse failure meant that wastewater from a Council pump station then entered the Mowhanau Stream.

² 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.

- ⊖ We did not meet the target for total number of complaints (per 1000 connections) received.

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.

This activity contributes 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.

Key highlights

- ❖ We submitted a successful NZTA application resulting in a \$38.8M boost for our roading infrastructure.
- ❖ 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).
- ❖ We completed the work on the Papaiti Road realignment.
- ❖ The streetlight upgrade to LED luminaires is completed.

Our performance

- ☑ 863 of the 882 customer service roading requests were actioned within 5 working days (Result:98% Target: >90%); 89% of the sealed local roads in the district were considered 'smooth' as per the smooth travel exposure measurement; and, 38.6km of the 573.9km sealed road network was resurfaced (Result: 6.73% Target: >4%).
- ☑ Of the 129 footpath requests for action received, 127 were actioned within 5 working days. (Result 98% Target >90%); and, we met the target for percentage of footpaths that meet Council's standard of a defect score of <50 (Result 99% Target >90%).

- ⊙ We did not meet the target for the change from the previous year on number of fatalities or serious injury crashes with 16 of these occurring on the local road network. This was an increase of 1 from the previous year.
- ⊙ The 2019 Footpath Condition Rating Survey identified 26,945 footpath faults. The increase in overall faults is largely due to a requirement to record tree root damage as a new footpath fault type (Target <20,000).

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.

This activity contributes 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.

Key highlights

- ❖ We installed public toilet facilities along Anzac Parade and at Jerusalem; we also installed three drinking fountains in new locations.
- ❖ We were awarded the 2018/19 Green Flag Award for Rotokawau Virginia Lake.
- ❖ The Splash Centre had a boost in users which saw an extra 25,106 people use the facility from the 2017/18 period.

Our performance

- ☑ The Cooks Gardens premier sporting facility hosted events 88 days of the year with a target of 53 days. It also hired out their track and grounds a record 229 days which was attributed to increased bookings for various summer athletic events (Target: 27 days) and enjoyed 37 locally produced, community events.
- ☑ 95% of Splash Centre users were satisfied with the facility (Target: 90%).
- ⊖ 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.
- ⊖ Reported use of the walkways reduced by 10% compared with the previous period. We are undertaking work to improve the conditions of some walkways.
- ⊖ Whilst we did not meet target for the percentage of the community satisfied with the district's sportsgrounds (Result: 71% Target: 80%), we did improve our result by 15% from the previous year.

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
- Sarjeant Gallery Te Whare o Rehua Whanganui
- Royal Wanganui Opera House
- Whanganui Regional Museum
- Community/hapu/marae development
- Whanganui War Memorial Centre

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.

Key highlights

- ❖ We adopted Safer Whanganui's strategic plan.
- ❖ We introduced two community Library Hubs designed to enhance peoples' access to literacy and build deeper connections into our community.
- ❖ The Sarjeant Gallery received the National Digital Forum's 'Best Digitisation Project' Award for its online collection project.
- ❖ We reopened the Whanganui War Memorial Centre after successfully completing seismic strengthening and upgrade works.
- ❖ The Whanganui Regional Museum reopened to the public after being seismically strengthened and hosted 4,000 visitors in its first weekend.
- ❖ We hosted a successful CoLab (Glass) conference which resulted in bringing New Zealand Glassworks to the attention of Creative New Zealand for possible funding opportunities.

Our performance

- ☑ We kept our commitment to ensure mana whenua were notified of resource consents received by Council within seven working days. This is to ensure mana whenua have an opportunity to participate in our decision-making process.
- ☑ We met our customer satisfaction targets for visitor experience and the services and facilities provided by New Zealand Glassworks. Visitors have been impressed by new works on display in the gallery and glass blowing demonstrations. This was further supported by a demonstrable increase in visitor numbers to the facility (Result: 26,448 Target: 21,419) and attributed to a number of successful events and initiatives.
- ☑ The satisfaction with public art has increased by 3% over the previous period (Result: 67% Target 60%). This increase is likely due to a range of new public art initiatives such as the Whanganui Walls Street Art.
- ☑ Targets were met for the number of items issued per annum (Result: 545,319 Target: 540,000) and the rate of collection 'turn over' each year (Result: 5.7 Target: 5).
- ☑ Visitors were satisfied or very satisfied with the Sarjeant Gallery's exhibitions and experience. We also exceeded the number of collection items catalogued to best practice international standards (Result: 3101 Target: 2500).
- ☑ The Royal Wanganui Opera House hosted 39 locally produced community events for the period, an increase by 12 events from the previous period.

