

Annual Report

For the year ended 30 June 2021



Image: Natalia Damasco



WHANGANUI
DISTRICT COUNCIL
Te Kaunhera a Rōhe o Whanganui

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Message from the Mayor



Tēnā koutou katoa,

Welcome to Whanganui District Council's Annual Report for the 2020/21 financial year.

It is always interesting to review our annual reports and reflect on all the activity that has taken place in a busy 12-month period. It's easy to push on to the next thing, without reflecting on our many achievements.

This is the second annual report we have produced during the era of COVID-19. For the most part the past year, spent almost entirely in the relative freedom of Alert Level 1, saw an impressive and heartening buzz in Whanganui. Summer events went ahead, with an outstanding New Zealand Masters Games concluding its 10-day programme just in time for a short move into Alert Level 2.

Over summer we felt we were the envy of the world; extremely lucky to be working, socialising and celebrating in such a beautiful place. Whanganui is increasingly a tourist destination and we welcomed many New Zealand visitors to our vibrant and artistic city over the past year. Our region's tourism grew by three percent in 2020/21 – the highest growth in New Zealand.

Whanganui also attracted new residents, edging our population towards 50,000. In many cases they relocated from larger cities, bringing style and innovation and boosting our local economy.

Like many provincial centres, we have reaped some benefits from soaring house prices across the country. Our reasonably-priced homes have been a drawcard for those seeking to move here. Now property is selling quickly and sale prices continue to rise.

Whanganui District Council has recognised we have a housing crisis as a result and that the impacts of this require urgent action on a number of fronts. In 2020/21 we established a strategic housing advisory group to support a collaborative approach to social housing initiatives.

We are also working to increase the number of houses available in Whanganui through our planning and infrastructure activities. Over the last year, for example, we provided reticulation services for the Fitzherbert Avenue Growth Project. This will connect Fitzherbert Avenue to Mosston Road, enabling residential expansion in Springvale as well as industrial development on Mill Road.

Meanwhile, we made progress as a council with our efforts to address climate change and honour the environment. We adopted the Te Tautaki Huringa Āhurangi/Climate Change Strategy after consultation with our community and we introduced and supported a number of positive

environmental initiatives. We distributed 488 native trees to local schools as part of the Paper4 trees recycling programme and supported Brydee Rood's art work, A Future Canopy, a living sculpture of native trees planted in Whanganui East's Burton Avenue.

Te Awa Tupua o Whanganui, the mighty river that bisects our city, and is a legal entity under the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017, has always exerted its natural influence on the shaping of our district. Over the past year we saw this in a very positive way as we made significant progress towards the realisation of Whanganui's port revitalisation project, Te Pūwaha.

At both governance and management level, this project brings concepts of collaboration, community leadership and co-management to life. Whanganui iwi and hapū, community representatives, two councils, a key business investor and an employment and training trust are working together in a highly unique way that is underpinned by values and is focused on abundance. This work has really been ground-breaking and we look forward to this becoming a model for future projects in our district.

I would like to take this opportunity to thank Kym Fell for his strong and effective leadership as Chief Executive of Whanganui District Council and wish him well in his future role with Wellington City Council.



Hamish McDouall
Mayor of Whanganui

GOVERNANCE STRUCTURE

as at 30 June 2021

Mayor and Councillors



Mayor Hamish McDouall



Deputy Mayor
Cr Jenny Duncan



Cr Charlie Anderson



Cr Philippa Baker-
Hogan



Cr James Barron



Cr Josh Chandulal-
Mackay



Cr Helen Craig



Cr Brent Crossan



Cr Kate Joblin



Cr Hadleigh Reid



Cr Alan Taylor



Cr Rob Vinsen



Cr Graeme Young

Whanganui Rural Community Board



Chair Grant Skilton
grant.skilton@whanganui.govt.nz
Kai Iwi subdivision



Deputy Chair David Wells
david.wells@whanganui.govt.nz
Mangamahu
Whanganui subdivision



Bill Ashworth
bill.ashworth@whanganui.govt.nz
Fordell
Kaitoke subdivision



Alistair Duff
alistair.duff@whanganui.govt.nz
Fordell
Kaitoke subdivision



Michael Dick
michael.dick@whanganui.govt.nz
Mowhanau
Kai Iwi subdivision



Sandra Falkner
sandra.falkner@whanganui.govt.nz
Westmere
Kai-Iwi subdivision



Peter Oskam
peter.oskam@whanganui.govt.nz
Whanganui
Whanganui subdivision



Cr Charlie Anderson
charlie.anderson@whanganui.govt.nz
Council representative on Board



Cr Brent Crossan
brent.crossan@whanganui.govt.nz
Council representative on Board

Committees

Audit and Risk	Acting Chair: Cr Jenny Duncan	Deputy chair: to be confirmed
Strategy and Finance	Chair: Cr Kate Joblin	Deputy chair: Cr Josh Chandulal-Mackay
Infrastructure, Climate Change and Emergency Management	Chair: Cr Alan Taylor	Deputy chair: Cr Hadleigh Reid
Property and Community Services	Chair: Cr Helen Craig	Deputy chair: Cr James Barron
Policy and Bylaw	Chair: Mayor Hamish McDouall	Deputy chair: Cr Jenny Duncan
Regulatory	Chair: Cr Josh Chandulal-Mackay	Deputy chair: Cr Charlie Anderson
Chief Executive Review	Chair: Cr Jenny Duncan	Deputy chair: Cr Alan Taylor
Youth	Co-Chairs: Yth Cr Charlotte Hardy Yth Cr Paris-Lee McLeod	—

Advisory Groups, Working Parties, etc.

Tupoho Working Party	Co-Chairs: Cr Jenny Duncan & John Maihi	—
Tamaupoko Link	Co-Chairs: Rāwiri Tinirau & Cr Josh Chandulal-Mackay	—
Waste Minimisation Advisory Group	Chair: Cr Rob Vinsen	—

**Town Centre
Regeneration Steering
Group** Chair: Cr Helen Craig

**Sports and Recreation
Advisory Group** Chair: Cr Philippa Baker-Hogan



Chief Executive's Review

Tēnā koutou katoa

Thank you for taking the time to read Whanganui District Council's Annual Report for 2020/21.

This will be my last annual report as Chief Executive for Whanganui District Council as I will shortly take up a new role in Wellington.

As I look back over the past year, I am very proud of the council's achievements – and there have been many.

Understandably, we are all experiencing an element of 'covid-fatigue'. Constant uncertainty is draining and I would like to recognise my staff for their agility and resilience throughout this time. We have however, as a council, made the most of a year that has been relatively unrestricted.

Whanganui is rich in terms of its community assets and these are appreciated by our residents and visitors alike, who value the high standard of living, quality of life and safety that they enjoy here. We have continued to improve and promote our facilities and to offer wonderful Whanganui experiences throughout 2020/21.

We launched two mobile library vans and established a new self-service community library in Aramoho. New Zealand Glassworks secured its inaugural Artist in Residence and more than 64,000 people made use of the Sarjeant Gallery facility, either in-person or online. 100 percent of visitors were satisfied or very satisfied with their gallery experience.

The London Street Shared Pathway was completed, linking the bottom of St John's Hill (Great North Road) with the top end of Te Tuaiwi shared pathway that begins at the Whanganui City Bridge.

Using Innovative Streets funding from Waka Kotahi NZ Transport Agency, we created an exciting pedestrian-friendly space in Drews Avenue and celebrated with an opening street party, combined with our annual spectacular Lights on Bikes parade.

Always striving to be leading edge, we were delighted to receive a number of awards, accreditations and recognitions throughout the year.

Repeating our success in 2019, Whanganui was crowned Most Beautiful Small City in the 2020 Keep New Zealand Beautiful Awards. This recognised community efforts in environmental sustainability and beautification as well as the beauty of our architecture and outdoor spaces.

We also won a Best Local Government Award from Sister Cities New Zealand and were re-accredited as a Pan-Pacific Safe Community.

Throughout this financial year, preparation of the council's 2021-2031 long-term plan was underway in the background, with council officers holding multiple workshops with elected members and developing a consultation document for community engagement.

There was high interest in the consultation, with unprecedented participation in engagement events and numbers of submissions received. We were very pleased to receive an unqualified audit for the consultation document and the plan itself.

Whanganui District Council is in good hands with the current executive team and a talented and dedicated workforce and I look forward to hearing about its future successes.

I acknowledge our elected members for their hard work and determination to get the best outcomes for Whanganui in everything they do. In particular I would like to thank Mayor Hamish McDouall for his leadership and energy on behalf of Whanganui. I have enjoyed our working relationship.

I wish Whanganui District Council and its district and community the very best for the year to come – and beyond.



Kym Fell
Chief Executive

Performance Snapshots



We provided reticulation services for the Fitzherbert Avenue Growth Project that will connect Fitzherbert Avenue to Mosston Road enabling residential expansion in Springvale and the industrial development on Mill Road.



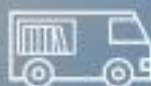
We completed the London Street Shared Pathway.



Two new drinking fountains were installed in the carpark and entrance to the beach at Long Beach Drive, and at the Durie Hill lookout area.



We planted a living sculpture of native trees in Burton Avenue



We launched two mobile library vans.



We opened a new self-service library at Aramoho.



More than 64,000 people made use of the Sarjeant Gallery facility either in-person or online.



We were reaccredited as a Pan-Pacific Safe Community



We established a strategic housing advisory group



Our region's tourism grew 3% - the best growth in NZ



We were repeat national winners - Whanganui was crowned Most Beautiful Small City in the Keep New Zealand Beautiful awards.



New Zealand Glassworks secured its inaugural Artist in Residence.



The Creative Communities Scheme funded 22 projects (valued at over \$44,000)



We created a pedestrian-friendly space in Drews Avenue using the Innovating Streets funding.



We won a Best Local Government Award from Sister Cities New Zealand.



We distributed 488 native trees to local schools as part of the Paper4trees recycling programme.



100% of visitors to the Sarjeant Gallery were satisfied or very satisfied with their Gallery experience.



We upgraded the entranceway of the Durie Hill elevator.



We adopted the Te Rautaki Huringa Āhurangi / Climate Change Strategy.



We introduced the Antenna app.



We started work on Te Pūwaha - the Whanganui Port Revalidation Project.

Statement of compliance and responsibility

For the year ended 30 June 2021

Compliance

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

Responsibility

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

In the opinion of the Council and management, the annual financial statements for the year ended 30 June 2021 fairly reflect the financial position, results of operations and service performance achievements of Whanganui District Council.



Mayor
Hamish McDouall



Interim Chief Executive
Lance Kennedy

7 December 2021

Ongoing impact of the COVID-19 pandemic

Overview

The ongoing pandemic of coronavirus disease being experienced across the world continued to impact all sectors of New Zealand to varying degrees.

The commencement of the 2020/21 reporting year saw the New Zealand community sitting at Alert Level 1, limited only by border controls and requirements for travelling on public transport.

A number of incursions of the virus during the year, however, led to all regions outside of Auckland, including the Whanganui District, moving into Alert Level 2 during the following periods:

- 12 August 2020 to 21 September 2020
- 14 February 2021 to 17 February 2021
- 28 February 2021 to 7 March 2021

Under Alert Level 2, all facilities, including those that were customer-facing, were able to remain open. To ensure the safety and wellbeing of its community and staff, Council was required to meet public health requirements such as contact tracing (of its contractors, customers, and general public), physical distancing, and reducing the number of shared surfaces.

During the year, Council continued to plan for the resurgence of COVID-19 taking into consideration the impact upon council operations, service delivery, personnel, and the community. We were guided by the regular updates from the Whanganui District Health Board, as lead agency in a pandemic, the Society of Local Government Managers (SOLGM) and the Manawatū-Whanganui Civil Defence and Emergency Management (CDEM) Group.

Following the comprehensive engagement conducted by the Integrated Recovery Team in the previous reporting year, a number of opportunities identified to address community needs and to enhance well-being and equity have been undertaken by relevant teams within the Council as part of 'business-as usual' activity.

Council’s vision, outcomes and objectives

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

Whanganui: Leading Edge



COMMUNITY

A deeply united community

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



CONNECTIVITY

Connected

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



CREATIVITY

Innovative and creative

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



ENVIRONMENT

Safeguarding our place

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






ECONOMY



Works for everyone

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

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

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

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

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

	<ul style="list-style-type: none">• Act as a facilitator and enabler for development• Support the retention of key health and social infrastructure• Promote and enhance our lifestyle advantages• Ensure the quality and diversity of our education options and promote these widely
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Our Community's Well-being

Improving our community's quality of life is at the very essence of our organisation. Whether we are providing multiple platforms for 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 plans and reporting

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

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

The Long Term Plan 2018-2028

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

This Annual Report explains how we have delivered on the third year of that plan.

Annual Report

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

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

The report must contain: -

- | | |
|--|--|
| In relation to each group of activities: | <ul style="list-style-type: none">• The activities included within the group.• The community outcomes to which the group of activities primarily contributes.• The result of any measurement undertaken during the year on progress towards the achievement of those outcomes.• Any identified effects that any activity within the group of activities has had on the social, economic, environmental, or cultural well-being of the community.• An audited statement comparing the capital expenditure budgeted for the financial year with the actual amount spent. This statement must show separately the amount of funds that Council intended to spend and the amount spent to -<ul style="list-style-type: none">○ meet additional demand for a group of activities;○ improve the level of performance in relation to a group of activities; and○ replace existing assets. |
|--|--|

	<ul style="list-style-type: none"> • An audited statement of service provision, comparing intended levels with actual levels in relation to the performance targets set and giving the reasons for any significant variance between actual and intended levels. • An audited funding impact statement identifying the amount of funds produced from each source of funding, how the funds were applied and how this compares with the information included in the Long Term Plan. • A statement of the amount of internal borrowing used for the purpose of the group of activities, including the amount of funds borrowed and repaid during the year and the amount of interest (if any) paid in relation to the internal borrowing.
A report on each Council-Controlled Organisation including:	<ul style="list-style-type: none"> • The extent to which each Council Controlled Organisation has attained the Council's policies and objectives. • A comparison between the actual and intended nature and scope of the organisation. • A comparison between actual performance and key performance targets.
Audited financial statements for core and consolidated Council.	
An audited funding impact statement for the financial year to which the report relates.	
Identification and detail regarding each reserve fund set aside by the Council.	
Rating base information, including the number of rating units, the capital and land values of these rating units.	
The insurance cover in place for Council assets.	
Remuneration paid to Elected Representatives and the Chief Executive.	
A report on employee staffing levels and remuneration.	
Information relating to severance payments to the Chief Executive and any other staff.	
A statement that the requirements of the Act in relation to the Annual Report have been complied with.	
A report on the activities the Council has undertaken to establish and maintain processes to provide opportunities for Māori to contribute to the decision-making process of Council.	