- ☑ Despite being closed for a large portion of the 2018/19 year, the Whanganui War Memorial Centre still managed to surpass its target for hosting events (Result: 78 days Target 55 days) – of these, 20 events were locally produced community events (Target: 11) with community indicating satisfaction with the facility.
- ⊖ We did not meet target for the number of physical visits by people to our libraries (Result: 356,689 Target: 379,000). This has been attributed to unplanned maintenance and closure of the Davis Library due to a water leak. Whilst we did not meet target for user satisfaction for library services (Result: 89% Target: 90%) we did increase satisfaction by 1% on the previous year and has been steadily increasing since 2015.

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.

This activity contributes 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.

Key highlights

- ❖ We adopted Whanganui's Economic Development Strategy for the district.
- ❖ We received \$35,000 from the Provincial Growth Fund for our Land Optimisation investigation.
- ❖ We advanced the economic potential of the creative industries by hosting a visit from Creative New Zealand delegates and strengthened other strategic relationships with stakeholders such as Te Mana Atatū, 100% SWEET, and the Whanganui Chamber of Commerce.
- ❖ We developed new promotional material to market Whanganui as a place to visit and stay including contributing several digital marketing campaigns.

Our performance

- ⊖ We introduced a number of new measures to help us determine our economic profile moving forward. Measures include the number of available jobs, the increased number of businesses established in the region, increased total funding for the education sector, the number of students registered for tertiary or trades training in Whanganui, and the number of students choosing Whanganui as a place to study.

- ☑ The target was met for businesses satisfied with their relationship with Whanganui and Partners (Result: 53% Target 50%).
- ⊖ Whilst we didn't meet target, 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 (Result: 0.52% Target: 0.53%).
- ⊖ While customers are satisfied with the service received by the i-Site, they are experiencing a significant decrease from the previous year in the number of visitors they are serving (Result: 24,217 Target: 27,200). There is an increasing trend of visitors booking direct with tour operators.

COMMUNITY FACILITIES AND SERVICES

Services and facilities within this group of activities underpin the maintenance of our district. Some of these 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. Activities included 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

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.

Key highlights

- ❖ We have digitised approximately 60% of the Aramoho cemetery records including aligning burial locations with mapping. Eventually all records will be accessible online with search capability.
- ❖ We continued to actively implement initiatives from our Town Centre Regeneration Strategy.
- ❖ The Whanganui Waste Minimisation Fund approved \$171,817 in grants towards waste minimisation initiatives.
- ❖ We have proactively initiated multiple training opportunities in Civil Defence Emergency Management – this includes development in public education and community response initiatives.
- ❖ We hit an all-time record with 7,909 known active dogs registered in Whanganui; this is supported by the introduction of an Animal Management Officer-Education role to promote community safety and responsible dog ownership.
- ❖ We have introduced a number of services online; this includes Building consents, Code of Compliance Certificate and Resource Consent applications as well as a LIMs portal. These applications are supported by a significantly improved interactive District Plan mapping service. We also initiated the parking app 'ParkMate' for the central city.
- ❖ 235 resource consents were approved for the 2018/19 year. This is the most issued in 11 years and 87 more than the previous year.
- ❖ Our Heritage Grants Scheme approved \$230,382.40 in funding applications towards heritage initiatives.

Our performance

- ☑ We met target for the number of official cemetery records available on the Council website (Result: 30,339 Target: 30,000). As part of this process we cleansed information to create a complete database for the public to access more easily. We also met target for the burial needs for the community.
- ☑ The Whanganui Resource Recovery Centre continued its 100% satisfaction result for its overall service – cementing it as an effective environmental hub for our community. There was also a large increase in the amount of product recycled through the centre (Result: 4057 Target: increase from previous year result; 3155).
- ☑ Animal Management met their targets in community satisfaction and have been working hard in increasing known dog registrations.

- ☑ Building control maintained or exceeded previous performance measure results. A record number of building consents were received (918) this year and it was pleasing to see that the percentage of customers satisfied with building consent services was maintained (Result: 96% Target: 90%). Despite the increased demand, there continued to be an increase from the previous year result of 88%.
- ☑ 100% of our customers for resource management requirements were satisfied with our service.
- ⊖ We introduced a new measure for the percentage of Alcohol Licensing applications processed within 20 working days. Of the 431 alcohol licences received, 417 met this target (Result: 96% Target: 100%).
- ⊖ We did not meet target for excessive noise complaints investigated within 30 minutes. Of the 1959 noise calls received, 1792 of these were investigated within the allotted time.

TRANSPORTATION

Transport provides and maintains connections both within the district and beyond and is essential for economic prosperity and social connectedness. Activities included within this group include the Airport, Sea Port and Durie Hill elevator.

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.

Key highlights

- ❖ The Airport constructed an ambulance access gate to reduce the requirement for ambulances to drive on the apron near the aircraft.

- ❖ We refurbished the elevator mechanism for the Durie Hill Elevator after it was temporarily closed due to a fault.

Our performance

- ☑ The Airport continued to meet its compliance with CAA Part 139 certification; this was supported by continued satisfaction in the terminal facilities and other passenger services provided.
- ☑ The number of workplace accidents (4) at the Sea Port met target (<55).
- ⊖ While the Sea Port did not achieve target for the number of commercial vessel visits per year, of the 19 visits received, 6 of these were back loaded with product. (Result: 19 Target: 25).

INVESTMENTS

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

- Whanganui District Council Holdings Limited (WDCHL)
- Whanganui District Councils’ Forestry Joint Committee (WDCFJ)
- Harbour Endowment property portfolio (HE)
- City Endowment property portfolio (CE)
- Quarry

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.

Key highlights

- ❖ We continue to subsidise community costs through the effective management of our Investment portfolios (HE/CE).
- ❖ WDCHL have been actively pursuing an Advanced Aviation Hub initiative to complement the New Zealand International Commercial Pilot Academy. This included a successful application to the Provincial Growth Fund to undertake a concept feasibility study.
- ❖ We sold part of our Forestry portfolio which assists in reducing debt for our community.
- ❖ We are exploring opportunities to re-open the Waitahinga Quarry.

Our performance

- ☑ Our targeted forecast return for WDCHL was met with a net \$1M received.
- ⊖ The forecast net income from Council's Harbour Endowment and City Endowment property portfolios were not met. The results were impacted by holding costs of 53 Ridgway Street, low value grazing leases, vacant spaces, and by one loss-making investment property.

CORPORATE

These 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.

This activity contributes 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.

Key highlights

- ❖ We continued to evaluate our governance structure to ensure we are keeping to business best practice. This included identifying a need to increase support to the Chairs of Council meetings on Standing Orders compliance.
- ❖ We welcomed 89 new citizens who chose Whanganui as home.
- ❖ We celebrated 30 years of Friendship with our sister city Nagaizumi-cho, Japan.
- ❖ We underwent a self-review under the Local Government New Zealand's CouncilMARK programme.
- ❖ We introduced the communication tool SNAP SEND SOLVE app to allow our community to better communicate with us.

Our performance

- ☑ Overall, customers are satisfied with the service they receive from the frontline team at Council (Result: 96% Target: 90%); this was further endorsed with 71% of the community rating the performance of Council staff as good or very good (Target: 65%).
- ☑ We continued to meet target of 100% for audits on our key documents receiving an unmodified audit opinion; and for Annual Plan or Long Term Plan submission decisions provided within 10 working days of the adoption of the Plan.

- ☑ The percentage of people satisfied with their level of involvement in the decision-making process was met (Result: 77% Target: 50%).
- ☑ We met target on the percentage of Community Organisation tenants on the maximum subsidy available through our Community and Operational property portfolio. (Result: 78.3% Target: 70%). This was an increase of 2.3% from the previous period.
- ⊖ 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.
- ⊖ While we did not meet target for the percentage of rural people who rated the performance of the Rural Community Board as good or very good, we did see an increase of 8% from the previous period (Result: 29% Target: 50%).
- ⊖ The percentage of users who find the Council website easy to navigate continued to not meet target this year however there was an increase of 7% from the previous period. We are expecting to see this increasing trend continue with the launch of Council's new website.