Building community with iwi

Council works with Tangata Whenua/Hapū and Crown-legislated Iwi to build community in a mutually appropriate way. This approach is especially important in infrastructure planning, environmental management and development. Council's policy direction and planning processes takes into account effective engagement with hapū and iwi entities – as well as marae and whānau as required. The approach is based on partnership and participation at the strategic and operational levels.

Strategic engagement

A formal partnership agreement exists between the Council and Te Rūnanga o Tūpoho with a review of the document to commence in the next reporting period. A review of the existing partnership agreement with Te Rūnanga o Tamaūpoko was progressed during the year, and a revised relationship framework document has now been completed. Council meets separately with both Rūnanga on a six-weekly basis, scheduled throughout the year, with a focus on all levels – political, social, economic and environmental – for the benefit of the whole district.

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

Te Awa Tupua Act

The enactment of the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017 has provided legislative responsibilities for Council, including an appointment to the strategy group, Te Kōpuka. Council officers also attend regular hui of the Te Awa Tupua Technical Advisory Group (TAG) that contributes to the provision of support to Te Kōpuka.

Progress continues to be made both in terms of our organisational understanding of the Te Awa Tupua Act through the Te Pūwaha Project (Port Revitalisation Project), and the relationships being built with Iwi. Representatives from across the Executive Leadership Team and senior management (Roading, Property, Finance, Projects, Regulatory & Planning), have attended hui in order to provide advice, but more importantly to develop and build on relationships with Iwi.

Toitū te Whānau

Of equal significance, progress has been seen between the organisation and the Whanganui Land Settlement Negotiations Trust (WLSNT) with work having been advanced on matters of significance including finalising the relationship agreement, the exploration of Toitū te Whānau and the support of other meaningful connections between us both.

Post settlement government entities

Council has endeavoured to strengthen and develop its strategic relationships with Māori through Māori statutory entities including Ngā Tāngata Tiaki o Whanganui; Te Kaahui o Rauru; Te Rūnanga o Ngā Wairiki Ngāti Apa, and Ngāti Rangī.

Council agreed to support Ngāti Maika of Ngā Rauru Kītahi to undertake consultation to inform their application to the New Zealand Geographic Board to change the name of Maxwell locality

to Pākaraka. The Ngā Rauru Deed of Settlement encourages conversations between Ngā Rauru and Council on this matter.

Partnerships and relationships

Council engages with iwi and hapū across the region within our ongoing relationships as part of normal business activities. This includes (but is not limited to) the following:

- A formal relationship with hapū and iwi through the Te Matapihi ki Tangaroa Accord with a focus on protecting the marine environment.
- The joint Council-Tūpoho Whānau Trust-Sustainable Whanganui partnership which continues to operate the Whanganui Resource Recovery Centre.
- The Rōpū Kaitiaki group which was formed to work on matters of importance to Whanganui iwi relating to the Sarjeant Gallery Redevelopment Project. Likewise a *Pukenga Toi* was appointed to manage and facilitate the iwi design component with the Gallery's new wing, which is named in honour of Sir Te Atawhai Archie John Taiaroa.
- Provision of Council support to the Whanganui Māori Regional Tourism Organisation for its Pūanga programme in 2021 and Whakawhanake (Waitangi Day) although the latter event was not held in 2021 following a decision by iwi and community leaders.

Operational engagement

Operational engagement hui are conducted on a monthly basis with both Tūpoho and Tamaūpoko. The operational engagement team advises, enables and supports key projects within infrastructure and policy i.e. roading changes and Town Regeneration.

Collaborative Culture

Internally, a three-year Collaborative Culture programme, developed for the organisation, has been progressively rolled out to staff in the 2020/21 reporting year with more than 50% of staff having participated in the programme to date.







The purpose of the programme is to build culturally competent Council staff with effective community engagement strategies and an increased understanding of Whanganuitanga, Te Tiriti o Waitangi and local whānau, hapū and iwi. It is also intended to inform Council's development of a Cultural Tool Kit and content for Council's staff induction process.

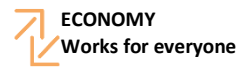
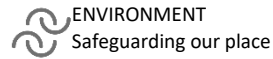
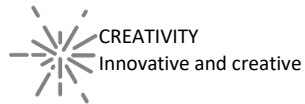
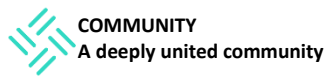
The programme includes te reo, tikanga, and cultural activities, and has proved to be very valuable in providing staff with the tools to navigate two world-views, provide insight into the importance of iwi/hapū engagement and to develop knowledge so that we can become more responsive in a way that achieves a positive outcome for everyone.

Groups of activities

Our work is structured around 11 areas. The chapters in this report highlight our progress towards delivering on our outcomes in each of these areas. They are:

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

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



1 Water supply

Under the Health (Drinking-Water) Amendment Act 2019, the Ministry of Health has a responsibility to 'protect the health and safety of people and communities by promoting adequate supplies of safe and wholesome drinking water from all drinking-water supplies'. Underpinning this, every local authority has a general responsibility to improve, provide and protect public health. Good-quality water systems play a vital role in this. Our priority is to supply water that is safe to drink and to ensure the security of the city's water supply. The most successful approach to this is by regularly monitoring the water quality and maintaining the infrastructure that supports it.

What we did

We benefited from funding allocated by central government for Three Waters projects: Five water supply upgrade projects were completed with over 1,500 metres of new water main installed in Sedgebrook Street, Parkes Avenue, Lincoln Road, Ngatarua Road and Mosston Road areas. Tendering has been completed for two other water projects in the Fordell and Cobham Bridge areas with work to commence in the next financial year.

We continued to work toward implementing a global consent for all water-take consents from Horizons Regional Council: Iwi involvement has been ongoing and has looked at refining existing water takes from all source water. A consolidation of water permits into a single global consent will promote efficiency in consenting and monitoring procedures and recognises the interconnectedness of the groundwater system and the wider environment.

We provided reticulation services for the Fitzherbert Avenue Growth Project: the extension of Fitzherbert Avenue to Mosston Road has been identified as a requirement for the future growth of Whanganui to enable the residential expansion in Springvale and the industrial development on Mill Road.

We replaced a section of water-main on Hillside Terrace: as part of the critical asset renewals programme, over 420 metres of water-main was replaced to provide appropriate levels of service.

We continued to work on ensuring the reliability of water supply to Whanganui city: 900 metres of Trunk-mains has been replaced on a section of Symes Road that has been identified as a high-risk water main.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Supporting our welfare

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



Maximising opportunities

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

Effects on community well-beings

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



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

How did we perform?

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

PERFORMANCE INDICATOR








Met or exceeded target	Target not met	Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
WATER SUPPLY					
A continuous supply of water is provided at the right quantity, quality and pressure so that residents and industry can do what they need to (for example:	The total number of complaints received about the water (per 1000 connections to the networked reticulation system) ¹	60	62.99	LTP ² - < 40	65.5
				AP ³ - <85	65.5
<i>Comment: For the Long Term Plan target, the target was not met; however for the amended Annual Plan target, the target was met. (Source: Council CRM)</i>					
	The percentage of time Horizons Regional Council consent conditions are complied with (or mitigation undertaken if issues occur).	100%	100%	100%	100%




¹ Complaints include: drinking water clarity; drinking water taste; drinking water odour; drinking water pressure; or flow; continuity of supply; or Council's response to any of these issues. Complaints also includes all requests for service about these issues – including a toby repair.

² LTP 2018-2028 - Year 3 Target

³ Annual Plan 2020/21 Target

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
irrigation, showering and recreation).	<i>Comment: The target was met. All discharge and take consents were compliant. (Source: Horizons Regional Council)</i>				
	The percentage of hydrants tested by the Fire and Emergency New Zealand that comply with the New Zealand Fire Service's code of practice for water supply and pressure.	0	95	95%	95% 
	<i>Comment: The target was met. FENZ has commenced testing of fire hydrants with monthly reporting to Council. (Source: FENZ)</i>				
	Median response time for attending urgent call-outs (measured from the time that notification is received to the time that the service personnel reach the site).	24 mins	24 mins	1 hour	5 hrs 12 mins 
	<i>Comment: The target was not met. The response times were affected by a number of factors including reclassification of requests based on officer onsite assessment (both from non-urgent to urgent and vice versa) and delayed logging of arrival times. Work is being undertaken to improve on the accuracy of reporting times. (Source: Council CRM)</i>				
	Median response time for resolution of urgent call-outs (measured from the time that notification is received to the time that the service personnel confirm resolution of the fault or interruption).	10 hrs 30 mins	1 hrs 14 mins	22 hours	23 hrs 30 mins 
	<i>Comment: The target was not met. The resolution times includes quality control inspections and site reinstatement. Work is being undertaken to be able to report on the point the resumption of service. (Source: Council CRM)</i>				
	Median response time for attending non-urgent call-outs (measure from the time that notification is received to the time that the service personnel reach the site).	9 hrs 8 mins	1 hrs 32 mins	24 hours	12 hrs 15 mins 
	<i>Comment: The target was met. (Source: Council CRM)</i>				
	Median response time for resolution of non-urgent call-outs (measured from the time that notification is received to the time that the service personnel confirm resolution of the fault or interruption).	12 hrs 45 mins	1 hrs 18 mins	4 days	14 hrs 54 mins 
	<i>Comment: The target was met. (Source: Council CRM)</i>				
	The percentage of real water loss from the network reticulation system ⁴ .	38%	35%	<40%	36% 
<i>Comment: The target was met. This is an estimation based on average minimum nightly flows to the average water consumption. (Source: WDC Infrastructure)</i>					
The average amount of water consumed per resident per day.	287 litres	330 litres	350 litres	337 litres 	

⁴ Due to absence of water meters in the reticulation system this is calculated by comparing minimum night flows to the average water consumption.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
	<i>Comment: The target was met. This is calculated through the total consumption from the reservoir, excluding industrial consumption, divided by 365 days, divided by the total population. (Source: WDC Infrastructure)</i>				
Water is safe to drink.	The extent to which the water supply will comply with part 4 of the New Zealand drinking water standards (bacteria compliance criteria).	100%	100%	100% compliance	100% 
	<i>Comment: The target was met. Compliance was achieved with part 4 of the New Zealand drinking water standards (bacteria compliance criteria). (Source: Ministry of Health)</i>				
	The extent to which the water supply will comply with part 5 of the New Zealand drinking water standards (protozoal compliance criteria).	100%	100%	100% compliance	100% 
	<i>Comment: The target was met. Compliance was achieved with part 5 of the New Zealand drinking water standards (protozoal compliance criteria). (Source: Ministry of Health)</i>				
	The percentage of time the Council delivers an Aa grade water supply in the urban area ⁵ .	100%	100%	100%	100% 
<i>Comment: The target was met. (Source: Ministry of Health)</i>					

⁵ The big 'A' represents the source and treatment and the little 'a' is the reticulation – the big 'A' represents quality when it leaves the plant and the little 'a' is the quality inside the reticulation system.

Water supply group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to meet additional demand :					
Water Supply					
Sundry growth projects	-	-	-	12	-
	-	-	-	12	-
Capital expenditure to improve the level of service :					
Water Supply					
Zone remote metering	50	-	50	7	-
Meters, valves, hydrants, mains, etc	300	-	300	311	-
Fordell Rural Scheme	29	-	29	92	-
Maxwell Rural Scheme	3	-	3	-	-
Westmere Rural Scheme	33	-	33	27	-
Kai Iwi Bore & Pumps	30	-	30	6	-
Airport Road Upgrade - Stimulus funded	-	-	-	146	-
Sedgebrook upgrade - Stimulus funded	-	-	-	51	-
Parkes Avenue upgrade - Stimulus funded	-	-	-	121	-
Lincoln Road upgrade - Stimulus funded	-	-	-	75	-
Ngatarua Road upgrade - Stimulus funded	-	-	-	31	-
Mosston Road Upgrade - Stimulus funded	-	-	-	250	-
Sundry Projects	35	-	35	6	-
	479	-	479	1,124	-
Capital expenditure to replace existing assets :					
Water Supply					
Meters, valves, hydrants, mains, etc	662	-	662	713	33
Steel Pipe Replacements	-	200	200	11	188
State Highway 3 - Symes Rd	-	102	102	-	102
Fordell Rural Scheme	34	-	34	4	20
Aramaho Bore & Pumps	36	-	36	47	-
Kai Iwi Bore & Pumps	101	674	775	358	-
Westmere Rural Scheme	139	375	514	651	120
Mt View Road to Portal Street	200	-	200	226	-
Castlediff Road	45	-	45	17	-
Spiral welded replacement	150	-	150	130	-
Sundry Projects	12	-	12	53	-
	1,379	1,351	2,730	2,210	463
Total Capital Expenditure for the Group	1,857	1,351	3,208	3,346	463

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

Council participated in the 3 water stimulus programme, which funded a number of unplanned and unbudgeted projects. This programme was announced by Central Government in late 2020 and provided

funding for enhancing the 3 water infrastructure within the district. This funding is time-limited and these projects were prioritised over planned work to maximise the funding.

Water supply

The total capital acquisitions spend was significantly higher than budget this year, driven by unplanned 3 water stimulus projects. The Fordell Rural Scheme connection was also partially funded by this programme.

The capital replacements budget was underspent for the year, driven by prioritisation of the stimulus funded projects. The Kai Iwi Bore development was lower than planned, while Symes Rd, Spiral Welded and Steel Pipe replacements are on hold while the focus is on delivering the stimulus funded projects.