Financial summary

The following pages provide a summary of Council's financial performance for 2019.

Whanganui District Council

Summary statement of comprehensive revenue and expense

For the year ended 30 June 2019

	Council		Group		
	Budget 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Rates	60,232	60,129	57,909	60,129	57,909
Other revenue	36,914	29,817	37,791	36,152	47,604
Total revenue	97,146	89,946	95,700	96,281	105,513
Finance costs	(6,100)	(5,316)	(5,220)	(6,013)	(5,889)
Other operating expenses	(74,905)	(85,390)	(73,343)	(91,186)	(79,323)
Total operating expenses	81,005	90,706	78,563	97,199	85,211
Surplus/(deficit) before tax	16,141	(760)	17,137	(918)	20,302
Share of associate surplus/(deficit)	-	(6)	26	(6)	26
Income tax (expense)/benefit	-	30	54	(402)	305
Surplus/(deficit) after tax	16,141	(736)	17,217	(1,326)	20,633
Surplus/deficit attributable to:					
Whanganui District Council	16,141	(736)	17,217	(1,326)	20,633
Other comprehensive revenue and expense					
Gain on property plant & equipment revaluations*	-	3,440	10,279	3,440	13,099
Gain on carbon credits revaluation	-	70	136	70	136
Financial assets at fair value through other comprehensive revenue and expense	-	67	43	67	43
<i>Total other comprehensive revenue and expense</i>	<i>-</i>	<i>3,577</i>	<i>10,458</i>	<i>3,577</i>	<i>13,278</i>
Total comprehensive revenue and expense attributable to:					
Whanganui District Council	16,141	2,841	27,676	2,251	33,910
	16,141	2,841	27,676	2,251	33,910

*Gains on property plant & equipment revaluations are presented net of taxation.

Explanation of major variances:

Other revenue

Subsidies and grants of \$12.767M are greater than budgeted 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.

Other operating expenses

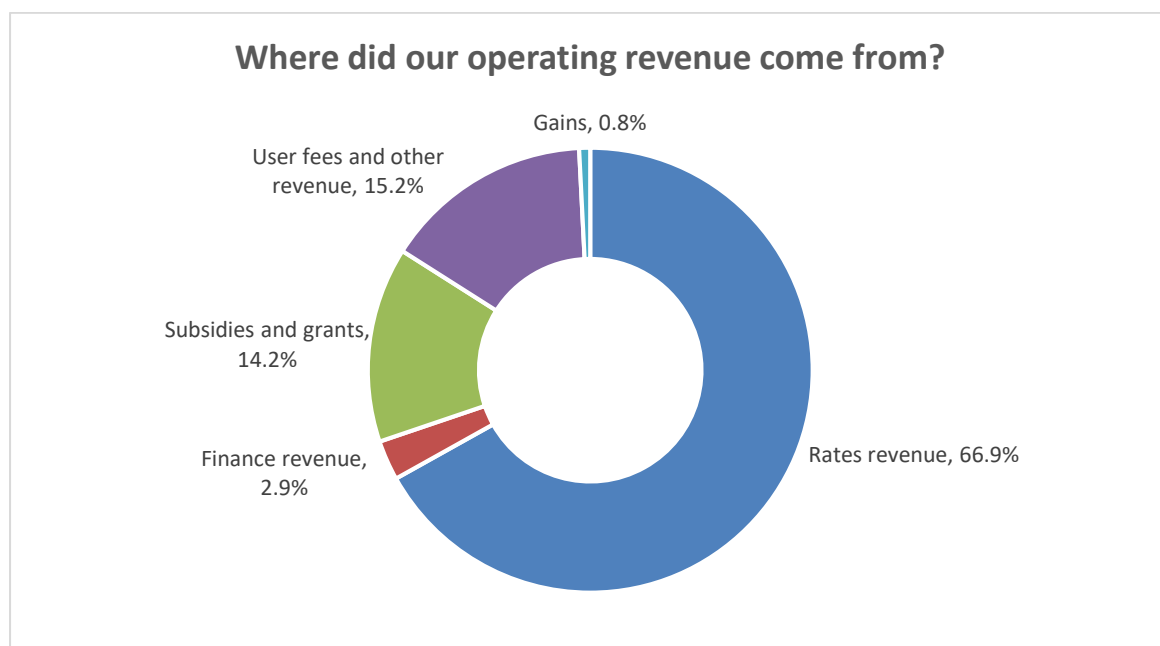
Personnel costs are over budget by \$506k (2.9%). There were a number of reasons for this variance, including:

- 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).