Mains replacements and connections were significantly higher than budget as demand was high, such as renewal of Hillside Terrace mains and Westmere Mains.

Internal borrowings

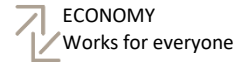
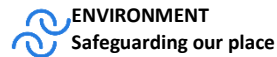
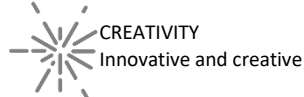
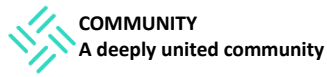
	2021	2020
	\$	\$
Brought forward	894,539	653,823
Borrowings raised	0	234,198
Borrowings repaid	(388,859)	0
Interest paid	0	6,518
Carried forward	505,679	894,539

Water supply group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	7,200	7,198	6,979	7,057
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	98	132	46	51
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	1
Total operating funding (A)	7,298	7,330	7,025	7,109
Application of operating funding				
Payments to staff and suppliers	3,239	3,321	3,243	3,241
Finance costs	779	754	635	497
Internal charges and overheads applied	695	691	644	674
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	4,713	4,766	4,522	4,412
Surplus (deficit) of operating funding (A - B)	2,585	2,564	2,503	2,697
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	858
Development and financial contributions	5	8	8	14
Increase (decrease) in debt	(281)	(659)	(680)	(237)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	27	27	26	14
Total sources of capital funding (C)	(249)	(624)	(646)	649
Application of capital funding				
Capital expenditure				
-to meet additional demand	220	-	-	12
-to improve the level of service	523	500	478	1,124
-to replace existing assets	1,593	1,440	1,379	2,210
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	2,336	1,940	1,857	3,346
Surplus (deficit) of capital funding (C - D)	(2,585)	(2,564)	(2,503)	(2,697)
Funding balance ((A - B) + (C - D))	-	-	-	-



2 Stormwater drainage

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

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

What we did

Stormwater

We completed construction on the Gloucester Street Stormwater Upgrade: this is the first project in a comprehensive capital works programme which will improve the Stormwater Levels of Service of the Whanganui urban area, and give us a degree of resilience to the projected effects of Climate Change.

We started construction on underground services for the Fitzherbert Avenue extension: this forms part of the Springvale Structure Plan, enabling residential development in the extended urban zone.

We completed the construction work for the Wilson Street stormwater renewal (Stage 2): This was a renewal of an older pipeline in very poor condition in the area hosting the annual cemetery circuit.

We completed internal repairs to the Glasgow Street Stormwater main: This is a critical asset which showed signs of early failure due to poor ground conditions. Through innovative internal repair methods we reduced the risk and avoided the need for complete reconstruction, realising substantial capital savings in the process.

We commenced design and investigation work on the 3 Waters stimulus projects: Most notable for this activity is the twin Raupo Street Stormwater, providing level of service to the Heads Road industrial area, and additional capacity for the effective completion of the separation of the wastewater system.

We commenced design and investigation work on two new storage facilities: Two new wetland-storage facilities are under design and investigation at Montgomery Road and Mill Road, which will provide for growth in the Otamatea and Mill Road Industrial areas.






We refined our computer modelling of large rain events: this now includes the effects of intensified rainfall of long term climate change, as well as projected long term sea-level rise.

Waterways and natural drainage

We completed more stream enhancement work with local Iwi, Department of Conservation and Horizons on the Healthy Streams Initiative: this initiative focuses on erosion and vegetation control, removal of obstructions, improved fish passage, enhanced habitat and the uplifting of the general health of urban streams which flows to Te Awa o Whanganui. Fencing off of waterways, weed control and planting of sections of riparian waterways were completed in the Karoro Road watercourse and Matarawa streams. We installed fish passage improvements in the Awarua and Purua stream culverts.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

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

Effects on community well-beings

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

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












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

How did we perform?

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

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	
STORMWATER DRAINAGE						
Stormwater: Monitor flood warnings and respond promptly during emergency management flooding events	The median response time to attend a flooding event (measured from the time notification is received to the time that the service personnel reach the site). <i>Comment: The target was met. No flood events occurred during the reporting period. (Source: Council CRM)</i>	0	0	4 hours	0 	
Ensure a safe and operational stormwater drainage network for design events.	Number of flooding events ⁶ . <i>Comment: The target was met – no flood events occurred. (Source: Council CRM)</i>	0	0	<5	0 	
	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system). ⁷	1	2.40	LTP ⁸ - 0.25	2.63 	
				AP ⁹ - 10	2.63 	
	<i>Comment: For the Long Term Plan target, the target was not met; however for the amended Annual Plan target, the target was met. (Source: Council CRM)</i>					
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to stormwater system). <i>Comment: The target was met – no flood events occurred. (Source: Council CRM)</i>	0	0	0.5	0 	
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of abatement notices received by Council in relation to those resource consents. <i>Comment: The target was met. (Source: Council CRM)</i>	0	0	0	0 	

⁶ To be reported with assumptions as per the DIA's guidance documentation.

⁷ Complaints also includes all requests for service. The target for this measure was set prior to receiving this clarification.

⁸ LTP 2018-2028 - Year 3 Target

⁹ Annual Plan 2020/21 Target

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of infringement notices received by Council in relation to those resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: Council CRM)</i>				
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of enforcement orders received by Council in relation to those resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: Council CRM)</i>				
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of convictions received by Council in relation to those resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: Council CRM)</i>				
Network System Performance.	Number of urban floor-levels at risk, during the flood design-event ¹⁰ .	2,395	2,250	1,727	1,720 
	<i>Comment: The target was met. Stormwater network upgrades have been implemented as projected by the Long Term Plan. (Source: WDC Infrastructure)</i>				
Waterways & Natural Drainage: Effective warnings and responses are given to protect people and property from the Whanganui River's rising flood waters.	Compliance with the Whanganui River Flood Action plan.	100%	100%	100%	100% 
	<i>Comment: The target was met. The Whanganui River Flood Action plan did not need to be activated. (Source: Council CRM)</i>				

¹⁰ As defined by the Horizons One Plan, the Building Act and the Whanganui District Council District Plan rules.

Stormwater group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to meet additional demand :					
Stormwater					
Otamatea Structure Plan	330	330	660	16	600
Springvale Structure Plan	-	200	200	127	-
Wetland Development	400	358	758	546	-
Swale Construction	-	242	242	180	-
Sundry Projects	-	-	-	15	-
	730	1,130	1,860	884	600
Capital expenditure to improve the level of service :					
Stormwater					
Integrated catchment management	150	-	150	96	-
Separation Completion	500	-	500	67	260
Inflow & Infiltration Investigations	100	-	100	29	-
Mill Road Manufacturing zone	-	-	-	30	-
Wetland Development	-	-	-	253	-
Swale Construction	-	-	-	20	-
Watercourse enhancements	70	67	137	-	125
Stormwater attenuation project	500	-	500	989	-
City wide hotspots	100	-	100	15	80
Sundry Projects	2	-	2	120	-
	1,422	67	1,489	1,619	465
Capital expenditure to replace existing assets :					
Stormwater					
Network replacements	350	814	1,164	943	-
Non-critical assets replacement	50	-	50	23	-
Sundry Projects	10	-	10	3	-
	410	814	1,224	969	-
Total Capital Expenditure for the Group	2,562	2,011	4,573	3,472	1,065

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

Council participated in the 3 water stimulus programme, which funded a number of unplanned and unbudgeted projects. This programme was announced by Central Government in late 2020 and provided funding for enhancing the 3 water infrastructure within the district. This funding is time-limited and these projects were prioritised over planned work to maximise the funding. Funded Stormwater projects are planned to proceed in the 2021/22 year.

Stormwater and waterways & natural drainage

The capital growth programme is mostly complete, with the Springvale Structure Plan and Swale Construction all lower than planned. The Otamatea Structure plan remains incomplete and will be carried over to 2021/22. Note part of Wetland Development programme is under capital acquisitions.

The capital acquisitions budget was near fully spent for the year. The stormwater separation and attenuation projects made significant progress, with the integrated catchment management lower than planned. Funds of \$465k will be carried over to 2021/22 to continue separation, watercourse enhancement and address citywide hotspots.

The capital replacements was slightly lower than budget, with the bulk spent on network replacements. No budget will be carried over to 2021/22.

Internal borrowings

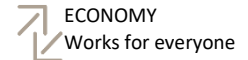
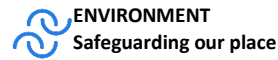
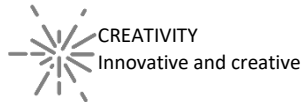
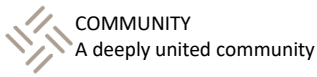
	2021	2020
	\$	\$
Brought forward	2,451,853	1,649,619
Borrowings raised	0	784,370
Borrowings repaid	(1,052,504)	0
Interest paid	0	17,865
Carried forward	1,399,349	2,451,853

Stormwater drainage group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	450	458	434	434
Targeted rates	6,202	6,308	5,890	5,882
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	2	5	-	-
Total operating funding (A)	6,654	6,771	6,324	6,316
Application of operating funding				
Payments to staff and suppliers	1,394	1,429	1,392	1,296
Finance costs	1,889	1,875	1,594	1,127
Internal charges and overheads applied	346	345	324	339
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	3,629	3,649	3,310	2,762
Surplus (deficit) of operating funding (A - B)	3,025	3,122	3,014	3,554
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	5
Development and financial contributions	69	112	112	142
Increase (decrease) in debt	(18)	(560)	(566)	(229)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	2	2	2	-
Total sources of capital funding (C)	53	(446)	(452)	(82)
Application of capital funding				
Capital expenditure				
-to meet additional demand	1,206	763	730	884
-to improve the level of service	1,453	1,485	1,422	1,619
-to replace existing assets	419	428	410	969
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	3,078	2,676	2,562	3,472
Surplus (deficit) of capital funding (C - D)	(3,025)	(3,122)	(3,014)	(3,554)
Funding balance ((A - B) + (C - D))	-	-	-	-



3 Sewerage and the treatment and disposal of sewage

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

What we did

We completed the Beach Road pre-treatment gantry renewal project: replacement of the gantrys in the pre-treatment area at Beach Road had been well overdue and has resulted in getting the lifting equipment up to specification. This is the first phase of multiple renewals at this facility.

We commenced the Beach Road screens renewal project: completion of this project will see the renewal of the twin step screens which have reached the end of their useful life and require ongoing repairs. The contract was awarded right at the start of the financial year however COVID-related delays meant the manufacturer and delivery to site have taken significantly longer than would normally be expected. The first screen has been installed and is in operation with the second screen to be installed in July 2022.

We progressed the purchase of Wastewater Treatment Plant generators: this capital purchase was awarded in the 2020/21 financial year however delivery is not expected until August 2021.

Fitzherbert Avenue growth project: Work was undertaken in conjunction with the roading extension with installation of a new pump station and network to service the sections of the new road.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Managing our infrastructure responsibly and sustainably

Our wastewater scheme substantially reduces the risk of potential sewage overflows to the river thereby improving river water quality. It also reduces the risk of sewage flowing onto private properties and roadways.



A view to the future

We take a risk-based approach to asset management that forecasts the community's needs now and into the future.



Urban Design

We contribute to the creation of quality urban design through responsible collaboration with town planning and industry.

Effects on community well-beings

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










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






How did we perform?

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

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE					
The sewerage system is convenient, safe and reliable.	The number of dry weather sewerage overflows from the system (expressed per 1000 sewerage connections).	3.98	0.83	<3	0.96 
	<i>Comment: The target was met. (Source: Council CRM)</i>				
	Median response time for attending sewerage overflows resulting from blockages or other faults (measured from the time that notification is received to the time that the service personnel reach the site).	10 mins	22 mins	6 hours	1 hrs 5 mins 
	<i>Comment: The target was met. (Source: Council CRM)</i>				
The environment (including waterways and beaches) is protected from	Median response time for resolution of blockages or other faults (measured from the time that notification is received to the time that the service personnel confirm resolution of the blockage or fault).	12 hrs 22 mins	18hrs 15 mins	5 days	7 days 15 mins 
	<i>Comment: The target was not met. The resolution times includes site reinstatement. Work is being undertaken to be able to report on the point the resumption of service. (Source: Council CRM)</i>				
	Compliance with all resource consents for discharge from the wastewater system measured by abatement notices in relation to the resource consents.	0	0	0	0 

the adverse effects of wastewater.	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>				
	Compliance with all resource consents for discharge from the wastewater system measured by infringement notices in relation to the resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>				
	Compliance with all resource consents for discharge from the wastewater system measured by enforcement orders in relation to the resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>				
	Compliance with all resource consents for discharge from the wastewater system measured by convictions in relation to the resource consents.	1	0	0	0 
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>				
	The total number of complaints received (expressed per 1000 connections) ¹¹ .	13.15	16.2	LTP ¹² - <5	16.9 
AP ¹³ - <29				16.9 	
<i>Comment: For the Long Term Plan target, the target was not met; however for the amended Annual Plan target, the target was met. There was a total of 247 complaints (14,573 connections) during the period. (Source: WDC CRM system)</i>					

¹¹ Complaints may include sewage odour; sewerage system faults; sewerage system blockages and Council's response to any of these issues. Complaints also includes all requests for service. The target for this measure was set prior to receiving this clarification.

¹² LTP 2018-2028 - Year 3 Target

¹³ Annual Plan 2020/21 Target

Sewerage and the treatment and disposal of sewage group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to meet additional demand :					
Wastewater					
Fitzherbert Ave Extension	170	392	562	569	-
	170	392	562	569	-
Capital expenditure to improve the level of service :					
Wastewater					
New standby generator	-	487	487	59	428
CCTV condition assessments	50	-	50	234	-
Inflow & Infiltration Investigations	60	-	60	7	-
Scum baffles at WWTP - Stimulus funded	-	-	-	51	-
Westway Pipe Bridge - Stimulus funded	-	-	-	14	-
	110	487	597	366	428
Capital expenditure to replace existing assets :					
Wastewater					
Mains, valves, meters, etc	820	194	1,014	164	673
Beach Road screen replacement	-	920	920	733	-
Beach Road Station control systems	600	800	1,400	-	1,400
Pump & Pump station renewals	90	-	90	138	-
Hydraulic gate replacement	-	300	300	-	300
Pre-treatment area refurbishment	-	130	130	185	-
Non-critical assets replacement	150	-	150	181	-
Beach Road Station flood repairs	-	98	98	-	98
	1,660	2,442	4,102	1,401	2,471
Total Capital Expenditure for the Group	1,940	3,321	5,261	2,336	2,899

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

Council participated in the 3 water stimulus programme, which funded a number of unplanned and unbudgeted projects. This programme was announced by Central Government in late 2020 and provided funding for enhancing the 3 water infrastructure within the district. This funding is time-limited and these projects were prioritised over planned work to maximise the funding.

Wastewater

The capital growth budget of \$562k was spent on completion of the Fitzherbert Ave extension project. This is a continuation of the Mill Rd programme.

Capital acquisitions was lower than planned, with the unplanned stimulus projects prioritised over planned works. The new standby generator project remains underway, \$428k being carried over to 2021/22 to fund the purchase of the unit and installation. There was significantly higher CCTV inspections over the year, to gain a better understanding of the condition of network assets.

The total capital replacements expenditure of \$1.4M is well under budget. The Beach Rd screen replacement was lower than planned, while the pump station Control systems and Hydraulic gate replacement has been deferred to 2021/22. The urban mains renewal programme had minimal spend, with the bulk carried over to 2021/22.

Internal borrowings

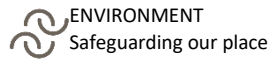
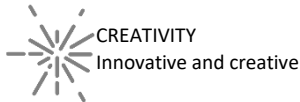
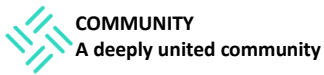
	2021	2020
	\$	\$
Brought forward	3,196,912	2,190,649
Borrowings raised	0	982,969
Borrowings repaid	(1,299,455)	0
Interest paid	0	23,294
Carried forward	1,897,456	3,196,912

Sewerage and the treatment and disposal of sewage group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	9,099	9,678	9,383	9,387
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,259	1,269	1,000	978
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	604	609	600	317
Total operating funding (A)	10,962	11,556	10,983	10,682
Application of operating funding				
Payments to staff and suppliers	6,672	6,941	6,834	6,751
Finance costs	1,422	1,417	1,331	1,861
Internal charges and overheads applied	845	854	860	900
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	8,939	9,212	9,025	9,512
Surplus (deficit) of operating funding (A - B)	2,023	2,344	1,958	1,170
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	66
Development and financial contributions	19	31	31	44
Increase (decrease) in debt	(64)	(349)	(49)	1,040
Gross proceeds from asset sales	-	-	-	16
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(45)	(318)	(18)	1,166
Application of capital funding				
Capital expenditure				
-to meet additional demand	419	177	170	569
-to improve the level of service	368	115	110	366
-to replace existing assets	1,191	1,734	1,660	1,401
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	1,978	2,026	1,940	2,336
Surplus (deficit) of capital funding (C - D)	(2,023)	(2,344)	(1,958)	(1,170)
Funding balance ((A - B) + (C - D))	-	-	-	-



4 Provision of roads and footpaths

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

What we did

Roading

We completed the traffic signals upgrade to the Victoria Avenue and Dublin Street intersection: this included safety enhancement of pedestrian and cyclist facilities.

We completed a structural pavement rehabilitation: of Heads Road between Abbott Street and the Beach Road rail crossing.

Work continued on the Urban Shared Pathways (Urban Cycleways Programme): the shared pathway network is part of the Council's Active Transport Strategy which aims to create a cycle-friendly district that provides for healthy and sustainable travel choices for commuters.

We completed the London Street Shared Pathway

The shared concrete pathway upgrade running from the Splash Centre to Great North Road, undertaken in two stages, was completed and links to Te Tuaiwi.

- *Whanganui East Shared Pathway:* the section between Georgetti Road and Kowhai Park along the river stopbank was completed.
- *City Bridge to North Mole Shared pathway:* the southern end of the Mountains to Sea Cycle Trail currently terminates just short of the Whanganui Port at Gilbert Street in the Industrial zone. The remaining portion through the Port and further south to the North Mole where it will meet the sea, has been delayed while the Port Revitalisation Project is being worked through.
- *Shared pathway lighting:* further lighting was undertaken along the river pathways to ensure all-hours accessibility.
- *Traffic signal upgrades to Glasgow Street rail crossing:* this work was undertaken to enable safer passage of pedestrians using Te Tuaiwi.

Fitzherbert Avenue to Mosston Road extension: funded from the Provincial Growth Fund, the 3 waters and utilities are now substantially complete with roading works now beginning. Completion work will be undertaken in the next reporting year to open up residential and commercial development transport links.

We undertook safety improvements around high risk Whanganui Schools: this included enhanced pedestrian facilities to Whanganui Intermediate School, plus further signage and roadmarking to a number of other schools. A comprehensive programme of safety

improvements was compiled across all Whanganui Schools with a directive to progressively undertake these safety improvements over the next few years.

We completed the remaining Emergency Works Projects from the 2018 storm event: with remedial works being undertaken to a site adjacent to the Mangoihe Bridge, Jerusalem, and the Whangaehu Valley Road.

We improved user safety: by installing guardrails on critical single lane bridges on the Whanganui River Road. We also installed a safety rail on the City Bridge for the protection of pedestrians and vulnerable users crossing from Whanganui East and Durie Hill suburbs to the City.

We completed a new carpark facility: this was undertaken for the recently opened Whanganui East library.

Footpaths and berms

We continued to carry out maintenance and replacements on footpaths: sections of footpath renewals included Alma Road, Pitt Street, Plymouth Street, St Hill Street, Nelson Street, Kings Avenue, Wilson Street and Victoria Avenue. Sections of kerb renewals undertaken included Liverpool Street, Victoria Avenue, Plymouth Street, Harper Street, Kings Avenue, Wilson Street, and St Hill Street.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Community connectedness

We support local suburbs and communities along the Whanganui River and provide and operate a safe local roading network. We aim to provide the core infrastructure that will allow access for all.



Enhance roading and pathway connections

We maintain well-connected pathways throughout the district and a safe interconnected roading network. We aim to provide the core infrastructure that will allow access to all gateways for Whanganui including the port and airport in order to develop it to its full potential.



Contributing to our local growth aspirations

We aim to provide the core access infrastructure that allows our district to become business friendly; continue to allow a strong rural economy; promote the sustainable development of cultural, sports and recreational activities and facilities for young people; and allow access to active recreational and sporting opportunities.

Effects on community well-beings

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




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









How did we perform?

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

PERFORMANCE INDICATOR


 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
ROADS AND FOOTPATHS					
Roads: The provision of a safe and secure local roading network.	The change from the previous financial year in the number of fatalities or serious injury crashes on the local road network.	16	20	-1	-3(17) 
	<i>Comment: The target was met. During the 2020/21 period, there were 17 fatal or serious injury crashes on the local road network. Of this figure, there was one fatality and 16 serious injuries. (Source: NZ Transport Agency Crash Analysis System)</i>				
A local roading network that provides a smooth travel experience.	The average quality ride on a sealed local road network, measured by smooth traffic exposure.	89%	79.9%	88-92%	84% 
	<i>Comment: The target was not met. The roading network has incurring substantial deterioration due to increased traffic movements from a recent spike in population growth and HPMV movements associated with logging. (Source: NZ Transport Agency)</i>				
A local road corridor network that meets the needs of the users.	The percentage of the sealed road network that is resurfaced.	6.73%	4.49%	>4%	3.80% 
	<i>Comment: The target was not met. 21.95km out of 573.1km sealed road network was resurfaced¹⁴. (Source: NZ Transport Agency)</i>				
A local road corridor network that meets the needs of the users.	The percentage of customer service requests that are actioned within five working days.	98%	83.9%	>90%	73% 
	<i>Comment: The target was not met. There were 892 customer service requests and 652 were actioned within 5 working days. This result is partly attributable to customer service request not being closed off in a timely manner once works were completed and work has been undertaken to rectify this issue. (Source: Council CRM System)</i>				
Footpaths and berms: Footpaths help people move about safely and comfortably and get them where they need to go.	The percentage of footpath requests actioned within five working days of notification ¹⁵ .	98%	74%	>90%	64% 
	<i>Comment: The target was not met. There were 149 requests received and 96 were actioned within 5 working days. This result is partly attributable to customer service request not being closed off in a timely manner once works were completed and work has been undertaken to rectify this issue. (Source: Council CRM System)</i>				
	The percentage of footpaths that meet Council's standard of a defect ¹⁶ score of <50	99%	99%	>90%	99% 

¹⁴ NZTA RAMM report

¹⁵ This includes any requests relating to the footpath and berms activity, for example, trip hazards and breakages.

¹⁶ This is calculated by the number of bumps, depressions, cracks and scabs on footpaths.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
	<i>Comment: The target was met. (Source: 2019 - Footpath condition rating survey undertaken every 5 years)</i>				
	The total number of footpath faults (includes berms).	26,945	26,945	<20,000	26,335 
	<i>Comment: The target was not met. The 2019 Footpath Condition Rating Survey identified 26,945 faults of which 610 have been rectified through the maintenance program. (Source: Footpath condition rating survey undertaken every 5 years)</i>				

Roads, footpaths and pathways group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
Roading					
Low Cost/Low Risk projects	1,380	1,671	3,051	1,761	-
Bridge replacement	-	2,502	2,502	103	-
Worker Redeployment project (externally fu	-	1,125	1,125	811	313
Sundry Projects	15	13	28	104	-
	1,395	5,311	6,706	2,779	313
Footpaths and Berms					
Upokongaro Cycleway & Toilet	-	-	-	416	-
	1,395	5,311	6,706	3,195	313
Capital expenditure to replace existing assets :					
Roading					
Emergency Management	500	840	1,340	877	-
Environmental maintenance	350	-	350	13	-
Sealed road resurfacing	3,362	-	3,362	2,762	-
Drainage renewals	-	-	-	-	-
Unsealed road metalling	-	-	-	-	-
Pavement rehabilitation	-	-	-	-	-
Structures component replacement	-	-	-	-	-
Traffic services renewals	-	-	-	-	-
Sundry Projects	-	-	-	-	-
	4,212	840	5,052	3,651	-
Footpaths and Berms					
Sundry Renewals	2,850	-	2,850	2,186	-
	7,062	840	7,902	5,837	-
Total Capital Expenditure for the Group	8,457	6,151	14,608	9,032	313

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

Roading

Capital Acquisitions were significantly lower than budgeted, as Waka Katohi (New Zealand Transport Agency) withdrew funding for the planned bridge replacement works. The Low Cost/Low Risk projects made significant progress, also funding the Upokongaro Cycleway & Toilet. The Worker Redeployment project also made good progress, with a small portion remaining and being carried over to 2021/22.

Emergency Management completed the carried over flood repair work from the August 2018 weather event, however none of the 2020/21 emergency management budget was required during the year. Sealed road resurfacing and Drainage renewals spend was slightly lower than planned.

Footpaths and berms

Footpath renewals expenditure for the year was higher than budget by \$100k. However this was matched by NZTA subsidy received for footpaths renewals/replacements.

Internal borrowings

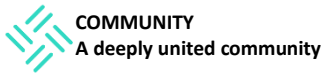
	2021	2020
	\$	\$
Brought forward	471,073	363,741
Borrowings raised	0	103,900
Borrowings repaid	(240,978)	0
Interest paid	0	3,432
Carried forward	230,096	471,073

Provision of roads and footpaths group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	9,724	9,928	9,134	9,130
Subsidies and grants for operating purposes	3,321	3,343	3,728	4,466
Fees and charges	24	25	23	28
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	409	419	540	1,159
Total operating funding (A)	13,478	13,715	13,425	14,783
Application of operating funding				
Payments to staff and suppliers	7,838	7,711	7,987	8,466
Finance costs	619	666	542	207
Internal charges and overheads applied	635	851	795	831
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	9,092	9,228	9,324	9,504
Surplus (deficit) of operating funding (A - B)	4,386	4,487	4,101	5,279
Sources of capital funding				
Subsidies and grants for capital expenditure	6,999	5,753	5,231	4,579
Development and financial contributions	25	38	38	69
Increase (decrease) in debt	308	(533)	(913)	(876)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	7,332	5,258	4,356	3,772
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	4,867	1,797	1,395	3,195
-to replace existing assets	6,851	7,948	7,062	5,837
Increase (decrease) in reserves	-	-	-	19
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	11,718	9,745	8,457	9,051
Surplus (deficit) of capital funding (C - D)	(4,386)	(4,487)	(4,101)	(5,279)
Funding balance ((A - B) + (C - D))	-	-	-	-



5 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. Services provided under this activity include the boat ramps on the Whanganui River, playgrounds, public toilets and streetscape beautification, including the urban forest. These facilities and services encourage quality of life and healthy lifestyles, and are important for the wellbeing of the district.

What we did

Parks and reserves

Our collaborative efforts with local artists have enhanced local spaces: the removal of four macrocarpa trees in Burton Avenue for safety reasons were replaced with a 'living sculpture' of planted native trees to maintain the habitat for birdlife, insects and to enhance the neighbourhood. We also collaborated with a local artist and bird expert leading to the provision of 12 signs illuminating the bird species at Rotokawau Virginia Lake.

The Upokongaro Cycle Bridge was officially opened

The purpose-built cycle and pedestrian bridge, first proposed in 2017, was officially opened on 2 December 2020. Since then, and up until 30 June 2021, we had over 120,000 usage counts for pedestrians and cyclists.

We installed a new twin public toilet: in response to an identified need, a new twin public toilet was installed near the Tram Shed, Taupo Quay. This facility provides 24/7 availability within the central business district. A unique fence added an artistic element and acts as a backdrop to the toilets.

We continued to upgrade and replace park facilities: as well as resurfacing the Kowhai Park roadway alongside the Whanganui River, the entrance to the park's playground area was widened and resurfaced to provide a safer approach for users. Drainage work and surface levelling was undertaken at a number of the Wembley Park fields to make a positive difference to the playing surface, and remedial work was undertaken to replace vandalised playground equipment in Lorenzdale Park.