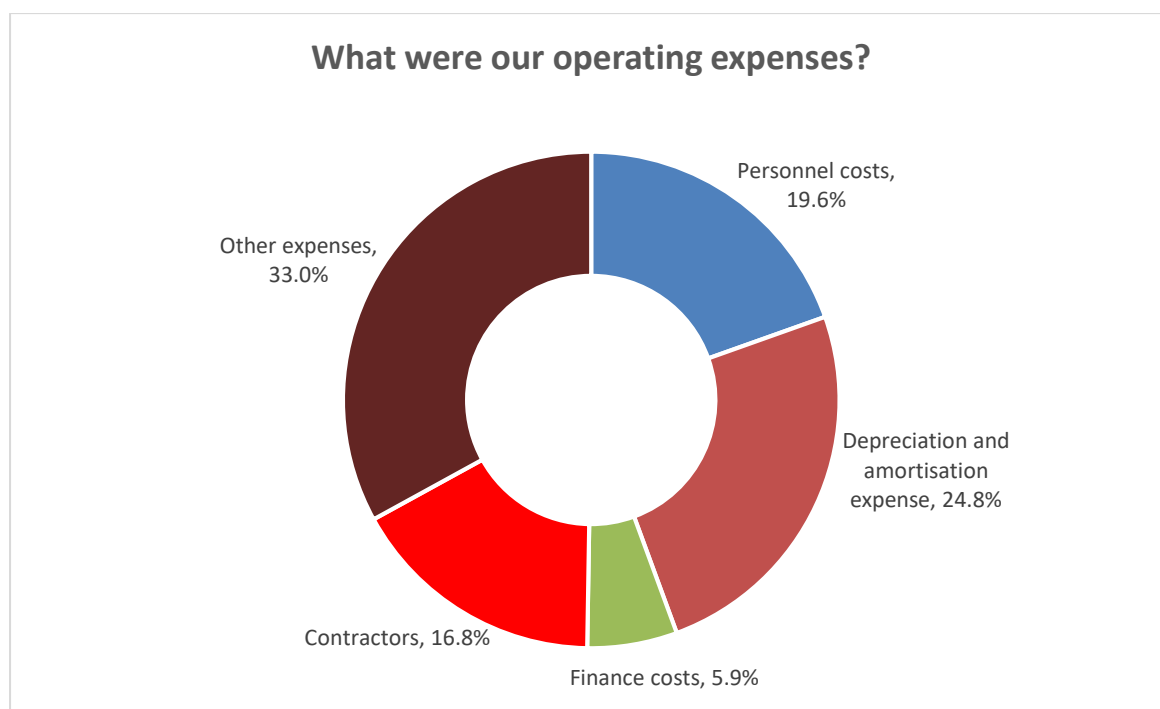
Depreciation and amortisation expense is \$3.1M (15.9%) higher than the budget. This mainly relates to the new Treatment Plant now operating, in addition to the extensive Roding flood damage work completed starting to be depreciated.

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.



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 66.8% (\$60.1M) of the total.



In order to provide the services for the community Council incurs costs as illustrated above.

Whanganui District Council

Summary statement of changes in equity

For the year ended 30 June 2019

	Council		Group		
	Budget 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	
Balance at 1 July	840,055	852,472	824,797	879,498	845,587
Total comprehensive revenue and expense for the year	16,141	2,841	27,675	2,251	33,911
Balance at 30 June	856,196	855,313	852,472	881,749	879,498
Components of equity					
Retained earnings	578,709	560,121	560,765	578,215	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
Balance at 30 June	856,196	855,313	852,472	881,749	879,498

Whanganui District Council

Summary statement of Financial Position

As at 30 June 2019

	Council			Group	
	Budget 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Total current assets	11,156	14,702	24,780	22,616	37,748
Total non-current assets	981,937	961,714	953,708	1,003,423	990,554
Total current liabilities	(21,055)	(35,869)	(42,161)	(39,370)	(47,197)
Total non-current liabilities	(115,842)	(85,235)	(83,855)	(104,920)	(101,607)
Net assets	856,196	855,313	852,472	881,749	879,498
Total equity	856,196	855,313	852,472	881,749	879,498

Explanation of major variances:

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.