Access was enabled to the Rotokawau Virginia Lake playground: a new sealed pathway was installed to provide safe access from Great North Road to the playground.

We enhanced our parks and facilities: new park benches were installed at various sites including the riverfront, Taupo Quay walkway, Bason Reserve and Rotokawau Virginia Lake. Landscaping work was also undertaken next to the new Upokongaro Bridge.

We refurbished the landing area at Upokongaro: work was undertaken to level out the walk from the jetty to the road, removal of rogue plants, and the cleaning and gilding of the plaques around the Pou. Additional work for this project is planned including an upgrade of the seating.

We continued our programme of increasing access to drinking water in the community: two new drinking fountains were installed in the carpark and entrance to the beach at Long Beach Drive, and at the Durie Hill lookout area.

Our public art collection was enhanced: following work with internationally-renowned sculptor, Hamish Horsley, a suitable space was identified and landscaped in the Davis Library courtyard, to display his *Transient Being* sculpture.

Cooks Gardens

We secured a new ground sponsor for Cooks Gardens: and the 'Whiskas' Stand' underwent a new makeover to become the 'Mitre 10 Mega Stand'. A marketing campaign was undertaken to increase perimeter signage with 8 new businesses confirming their sites.

Swimming Pools

We continued our maintenance programme: this included painting of the original main pool, hydrotherapy and learn to swim pools as well as refreshing the reception area at the Splash Centre. Refurbishment work was also undertaken on the hydroslide stairs.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Delivering services to our community

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



Improving open space linkages throughout the district

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



Enhancing our uniqueness

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



Being environmentally responsible

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



Maximising our diversity

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

Effects on community well-beings

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






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





Enhancing our natural environment using beautification and waste management strategies.










How did we perform?

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

PERFORMANCE INDICATOR

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

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
PARKS AND RECREATION					
Parks and Reserves are well maintained and presented	The percentage of the community satisfied or very satisfied with the maintenance and presentation of our open spaces.	73%	73%	85%	79% 
	<i>Comment: The target was not met. Community satisfaction with the maintenance and presentation of open spaces increased by 6% from the previous period. (Source: Community Views Survey 2021)</i>				
Pathway Parks are well connected and provide links throughout our communities	The percentage of Whanganui residents who have used walkways along the river and throughout the parks network during the year.	73%	67%	90%	74% 
	<i>Comment: The target was not met. Reported use of the walkways increased by 7% compared with the previous period. (Source: Community Views Survey 2021)</i>				
Open Space areas are well distributed throughout the city to ensure reasonable access for all residents.	The percentage of households within 800m of an open space area (premier or passive park).	--	--	90%	-- 
	<i>Comment: No data is available for this measure and is therefore deemed not to have been met. Delivery of this will be incorporated into a review of our parks and open spaces requirements. (Source: GIS mapping)</i>				
Public toilet facilities are clean, fit for purpose and meet the needs of users.	The percentage of people who are satisfied or very satisfied that there are adequate toilet facilities to meet user needs.	53	50%	75%	63% 
	<i>Comment: The target was not met. Community satisfaction increased by 13% from the previous period (Source: Community Views Survey 2021).</i>				

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
	The percentage of people who are satisfied or very satisfied with the standard of toilet facilities.	50	54%	75%	57% 
	<i>Comment: The target was not met. Satisfaction with the standard of toilet facilities increased by 3% over the last period. (Source: Community Views Survey 2021)</i>				
Sportsgrounds within the district meet community need.	The percentage of the community satisfied or very satisfied with the district's sportsgrounds.	71%	63%	90%	65% 
	<i>Comment: The target was not met. Satisfaction with the district's sportsgrounds increased by 2%. (Source: Community Views Survey 2021)</i>				
Cooks Gardens: Cooks Gardens is recognised as a premier sporting and event facility, available for use or hire.	The number of days each year that Cooks Gardens hosts events.	88 days	72 days	62 days	87 days 
	<i>Comment: The target was met. (Source: WDC records)</i>				
	The number of days each year that Cooks Gardens track and grounds are hired.	229 days	61 days	31 days	147 days 
	<i>Comment: The target was met. (Source: WDC records)</i>				
	The number of locally produced, community events at Cooks Gardens.	37	23	40	43 
	<i>Comment: The target was met. (Source: WDC records)</i>				
	The percentage of the community who have used, visited, or attended an event at Cooks Gardens.	37%	30%	47%	26% 
	<i>Comment: The target was not met. Reported percentage of attendance decreased by 4%. (Source: Community Views Survey 2021)</i>				
Swimming Pools: Aquatic facilities provide a good visitor experience.	The percentage of users satisfied or very satisfied with the Splash Centre	95%	87%	90%	87% 
	<i>Comment: The target was not met. This result is partly attributable to the neutral respondents with only 3% expressing a dissatisfaction in the Splash Centre. (Source: Splash Centre)</i>				
	The percentage of users satisfied or very satisfied with the Whanganui East Pool.	--	87%	90%	90% 
	<i>Comment: The target was met. (Source: Whanganui East Pool- Customer Satisfaction Survey)</i>				
	The percentage of users satisfied or very satisfied that aquatic facilities provide value for money.	92%	87%	80%	85% 
	<i>Comment: The target was met. (Source: Splash Centre)</i>				

Parks and recreation group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
<i>Parks and Reserves</i>					
Upokongaro Cycleway & Toilet	-	150	150	137	148
Land purchase - 9 Blyth St	-	-	-	233	-
Tree Management software	-	27	27	26	-
Sundry Projects	-	-	-	14	-
	-	177	177	410	148
<i>Swimming Pools</i>					
Splash Centre	-	-	-	81	-
	-	177	177	491	148
Capital expenditure to replace existing assets :					
<i>Parks and Reserves</i>					
Bason Reserve	30	-	30	-	-
Kowhai Park	41	17	58	116	17
Memorial Tower	5	-	5	-	-
Otamatea Park Buildings	15	-	15	-	10
Queens Park	-	80	80	-	80
Springvale Park	-	-	-	9	-
Victoria Park	4	16	20	-	5
Wembley Park	15	-	15	14	-
Kai Iwi	27	-	27	-	-
Virginia Lake	4	-	4	4	-
Lake Wiritoa	6	-	6	-	-
Wharf St Boat Ramp	150	-	150	-	150
Velodrome Roof project	-	1,000	1,000	-	-
Vehicle replacements	55	30	85	-	-
Premier Park upgrades	10	57	67	-	45
Sundry Projects	19	165	184	55	125
	381	1,365	1,745	198	432
<i>Swimming Pools</i>					
Hydroslide upgrade	185	120	305	33	79
Splash Centre sundry projects	10	-	10	-	-
	195	120	315	33	79
	575	1,485	2,060	231	511
Total Capital Expenditure for the Group	575	1,662	2,237	721	659

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

Parks and reserves

The Upokongaro to City Cycleway Project has been completed, with the toilet still underway. This project has been financed by Ministry of Business Innovation & Employment (MBIE) grants, NZTA subsidy and the balance from Council loans.

Council purchased a piece of land on Blythe St on Durie Hill, which will be developed into an outdoor space.

The Velodrome roof \$1M pledge from Council remains unspent. It will not be carried over to 2021/22 as a new budget has been set for the options investigation.

The carpark and drive at Kowhai Park was resealed, with various minor works at Springvale Park, Wembley Park and Virginia Lake completed. Budget allocated in Otamatea Park building, Queens Park, Victoria Park and various minor Premier Park upgrades has not been spent and will be carried over to 2021/22. The Wharf St boat ramp project has been deferred to align with the Port Redevelopment programme, with balance of funds carried over.

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 in 2021/22, including some projects being reprioritised.

Swimming Pools

Budget to renew the hydroslide at the Splash Centre made minor progress, with the balance carried over to 2021/22 for completion

Internal borrowings

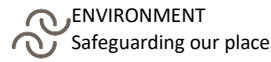
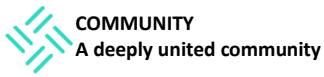
	2021	2020
	\$	\$
Brought forward	380,716	269,062
Borrowings raised	0	108,880
Borrowings repaid	(123,976)	0
Interest paid	0	2,774
Carried forward	256,740	380,716

Parks and recreation group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	7,748	8,224	7,862	7,859
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	205	205	160	174
Fees and charges	307	250	219	230
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	131	137	183	166
Total operating funding (A)	8,391	8,816	8,424	8,429
Application of operating funding				
Payments to staff and suppliers	5,818	6,095	6,352	7,056
Finance costs	331	327	256	218
Internal charges and overheads applied	1,129	1,154	1,151	1,204
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	7,278	7,576	7,759	8,478
Surplus (deficit) of operating funding (A - B)	1,113	1,240	665	(49)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	128
Development and financial contributions	2	3	-	-
Increase (decrease) in debt	(512)	(743)	(90)	838
Gross proceeds from asset sales	-	-	-	3
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(510)	(740)	(90)	969
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	153	-	-	491
-to replace existing assets	495	500	575	230
Increase (decrease) in reserves	(45)	-	-	199
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	603	500	575	920
Surplus (deficit) of capital funding (C - D)	(1,113)	(1,240)	(665)	49
Funding balance ((A - B) + (C - D))	-	-	-	-



6 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; work closely with central government departments, and support achievement of strategic outcomes through a combination of direct delivery models and collaboration with community agencies and organisations.

In addition, we support strategic partnerships, collaborative networks and frameworks at a local, regional and national level to strengthen the achievement of shared objectives and to ensure services are in place to support a thriving, resilient, safe and cohesive District.

Activities that are included in this group include –

- District libraries (Davis Library, Alexander Library, Gonville Library, Hakeke Street Library, Rangiora Street Library, Aramoho Library, Mobile Library, and the Suzanne Aubert Library at Jerusalem)
- Sarjeant Gallery Te Whare o Rehua Whanganui
- New Zealand Glassworks Te Whare Tūhuna o Te Ao
- Royal Whanganui Opera House
- Whanganui Regional Museum (through a service level agreement)
- Community
- War Memorial Centre

What we did

Community

We were recredited as a Pan-Pacific Safe Community: the reaccreditation from Safe Communities Foundation NZ follows on from successful accreditation in 2010, and reaccreditation in 2016. Accreditation is recognised as an effective and acceptable intervention to improve community safety. The award confirms Safer Whanganui's role in bringing its stakeholder groups together to make positive changes for the better in the community.

We gained accreditation as an Established Welcoming Community (Stage 2 out of 4): the Welcoming Communities initiative supports councils and their communities to create an internationally welcoming and inclusive place to live, work, play and visit. The award recognised the many activities that have taken place since the programme was initiated in 2017, and highlighted the collaboration and relationships that have been key to its success.

We hosted Family Fun Day 2021: with support of other services and agencies, we hosted a free family fun day promoting keeping safe at home. An estimated 1000 people attended over the four hours and 22 providers/stalls participated in the event.

Two Safe as Houses events were held in Whanganui Central: this included 64 home safety assessments and two community barbeques. A “Play Street” event was also held at one of these barbeques – one of the first in New Zealand as part of Waka Kotahi and Sport New Zealand’s pilot initiative.

We established a strategic housing advisory group: this group will support a collaborative approach to delivering on Whanganui housing challenges through the implementation of its Council-approved strategic housing investment plan.

We enhanced participation, quality and access to community arts events around Whanganui: the Creative Communities Scheme funded 22 projects (valued at over \$44,000) in the reporting year, with 7 of these being submitted by first-time applicants, bringing new diversity to our creative offerings.

We encouraged the delivery of high-quality and locally relevant public artworks: five large-scale projects were allocated a total of \$30,000 through the Public Art Fund. This included Whanganui Walls with participation from both local, and nationally significant, artists.

We added to our stained glass window project: the Taylor-Watt window became the 23rd stained glass window to be installed in the Council chamber.

Libraries

We partnered with the National Library: funding from the New Zealand Libraries Partnership Programme supported new programmes aimed at both upskilling seniors and preparing children for the digital future.

We launched a new self-service library: the new Aramoho library is a partnership with Pasifika Vision Forum Trust, which runs the Born & Raised Pasifika early learning centre on the site where the library is based. Other Whanganui suburbs with self-service libraries are Whanganui East and Castlecliff.

We continued to develop digital services: LinkedIn Learning online courses are now available to all library members and we put extra resources into eBooks and eAudio.

We launched two Mobile Library vans!

Tahi and *Rua* began operating in October 2020, delivering services to schools, rest homes and rural communities.

Sarjeant Gallery

Construction began on the Sarjeant Gallery Redevelopment: construction on site at Pukenua Queen’s Park commenced in 2020 when the COVID-19 lockdown moved from alert level 4 to level 3. April 2021 saw a hidden time capsule discovered by workmen in the walls of the Gallery, placed there in 1917 by the then Clerk of Works Henry Cornfoot Brodie. This received nationwide coverage on television, in print and online.

We were adaptive with the 2021 Pattillo Whanganui Arts Review Event: although COVID alert level two restrictions on gatherings led to the physical event’s cancellation, the entire exhibition, along with judge and sponsor video comments, was transferred to an online presentation resulting in the Arts Review Hub: <https://pattillo.sarjeant.org.nz/home/> a space dedicated to the artists, their work and the support of our sponsors.

We have physical and virtual visitors

More than 64,000 people made use of the Sarjeant Gallery facility either in-person or online.

We enabled access to the Sarjeant collection, and art in general, through our exhibitions and events: there were a total of 14 exhibitions in the reporting year at Sarjeant on the Quay and at the Sarjeant's iSite Gallery, as well as 12 online "My Choice" collection exhibitions hosted on the Gallery's website. These were accompanied by 77 public, private and outreach events at Sarjeant on the Quay, iSite and other venues and a further 12 planned events that were cancelled due to changes in COVID alert levels.

Royal Whanganui Opera House

We gave a facelift to our 120-year-old grand lady of Whanganui entertainment: scaffolding was erected in February 2020 for weatherboard maintenance and painting of the Royal Whanganui Opera House. During this time we also sought approval to add the "H" to the Whanganui name and at the completion of painting the name was changed.

Whanganui War Memorial Centre

The War Memorial Centre became the NZ Masters Games Hub: over 5,500 competitors attended the NZ Masters Games in February 2021. For ten days the forecourt was a hive of activity with registrations and plenty of entertainment until late into the evening.