Liabilities

Payables fluctuate regularly due to the timing of invoicing and workloads.

Total borrowings are \$16.6M lower than budget due mainly to capital underspend.

A variance in derivative financial instruments is due to changing market conditions affecting the revaluation of these financial instruments.

Whanganui District Council

Summary statement of cash flows

For the year ended 30 June 2019

Summary Statement of cash flows

	Council		Group		
	Budget 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Cash and cash equivalents at the beginning of the year	3,921	8,788	10,887	13,685	16,743
Net cash from operating activities	35,099	23,749	31,919	24,709	36,893
Net cash from investing activities	(39,804)	(20,090)	(44,718)	(21,745)	(51,052)
Net cash financing activities	4,870	(5,000)	10,700	(7,671)	11,100
Cash and cash equivalents at the end of the year	4,086	7,447	8,788	8,978	13,685

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 \$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 capital deferrals.

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.

Whanganui District Council

Summary funding impact statement

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				
Rates	60,232	60,129	57,848	57,910
Other income	16,076	19,019	13,801	16,102
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
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, grants and development contributions	7,826	7,912	5,812	14,291
Increase (decrease) in debt	4,870	(5,000)	30,481	10,700
Gross proceeds from asset sales	50	10,643	-	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) in 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))	-	-	-	-

Notes to the Summary Financial Statements

Events after the balance date

Council are not aware of any events after balance date which would materially affect the amounts included in these financial statements or disclosures made.

Capital commitments

The Group capital commitments as at 30 June 2019 are \$26.5M (2018: \$13.5M)

Summary of Capital Expenditure

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

Activity	Long Term	Actual
	Plan Budget	For Year
	2019	2019
	\$000	\$000
Water Supply	2,684	4,275
Stormwater	1,896	4,081
Sewerage and the treatment and disposal of sewage	1,855	1,852
Roads, footpaths and pathways	13,124	10,683
Parks and recreation	398	2,878
Community and cultural	16,561	5,255
Economic Development	-	-
Community facilities and services	986	740
Transportation	630	754
Investments	155	21
Corporate	1,765	1,796
Total	40,054	32,335

Explanation of major variances:

Water Supply: 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 capital replacements budget was also underspent for the year. 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.

Stormwater: 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.

Roads, footpaths and pathways: 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.

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. 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

Parks and recreation: The Upokongaro to City Cycleway Project has been advanced to near completion. The cost this year of \$2.462M was ahead of budget.

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.

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.

Community and cultural: The Gallery Redevelopment project has been held up pending the securing of external funds. Subsequent to 30 June 2019, and prior to adoption of the Annual Report, the Sarjeant Gallery Trust was successful in its application to the Provincial Growth Fund which will allow the project to proceed. The work is to be tendered, and is scheduled to begin in late 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.

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 Group³ 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 8 October 2019.

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)

³ 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), and Whanganui Airport Joint Venture (50%). 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.

accounting standards. The financial statements are for the year ended 30 June 2019 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 30 October 2019 by the Mayor, Hamish McDouall, and Chief Executive, Kym Fell.

To view the comprehensive version of the 2018/19 Annual Report please refer to our website: <https://www.whanganui.govt.nz/Your-Council/Official-Documents/Reports>

Independent Auditor's Report

To the readers of Whanganui District Council and group's summary of the annual report for the year ended 30 June 2019

The summary of the annual report was derived from the annual report of the Whanganui District Council and group (the District Council) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 5 to 28:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include other explanatory information; and
- the summary statement of service provision called "Our Work".

Opinion

In our opinion:

- the summary of the 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.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor's report dated 8 October 2019.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of a limited assurance engagement related to the District Council's debenture trust deed, and an assurance engagements for a subsidiary pursuant to the Gas Distribution Information Disclosure Determination 2012 - (consolidated in 2015); and the Gas Distribution Services Default Price-Quality Path Determination 2013, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Debbie Perera,
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
7 November 2019