We reinstated the 'Cone Piece' artwork: this memorial sculpture had been in storage after being taken down for cleaning over 17 years ago. Following some tidy-up work, the 'Cones' were painted and reinstated in the presence of its artist, Matt Pine.

Whanganui Regional Museum

We focussed on bringing visitors and the local community through the Museum doors: the Museum's capacity to take on large (paid) tour groups is building and proving a success. The animal show *Teeth, Talons & Taxidermy* was so successful that the exhibition run was extended for another year.

We continued to tell our stories: Seaweek, Whanganui Summer Programme, the La Fiesta programme, Spring Lecture series and the annual Samuel Drew Lecture provided platforms for more formal learning connected to its collection and history.

Our education services and deliveries continues to grow: the Education & Life-Learning Team's 2021 programme saw a significant response by way of bookings before Term 1 began.

New Zealand Glassworks (NZG)

We continued to foster established and emerging glass artists: NZG was successful in its securing its inaugural Artist in Residence. During the month-long residency, artist Te Rongo Kirkwood engaged with local and national artisans which saw an exchange of cultural and creative concepts.

We were exhibition hosts

The inaugural Art Glass 20 exhibition highlighted selected artists who are exploring the possibilities of glass and showcased the diversity of the artists involved.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Committed to a partnership approach

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



Lifting our profile

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



Using our talent and creativity to attract interest

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



Making a positive impact

Our work leads the Safer Whanganui Safe Community Accreditation, and through our cultural venues we aim to grow the level of commercial use to reduce the burden on ratepayers.

Effects on community well-beings

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

Bringing people to our district to experience our cultural diversity in conjunction with supporting a wide range of community services and facilities, arts and cultural festivals.




Supporting the health and safety of our district through the facilitation of Safer Whanganui.










How did we perform?

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

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
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




LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
COMMUNITY AND CULTURAL					
Effective relationships are developed in a mutually appropriate way to support Maori participation in the decision-making process	The percentage of resource consent applications received by Council are provided to mana whenua within seven working days. <i>Comment: The target was met. Council provides a weekly email to mana whenua of all resource consent applications received. (Source: WDC records)</i>	100%	100%	100%	100% 
New Zealand Glassworks was established to enrich the arts and build on Whanganui's existing reputation as a centre of glass art excellence.	The percentage of Glassworks customers satisfied or very satisfied with their experience. <i>Comment: The target was met. Visitors have been impressed with the activities and varied artists using the hot shop, especially the artist in residence. Customers engaged well with the gallery and high quality of unique works available for purchase. (Source: New Zealand Glassworks Visitor Experience Survey 2021)</i>	81%	97	85%	87% 
	The percentage of Glassworks users satisfied or very satisfied with the services and facilities provided. <i>Comment: The target was met. Users of the facility were satisfied overall with the delivery of service and facilities provided. (Source: Glassworks NZ)</i>	89%	87%	95%	95% 
	Number of hours booked by working glass artists per annum. <i>Comment: The target was not met. This result is partly attributable to lower capacity during the summer period and an artist in residency in June. (Source: Glassworks NZ)</i>	920 hrs	1167 hrs	1326 hrs	1134 hrs 
	The percentage of residents' that are satisfied with Public Art in Whanganui. <i>Comment: The target was met. The satisfaction with public art increased by 14% over the previous period. (Source: Community Views Survey 2021)</i>	67%	66%	70%	80% 
Whanganui is a fun, creative and vibrant place to be.	The percentage of residents participating ¹⁷ in creative activities. <i>Comment: The target was not met. This measure is designed to establish the level of community participation, both performers and audience members, in arts and cultural activities. (Source: Community Views Survey 2020)</i>	38%	34%	85%	35% 
	The number of visitors to NZ Glassworks.	26,448	27,592	22,722	30,722 

¹⁷ This includes participating as a performer or artist in any arts events or activities, as well as more passive involvement as an audience member or visitor to cultural institutions or performances.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
community glass in Whanganui, benefitting the community through reducing reliance on ratepayers.	<i>Comment: The target was met. (Source: Glassworks NZ Visitor Counter)</i>				
Libraries Our libraries are inclusive places and the library's services are well used by the people of Whanganui	The number of items issued per annum.	545,319	476,592	585,000	534,822
	<i>Comment: The target was not met. This result was partly impacted by the lower foot traffic during COVID-19 alert levels 2 and the impact of the Sarjeant Gallery construction site with loss of parking. (Source: WDC Library Management System database)</i>				
	The rate of collection 'turn over' each year ¹⁸	5.7	5.125	6	4.9
	<i>Comment: The target was not met. This result was partly impacted by the lower foot traffic during COVID-19 alert levels 2 and the impact of the Sarjeant Gallery construction site with loss of parking. (Source: WDC Library Management System database)</i>				
	The number of people visiting our libraries, measured by physical visits.	356,689	290,689	Physical visits: 402,000	283,067
	<i>Comment: The target was not met. This result was partly impacted by the lower foot traffic during COVID-19 alert levels 2 and the impact of the Sarjeant Gallery construction site with loss of parking. (Source: WDC Libraries)</i>				
	The percentage of library user satisfied with the service provided.	89%	84%	90%	86%
	<i>Comment: The target was not met. User satisfaction with library services increased by 2% from the previous period. (Source: Community Views Survey 2021)</i>				
The community's digital capability and access is supported and improved.	The percentage of the Whanganui population that uses the library.	51%	52%	70%	52%
	<i>Comment: The target was not met. Results have remained consistent with the previous period. (Source: Community Views Survey 2021)</i>				
The community's digital capability and access is supported and improved.	The number of public internet sessions.	101,202	76,547	106,000	69,294
	<i>Comment: The target was not met. This result was partly impacted by the lower foot traffic during COVID-19 alert levels 2 and the impact of the Sarjeant Gallery construction site with loss of parking. (Source: WDC Library Management System)</i>				
Sarjeant Gallery: The Gallery is used, supported and valued by diverse communities.	The Number of users of the Gallery ¹⁹ .	61,794	54,348	60,000	64,217
	<i>Comment: The target was met. (Source: Sarjeant Gallery door counter device)</i>				
	The percentage of the Whanganui population that uses the Gallery.	31%	26%	40%	26%
	<i>Comment: The target was not met. The percentage of the Whanganui population utilising the gallery is stable and consistent with the last period. (Source: Community Views Survey 2021)</i>				
	The percentage of visitors satisfied or very satisfied with the Gallery's exhibitions.	95.18%	96%	90%	99%
	<i>Comment: The target was met. (Source: Sarjeant Gallery visitor survey)</i>				

¹⁸ The 'turn over' rate shows the demand placed on stock and the durability of resources. The higher the rate, the higher the demand that is placed on that resource.

¹⁹ Number of users of Sarjeant Gallery, inclusive of visitors to the Gallery's website and events.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
	The percentage of visitors satisfied or very satisfied with their Gallery experience.	99	96	90%	100% 
	<i>Comment: The target was met. (Source: Sarjeant Gallery visitor survey)</i>				
The Gallery preserves its significant collections for future generations.	The total number of items in the collection catalogued to best practice international standards.	3101	3460	3500	3659 
	<i>Comment: The target was met. (Source: WDC Vernon Database)</i>				
Royal Whanganui Opera House: The Royal Whanganui Opera House is recognised as a special and unique cultural facility, available for community and professional hire.	The number of days each year that the Royal Whanganui Opera House hosts events.	90	50	83	133 
	<i>Comment: The target was met. (Source: Royal Whanganui Opera House)</i>				
	The number of locally produced, community events at the Royal Whanganui Opera House.	39	20	25	31 
	<i>Comment: The target was met. (Source: Royal Whanganui Opera House)</i>				
	The percentage of the Whanganui population that attends one or more events at the Royal Whanganui Opera House.	34%	30%	35%	32% 
<i>Comment: The target was not met. Reported attendance increased by 2% compared with the previous period. (Source: Community Views Survey 2021)</i>					
	The percentage of the community satisfied or very satisfied with the Royal Whanganui Opera House.	63	62%	70%	66% 
<i>Comment: The target was not met. Reported satisfaction increased by 4% compared with the previous period. 78% of users were satisfied, compared to 58% of non-users. (Source: Community Views Survey 2021)</i>					
War Memorial Centre: The Whanganui War Memorial Centre is recognised as a special and unique conference and convention facility, available for community and professional hire.	The number of days each year that the Whanganui War Memorial Centre hosts events.	78	92	150 days	157 
	<i>Comment: The target was met. (Source: War Memorial Centre)</i>				
	The number of locally produced, community events at the Whanganui War Memorial Centre.	20	29	75	83 
	<i>Comment: The target was met. (Source: War Memorial Centre)</i>				
	The percentage of the community satisfied with the Whanganui War Memorial Centre.	61%	53%	68%	63% 
<i>Comment: The target was not met. Community satisfaction with the Whanganui War Memorial Centre increased by 10% from the previous period. 71% of users were satisfied, compared to 62% of non-users. (Source: Community Views Survey 2021)</i>					

Community and cultural group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
Libraries					
Community Library Hubs	50	48	98	36	-
Sundry Library Projects	40	-	40	31	-
	90	48	138	68	-
War Memorial Centre					
Projector & Cinema Screen system	-	37	37	40	-
Sundry War Memorial Centre Projects	5	3	8	4	-
	5	40	45	45	-
Opera House					
Instal fire exit	-	15	15	-	15
Sound and lighting	10	10	20	11	9
Sundry Opera House projects	-	-	-	8	-
	10	25	35	18	24
Sarjeant Gallery					
Redevelopment project costs	19,080	10,195	29,275	11,144	18,048
Earthquake Strengthening					
Kai Iwi	-	-	-	9	-
Virginia Lake	-	-	-	17	-
Kowhai Park	-	-	-	1	-
	-	-	-	26	-
Community Development					
NZ Glassworks - new furnace	-	-	-	94	-
	19,185	10,308	29,493	11,395	18,072

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to replace existing assets :					
Libraries					
Book Vote	320	-	320	265	-
Mobile vans & Vehicles	30	33	63	64	30
Davis Library	31	227	258	-	257
Sundry Library Projects	9	19	28	2	16
	391	279	670	331	303
Regional Museum					
Sundry Regional Museum projects	-	60	60	12	52
War Memorial Centre					
Structural - Plant Room Access / Fly floor	-	67	67	-	65
War Memorial Hall - New Inverter	12	-	12	-	12
Building enhancements	-	78	78	6	70
	12	145	157	6	147
Opera House					
Sundry Opera House projects	-	15	15	-	7
Sarjeant Gallery					
Taupo Quay HVAC	-	-	-	87	-
Earthquake Strengthening					
General Earthquake Strengthening	100	-	100	3	-
Cooks Gardens	-	2	2	-	-
Council Chambers	-	120	120	-	120
Kowhai Park	-	197	197	-	114
Kai Iwi	-	50	50	-	48
Virginia Lake	100	75	175	23	104
	200	444	644	26	386
	603	943	1,546	462	895
Total Capital Expenditure for the Group	19,788	11,251	31,039	11,856	18,967

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

Libraries

The 2 mobile library vans have been completed, with the renewal of other vehicles deferred to 2021/22.

The community library hub spending was lower than planned, as demand in the Covid-19 environment was lower.

The Book Vote of \$320k was maintained at 2020/21 year levels. While the actual does seem lower than budget, some expenditure for magazine and newspaper subscriptions has been reclassified as operating expenditure.

Planned works on upgrading and renewing the Davis Library are on hold while the project is being scoped and planned. The funds have been carried over to 2021/22 to fund this work.

War Memorial Centre

Building enhancement work is lower than planned with various safety upgrades being prioritised. This work will continue in 2021/22 with the remaining budget carried over to fund this.

Various other plant and equipment has been purchased, such as a new cinema and screen projector.

Sarjeant Gallery

The Gallery Redevelopment project continues with physical works. This will continue over 2021/22 and 2022/23, with the remaining budget carried over to fund this.

The Taupo Quay facility had an unplanned renewal of the HVAC system. This was required to maintain the art stored on the site.

Royal Wanganui Opera House

Sundry work on the sound and lighting at the Opera House was completed, with further maintenance via painting the exterior. Various minor upgrade have been deferred and carried over to 2021/22.

Regional Museum

Progress has been made on the heating and ducting project with design and scoping completed. However delays due to supplier problems mean the balance will be carried over to 2021/22.

Earthquake Strengthening

Various work on Virginia Lake was done, with minor works at Kai Iwi and Kowhai park. The remaining balance will be carried over to 2021/22 to continue with earthquake strengthening.

New Zealand Glassworks

Unplanned renewal of the glass furnace was required.

Internal borrowings

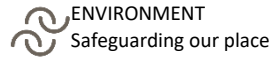
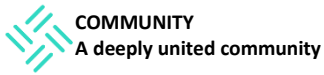
	2021	2020
	\$	\$
Brought forward	724,554	550,019
Borrowings raised	0	169,255
Borrowings repaid	(344,478)	0
Interest paid	0	5,279
Carried forward	<u>380,076</u>	<u>724,554</u>

Community and cultural group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	8,573	9,067	8,856	8,852
Targeted rates	1,206	1,209	917	916
Subsidies and grants for operating purposes	150	150	257	385
Fees and charges	850	893	844	943
Internal charges and overheads recovered	0	0	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	39	43	36	278
Total operating funding (A)	10,818	11,362	10,910	11,374
Application of operating funding				
Payments to staff and suppliers	6,975	7,642	7,590	7,752
Finance costs	777	883	509	426
Internal charges and overheads applied	1,426	1,523	1,433	1,498
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	9,178	10,048	9,532	9,676
Surplus (deficit) of operating funding (A - B)	1,640	1,314	1,378	1,698
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	7,800
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	3,591	161	(590)	(786)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	8,176	8,356	19,000	5
Total sources of capital funding (C)	11,767	8,517	18,410	7,019
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	8,309	8,996	19,185	11,395
-to replace existing assets	5,098	835	603	462
Increase (decrease) in reserves	-	-	-	(3,140)
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	13,407	9,831	19,788	8,717
Surplus (deficit) of capital funding (C - D)	(1,640)	(1,314)	(1,378)	(1,698)
Funding balance ((A - B) + (C - D))	-	-	-	-



7 Economic development

Economic development is the process that influences growth and development of the region's economy to enhance the prosperity and social interests of the community. Our goal is to foster 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 & Partners, with support provided by the Council.

What we did

Economic development

We received the Whanganui & Partners Statement of Intent (Sol) for 2021/22: this Sol is focused on maintaining and leveraging the considerable growth Whanganui has recorded in its economy, population and tourism. The Sol intends to drive opportunity and prosperity to our region through business, lifestyle and education. It aims to promote Whanganui as an ideal destination to live, visit, work, study, and invest in. Whanganui & Partners supports new and existing businesses, and attracts events to Whanganui.

We saw continued economic growth: we experienced job growth (+1.3%), population growth (+2.1%), growth in average earnings (+3.7%) and in new businesses (+1.8%). Whanganui's rising population, house prices, visitor and consumer spend have continued their upward trajectory. We saw unemployment decline despite a contrary nationwide trend in the aftermath of COVID-19.

We welcomed new businesses, new events and new residents in the past year: despite a challenging housing market, we saw population growth result in highly skilled residents contributing to our region and businesses expanding in a favourable economic climate. We also saw average earnings improve significantly.

We backed locals and entrepreneurship: Whanganui & Partners supported entrepreneurs and business start-ups with advice, funding, mentorship, encouragement, and opportunities to upskill. The agency distributed \$422,800 to local businesses for COVID-19 support. This resulted in the support of 269 businesses, and 50 people through business start-up workshops.

We actively encouraged new initiatives: Whanganui & Partners brought the entrepreneurial competition Innovate to Whanganui and set up The Backhouse, which is bringing businesses and institutions together in a multi-level working space on the corner of Drews Avenue and Taupō Quay.

We continued to work collaboratively: relationships form an intrinsic part of Whanganui & Partners' culture and how the agency works as an organisation. Whanganui & Partners commits time, energy and resources to working with partners to realise the full value of all investments into Whanganui.

Our event offerings boosted the economy: Whanganui & Partners has continued its significant support of well-known Whanganui events and helped unlock funding from central government.

As well as its support of Cemetery Circuit, Masters Games, the 3 Bridges Marathon, Vintage Weekend, Artists Open Studios and Whanganui Walls, among others, Whanganui & Partners also supported a number of newer events, such as the recent Sound Valley music festival and worked with organisers to bring Hoop Nation back to Whanganui.

Consumer spend reports, commissioned by Whanganui & Partners showed a 2.0 % uplift in consumer spending during Vintage Weekend versus the previous year. Cemetery Circuit showed a 5.6 % increase.

We provided opportunities for training and capability: as our population has grown, Whanganui & Partners has worked to ensure our workforce can adapt with skills and labour to meet the market. The agency continued to support its partner 100% SWEET and worked with the Port Employment Precinct to establish vocational pathways for young people. An Agent Famil brought 10 agents to Whanganui to highlight our attractiveness as an international study destination. The agency also embarked on six Vocational Road Trips to introduce young people to Whanganui businesses and forge mutually beneficial relationships and career pathways.

Tourism and visitor services

We embarked on our biggest ever tourism campaign: Whanganui & Partners measured a significant increase in web traffic to its visitor-dedicated websites. The agency invested in promotional efforts more than it has ever done so before and worked to continue our tourism growth trend. Whanganui & Partners opted to use \$700k in central government funding to grow Whanganui's profile on a significant scale.

Whanganui – New Zealand's best performing tourist destination

Despite losing 20% of its visitor market that internationals account for, the region's tourism grew 3% – the best growth in New Zealand.

Our i-SITE played a big role in helping visitors and locals to enjoy Whanganui: Whanganui's i-SITE finished the year with 7% growth in total revenue. Visitors served by staff rose by 7% with a customer satisfaction measure averaging 4.4 out of 5.

Whanganui & Partners also refined the Whanganui brand's messages: it articulated Whanganui's strengths, collating Whanganui & Partners' online identities into one and establishing a consistency of style and content to reflect Whanganui's character as a sought-after place to live, work, study and visit.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Strengthening partnerships

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



Making use of our assets

National and international recognition programmes help to create a positive reputation and ultimately to increase investment and employment in the district. We promote and market the district to attract visitors and to improve our image as a tourism destination.



Increasing our capability as an attractive place to live or do business

Leveraging opportunities including ultrafast broadband to support entrepreneurial activity, investment and improved productivity. Marketing and promoting positive messages to create a great impression of our district.



Being an effective facilitator

We support initiatives around youth training and employment. We aim to provide a business friendly environment in order to create the right platform for business investment so that we can grow our economy. We support events and conferences to attract visitors and, in turn, create a vibrant community for residents.

Effects on community well-beings

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

The promotion of our district as a tourism destination and facilitate growth and development in our economy.




Focusing on innovation, business and employment opportunities by working collaboratively within the district and across the region.













How did we perform?



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





PERFORMANCE INDICATOR – ANNUAL PLAN 2020/21

 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2020/21 TARGET	2020/21 RESULT
Whanganui and Partners – Priority One: Business			
Economic impact of COVID-19 on local large enterprise is minimised and they quickly recover and grow	Projects and initiatives to support the economic recovery of Whanganui businesses.	3 x Projects/initiatives	3 Projects/initiatives identified: 1. The Backhouse Trust Establishment 2. Innovate Whanganui 3. Entrepreneur network establishment (through The Backhouse) 
	Engage regularly with sector to optimise retention and growth of our existing businesses	4 x (Quarterly)	<u>First meeting</u> – Business Leaders Group 18 September. <u>Second meeting</u> – Public Forum 24 November. <u>Third meeting</u> – LEAN Group 18 March <u>Forth meeting</u> – LEAN workshop 7 April 
	Partner with real estate and property developers to attract new enterprise to Whanganui.	1 x Large Enterprise confirms intention	Regular engagement with Real Estate agencies continues. Business Attraction campaign being prepared for June 2021 focussing on Westbourne Estate and Port Development opportunities. An enterprise has confirmed a significant site move and upgrade in Whanganui. 
	Support Whanganui District Council to identify opportunities in land development, town planning and infrastructure.	2	Regular engagement with Whanganui District Council established. Town planning and infrastructure opportunities identified as part of the Long Term Plan process. Working with the Council on rezoning review underway (CBD, residential and industrial) Working with the Council on housing strategy implementation. Te Puwaha (Port Project) business inquiries now transferred to W&P (from Council). 
	Develop Logistics Strategy and Action Plan to increase connectivity to customers and export markets.	Logistics Strategy & Action Plan	This activity is no longer a priority. 
Small businesses have the tools to recover and grow sustainably	Develop business skills and capability in start-up founders	8 x Business Start-Up Workshops	<u>Tue 29 Sept</u> - (Ohakune) – 8 attendees <u>Wed 30 Sept</u> - (Whanganui) – 17 attendees <u>Mon 30 Nov</u> - (Whanganui) – 7 attendees <u>Wed 27 Jan</u> - (Whanganui) – 12 attendees





			<p><u>Fri 19 Mar</u> - (Whanganui) – 5 attendees <u>Thu 29 Apr</u> - (Whanganui) cancelled <u>Thu 3 Jun</u> - (Whanganui) – 3 attendees <u>Thu 24 Jun</u> - (Whanganui) – 1 attendee</p> 
	Deliver the Regional Business Partners (RBP) Programme within Whanganui, Ruapehu and Marton.	100 RBP Clients/Avg 8 p/month	<p>104 RBP Clients Complete. 129 COVID-19 Complete.</p> 
New opportunities in the agribusiness sector increase productivity	Engage regularly with sectors to optimise retention and growth of our existing farming businesses.	Sector Group established	<p>12 “LARFS@4” events held *LARFS@4 stands for Lifestyle, Agribusiness, Rural and Farming Sessions at 4pm 12 sessions were:</p> <ol style="list-style-type: none"> 1. Building a Bankable Agribusiness (representatives of ASB, ANZ, BNZ, Westpac & Rabobank) 2. Kelloggs Rural Leadership Programme (Chris Parsons, CEO of NZ Rural Leaders) 3. Farm to Factory for Course Wool (Stephen Fookes, CEO of Wool Life NZ) 4. What’s the noise about rural connectivity (Craig Young, CEO of TUANZ) 5. Chasing the waves of local internet (James Watts, CEO of Inspire Net) 6. How to transition your business for future success (Bob Selden, senior partner of Family Business Central) 7. Changes to Trusts Law (Samantha Bills, senior associate of Dewhirst Law) 8. Lean Farming (Jana Hocken, CEO of The Lean Farm Project) 9. Your farm as a film set (Dr Emma Bugden, SL – Creative Industries & Art at W&P) 10. Floriculture (Tony Hayes, CEO of United Flower Group & Wilfred Geerling, auctioneer, UFG) 11. Recording Animal Movements (Jessie Waite, regional partner, OSPRI) 12. Carbon Farming (Mike Strang, owner of Transglobal Connections Ltd) 
	Improve rural digital connectivity in the district.	Establish growth of rural network	<p>All sites identified by Rural Connectivity Group for RBI2 complete and live.</p> 
	Ensure that Agri-technology becomes more mainstream in this sector.	1 x Agri-tech event	<p>Growing NZ Innovation Challenge held on 24 May at Whanganui War Memorial Centre attracted 80 participants.</p> 

	Maximise business continuation by supporting transition of farming businesses, including succession planning.	Provide sector group with appropriate business models and information	Succession Planning and Transition course started 9 June, consisting of four fortnightly workshops. 
	Capture more economic impact from our agricultural sector through value chain innovation.	Links with, or attracts, one Agri-food innovation	Three food and beauty products in the pipeline created through W&P connections. 
	Increase engagement with Māori landowners to grow the value of Māori agribusiness.	1 x Project Partnership	Partnership with Te Mana Atatū to deliver the Maori Agri Business Summit 
	Work with primary sector employers to identify pathways for future workforce needs.	Micro-credential programme for Primary Sector	Road show and Innovation Challenge brought industry and students together. Supported the delivery of the Vocational Road Trips to Agri Industry in partnership with the E2E broker & 100% SWEET. 
Local businesses operate successfully within the digital environment	Facilitate the use of digital technologies and smart approaches to drive innovation and productivity	2 x Digital workshops for businesses	1. Google My Business workshop was held 21 October. 2. i4 digital workshop was held 15 March. 3. Bryan Travers LEAN workshop was held 7 April. 
Businesses capitalise on opportunities and connections available through Whanganui & Partners	Foster a culture of capital investment within Whanganui.	2 x Projects/Seminars	1. Supporting AWA Private Equity. 2. Capital Raising workshop – 25 June 
	Utilise Business Friendly Process (BFP) to attract, engage and retain new and growing businesses.	12 x business engaged in BFP	13 Businesses engaged. 
	Develop a clear framework for the role Whanganui & Partners takes in helping deliver against the goals of 100% SWEET, Whanganui Chamber of Commerce, Te Manu Atatū, Whanganui Māori Regional Tourism Organisation (WMRTO), Mainstreet Whanganui and Thrive.	MOUs completed or renewed	Preliminary discussions held. MOU's on hold while Backhouse project is further developed. <ul style="list-style-type: none"> • MOU developed with Te Manu Atatū for Agribusiness event and also to support their awards night. • 100% SWEET have a renewed MOU for delivery of youth employment outcomes. • WMRTO have a contract to deliver the Eco Tourism Project • Mainstreet have an MOU with shared KPI's relative to the business retention & attraction space. • Developing a partnership/MOU for next FY with Chamber of Commerce focusing on the Business Capability Delivery space 




LEVEL OF SERVICE	PERFORMANCE MEASURE	2020/21 TARGET	2020/21 RESULT
Whanganui and Partners – Priority Two: Education and Capability			
Education and training in Whanganui is a recognised pathway to employment	Support the connection between young people and Whanganui business to create strong information flow and opportunities for fulfilling employment within our focus sectors (other SL areas).	2 x Project with Local Skills & Talent Working Group	6 Vocational Road Trips Completed (5 in Whanganui, 1 in Rangitikei). Youth Employment Success Platform growth to 19 businesses. 
	Partner with 100% SWEET and Whanganui and District Employment and Training Trust (WDETT) to deliver a programme of work targeted at reducing Whanganui's Not in Education, Employment, or Training (NEET) rate.	100% SWEET deliver the Work Ready Programme to Whanganui and Rangitikei	7 schools/Kura engaged in WRP for 2021 (covering approximately 250 students). 241 students completed in 2020. 18 job placements (full time work). 95 businesses currently on the 100% SWEET database who support youth work experience or employment opportunities. Working in collaboration with other youth employment programmes including Education 2 Employment, Lift Up & the Port Employment Precinct. Year NEET change not available at time of report* 
	Develop with support from Education New Zealand (ENZ) & the Central Regions an International Education plan for Whanganui based around Stabilising, Transforming & Growing International Education.	International Education Plan	Agent Family in Whanganui completed (10 agents). Application to ENZ for Global Ambassador Programme and marketing support successful (\$25k for next financial year). Committed to a youth ambassador programme through ENZ between Whanganui SS & Tokyo students starting in July. 
	Develop a Business Innovation, Training and Talent Strategy for Whanganui which future programmes of work by Whanganui and Partners and our partners can deliver and invest in.	Business Innovation, Training and Talent Strategy	Delivered support in the development of The Backhouse Trust & project. Support for the delivery of Business Innovation through Innovate Event (to be completed Aug 21). Support the development of entrepreneurial pathways (The Back Story Podcast). 



Strength and diversity of education/training provisions attracts local, regional, national and international students to study in Whanganui	Work collaboratively with education providers to grow their offerings and diversify the way these offerings are delivered.	WDETT - PEP, 1 x Project with New Zealand International Commercial Pilot Academy (NZICPA)	Port project (Te Puwaha) ongoing support in the development of the Port Employment Precinct https://www.port.org.nz/ Marketing support delivered to NZICPA to target domestic market for 2021. ✓
	Increase higher level education, research and innovation opportunities oriented around our 'ports', both aero and sea, and our Manufacturing and Agribusiness sectors.	1 x ongoing project on bringing new higher level, modern education opportunities is supported.	Massey Executive Master of Business Administration (EMBA) confirmed again for Whanganui. Programme started in February with the programme trip being September 2021. Kellogg Rural Leaders Programme; Strategic Lead Agri Tech now taking lead (Scholarship distributed). ✓
	Leverage the strength in creative industries to increase student attraction to Whanganui.	1 x targeted project for the expansion of creative arts education opportunities is supported.	Whanganui Walls Youth Mentor Programme delivered March 2021. ✓
Capability: employment & redeployment strategies that work to rebuild a resilient Whanganui Workforce	Talent Connect	Develop & deliver the 'Talent Connect' app for job seekers & businesses seeking skilled work. Target age 25-65 years.	Development of Talent Connect app is complete. Marketing campaign completed by SWARM including a landing page developed. Talent Connect will be launched in July 2021 Collaborated with Whanganui District Council's Community Development & Sport Whanganui to have The Wheelhouse deliver governance capability training to key personnel within our community groups. ✓

LEVEL OF SERVICE	PERFORMANCE MEASURE	2020/21 TARGET	2020/21 RESULT
Whanganui and Partners – Priority Three: Brand and Marketing			
The Whanganui brand is clearly defined and targeted	Develop overarching marketing and events strategies around a defined brand position, target audiences, competition and competitive advantages.	Strategy is delivered	An event plan is complete and has been distributed/published. 
Whanganui & Partners is perceived as a leader in economic development locally and regionally	Engagement with regional organisations to ensure collaboration and co-operation. E.g. Accelerate 25; Intelligent Communities	Regular engagement & application to SMART 21 Intelligent Community Forum (ICF)	<p>Collaboration with Venture Taranaki and Central Economic Development Agency (CEDA) around joint initiatives e.g. Strategic Tourism Assets Protection Programme (STAPP), Domestic Events Fund, Regional Events Fund, Ohakea 5 Squadron location, Coastal Arts Trail, RBP, Google My Business workshops.</p> <p>Contract signed with Whanganui Maori Regional Tourism Organisation (WMRTO) for delivery of Whanganui River Road Tourism Route.</p> <p>Also engaged WMRTO with the development of feasibility study and business case for Eco-tourism hub. Whanganui continues to be an Intelligent Community. </p>
	Promote Whanganui & Partners' economic development activities and expert commentary via local and regional media	x 100 mentions (> 85% are +)	165 mentions, 98.2% favourable 
	Develop channels to directly engage with the community.	x 100 at Public Forum, newsletter subscribes base +5%, newsletter open rate >33%, Facebook and LinkedIn +5%	<p>Public forum attendees = 92 at November 2020 forum and 114 at March 2021 forum.</p> <p>W&P Newsletter: Subscribers increased by 34% since start of July 2020. Average open rate since July 1 = 46.0 %</p> <p>W&P social media: Followers have increased on W&P fronted social media channels by 27.3 % since 1 July 2020. </p>
Our competitive advantages attract new businesses, residents, visitors and students	Run effective advertising campaigns through a strong proposition and delivered through a multi-channel approach.	<p>2 x Visitor Campaigns 1 x Campaign targeted at new residents/businesses developed Unique Users +5% Unique Users out of Whanganui +5%</p>	<p>Web traffic – We've had 178,000 unique visitors to our sites so far this year (121,000 last year), an increase of 47.6% versus same period last year. Traffic is up across all sites.</p> <p>Out of town increase of 49.4%</p> <p>2x visitor campaign developed ('Winter Campaign'). A summer campaign went live on December 8 and ran until March 31.</p>

			<p>1 x business support campaign ran in September, supported by various other tactical initiatives to support local business.</p> <p>1 x Innovate Whanganui. Various business workshop/sessions promoted through the year e.g 'LARFS@4'. </p>
	Develop clear propositions to demonstrate our competitive advantages to new business, residents, visitors and students.	Propositions developed and included in campaigns	Regional Brand Story finalised 
	Develop a Content Strategy that identifies an approach to gaining positive PR for Whanganui.	Content Plan is scoped, developed and implemented.	A Content Plan draft was completed on June 30 for refinement in July. 
	Deliver effective communication on ongoing basis to support all sector initiatives	Social media following across all 'Discover' channels + 1%; Unique website users from social media +10%; Deliver 5 x national stories	<p>Social media following for Discover Whanganui: Increase of 3.1%</p> <p>Traffic from social media up 51%.</p> <p>We've delivered significant national presence for Whanganui in this period.</p> <p>Most recently we worked with TourismNZ to bring Richie and Gemma McCaw to Whanganui. The output was live in June.</p> <p>The following were generated through W&P:</p> <p>2 x national TV stories have been shown (OneNews Breakfast featuring Whanganui River & Glassworks and The Project).</p> <p>Stuff stories x 3 (Why Whanganui is New Zealand's most underrated city, Whanganui: A guide to the river city's best eats, activities and accommodation, agri scholarship) North & South (Jack Marsden-Mayer)</p> <p>Farmers Weekly article x2 highlights agri initiatives</p> <p>NZME: GO NZ: Whanganui for a weekend getaway of art on the river. </p>

	<p>Upgrade key touchpoints for customers:</p> <ul style="list-style-type: none"> • Websites designed to attract new business, residents, visitors and students. • Promotional signage including entrances into Whanganui city and district. • i-SITE acts as a key point to first-time visitors to Whanganui. 	<p>Website is completed; Signage reflects Whanganui's brand position; i-SITE customer satisfaction of 4.5/5;</p>	<p>A new website is live, aligning all previous sites into one site.</p> <p>Entrance billboards are signed off and ready to print/install.</p> <p>i-SITE customer satisfaction: 4.44/5.</p>	⊘
		<p>an average of 2,083 monthly visitors served by i-SITE</p>	<p>i-SITE visitor numbers: 1,830 average monthly visitors. Shortfall due to a loss of nearly 7,000 international visitors versus same period last year not quite being made up by a large increase in domestic visitors.</p>	⊘
Our visitor experience is enhanced, leading to the recovery and growth in market share of nation-wide visitor spend	<p>Deliver a destination management plan (DMP) that considers the future needs of tourism infrastructure to enable economic growth.</p>	<p>Strategy and action plan delivered</p>	<p>Final draft of DMP is getting final input from key stakeholders. Once updates are completed the DMP will be made available for public comment and finalised.</p>	⊘
	<p>Scope an eco-cultural hub with key partners to provide greater opportunity for visitors to engage with Te Awa Tupua.</p>	<p>Scoping study is completed.</p>	<p>Scoping study is complete. The findings of the scoping study has led to a decision to move forward with the project, Lyn McCurdy Consulting is contracted to write a feasibility study which will be completed in July 2021. Next phase is the business case once some key decisions on location and governance/ownership have been decided.</p>	✔
		<p>River Tourism Hub developed.</p>	<p>The next phase is the development of business case and then to sourcing funding. We are some years from building a River Tourism Hub.</p>	⊘
	<p>Develop the Coastal Arts Trail (CAT) alongside regional partners to strengthen our recognition of the arts.</p>	<p>80% of local arts galleries sign-up.</p>	<p>Joint project with Venture Taranaki and CEDA.</p> <p>Website is ready to go live.</p> <p>Currently 10 Whanganui galleries are published on the website with 8 galleries having registered and needing to add images and text before publishing on the website.</p> <p>Promotional video is complete.</p> <p>Marketing agency contracted and a Promotion/marketing and communications plan is in development.</p>	⊘
	<p>Develop our boutique shopping experience as a visitor attraction, with Victoria Avenue</p>	<p>MOUs completed</p>	<p>The summer marketing campaign and new website covers the boutique shopping experience available in Whanganui.</p>	




	highlighted prominently.		<p>KPI's in place and MOU with Mainstreet has been signed.</p> <p>We have had input into the Waka Kotahi (NZ Transport Agency) Innovating Streets stakeholder project around creating a more enticing environment for shoppers in lower Victoria Avenue and Drews Avenue. </p>
	Identify and support initiatives that enhance our tourism experience, including the potential needs for new product and packaging of existing product.	2 x new products or initiatives developed.	<p>Working with WMRTO on: Eco cultural hub and Whanganui River Road Tourism Route. 'That Place', a new private mountain bike park at Kaiwhaiki is in operation.</p> <p>Initiated 2 x tourism package meetings with operators, a heritage package was put together driven by Waimarie and House of Travel and includes Rutland, Waimarie, and Bushy Park.</p> <p>Coastal Arts Trail is close to being live. We've encouraged Qualmark registration. The Waimarie passed its recent Qualmark evaluation. Itineraries will feature on the new discover website. </p>
	Facilitate Google My Business (GMB) workshops to help local businesses operate successfully in the digital environment	3 x Workshops (40 attendees each) 10-15% lift in GMB completion metrics three months after the programme.	<p>Workshop held in October with 65 businesses in attendance. Workshop has been recorded and will be widely shared to gain maximum benefit for Whanganui. Whanganui's Google presence has been updated via 360 photos and street view footage where there are gaps.</p> <p>Further work required to gain metrics via GMB check-up and getting Whanganui businesses to sign up to it.</p> <p>We have employed a part time Digital Ambassador to support the visitor sector to; make full use of GMB, register on newzealand.com. </p>








Whanganui hosts nationally significant events that create long-term economic benefits and enhance our brand recognition	Develop and implement an events strategy designed to inform a future direction for the scale and type of events Whanganui needs to grow its brand. This includes analysing current event performance and infrastructure.	Events Strategy & Action Plan	An event plan is complete and has been distributed/published. 
	Increasing the impact of iconic events, particularly in regards to attracting visitors from outside of our district.	All events funded by W&P complete Communications & Marketing Plan and meet reporting requirements	All events supported have agreements with W&P, including the production of a marketing plan. All events supported by W&P in FY20/21 have now taken place and focus has moved to reporting/reviewing as well as opening up funding for 21/22. 

LEVEL OF SERVICE	PERFORMANCE MEASURE	2020/21 TARGET	2020/21 RESULT
Whanganui and Partners – Priority Four: Creative Industries and Arts			
The Arts & Culture Strategy is delivered through collaboration with individuals, hapū, community groups, funders, Council and other creative sector partners	Grow the profile of Whanganui as an arts and culture destination for tourism and business regionally and nationally.	33% in annual perceptions survey. Proposal for UNESCO City of Design.	Bi-annual (covered in FY 2021-2022). Application submitted to UNESCO international with endorsement from UNESCO NZ.
	Interface regularly with creative industry stakeholders, providing the sector with effective mechanisms to access relevant information about sector developments, funding opportunities and support available from W&P.	4 x (Quarterly)	1 x Creative Sector Focus Group 1 x City of Design key stakeholder event 5 x Arts Hui (Whanganui iwi engagement) 3 x Arts Funding Clinics held, facilitating one-on-one workshops with 16 participants. Additional 20 x individuals and organisations assisted to submit national arts funding applications. Ministry for Culture and Heritage funding bid for submitted on behalf of 5 Creative Incubators.
	Grow and strengthen local creative infrastructure.	QUARTZ with Capital Works. Business Case for attracting Commercial Gallery. Develop Film Directory.	Quartz cancelled their capital works. Funding redirected to support Creative Incubation Hubs Ministry for Culture and Heritage application. Commercial Gallery Business Manual complete. Support given to SWINE Gallery to establish. September 2020 Film Whanganui established. June 2021 Film Directory launched

			4 x productions assisted to date: 2 x international feature films, a TV documentary and a music video.
	Promote the vocational pathways for creative industries and foster professional development and education opportunities.	Revive summer school projects. Professional development package for creative practitioners, leading to participation in RBP programme established.	Whanganui Community Education supported to launch a new arts Summer School. Making It: Capability Building for Creatives established and 16 x participants accessed the programme.
	Encourage new creative sector leaders.	3 x Sector Champions. 10 x sector influencers.	Sector influencers and champions profiled on new website. 5 x Sector Champions awarded Amplify grants . Supported a celebration event for Ockham NZ Book Awards Winner. 5 x The Backhouse Creative Hubs supported.
	Support networking opportunities with the Whanganui creative sector	FB Group established. 4 x Facebook Live events delivered.	Facebook group at 440 members. 4 x Creatives Coffee Cake events delivered. 1. September 2020 / Serious Social, marketing support through RBP / 2. November 2020 / Creatives and TCR / Ellen Young, 3. March 2021 / Tax implications for the Wage Subsidy / Niki Vernon Money Poppins / 40. 4. May 2021 / Innovate Whanganui/ Tim Easton / 25. 1 x online event 1. November 2020 / Money. Management for Creatives / Niki Vernon / 225 views. 1 x arts event supported for Tech Week.
Community arts events attract visitors and enable growth of creative industries	Administer funding of community arts events that meet W&P event funding criteria	Funding administered and distributed	Completed.
	Administer funding of community arts funds	2 x CCS funding rounds. 1 x Public Art Fund.	Completed. 2 x CCS Funding Rounds 1 x Public Art
	Support event organisers to develop and implement Marketing and Communications plan.	All organisers have completed Communications & Marketing Plan and meet reporting requirements.	All organisers have completed the Communications & Marketing Plan.

PERFORMANCE INDICATOR – LONG TERM PLAN 2018-2028

 Met or exceeded target	 Target not met	 Target neutral
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


LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
ECONOMIC DEVELOPMENT					
<p>Whanganui & Partners: Whanganui is supported to grow and prosper through Whanganui and Partners.</p>	<p>Increase in total number of available jobs.</p>	19,801	20,168	1% Increase on previous year	1.3% (20,389) 
	<p><i>Comment: Target was met. There was a net increase of 269 jobs available between 2019 (20,168) and 2020 (20,389). (Source: Infometrics)</i></p>				
	<p>Number of net businesses established in region increased.</p>	4,074	4,152	1% Increase on previous year	1.8% 
	<p><i>Comment: Target was met. There was a net increase of 84 business between 2019 (4,152) and 2020 (4,236). (Source: Infometrics)</i></p>				
	<p>Increase in total funding for the education sector.</p>	\$116m ²⁰	\$116m ²¹	Increase from previous year	\$113m 
	<p><i>Comment: Target was not met. Funding for the education sector fell by \$3m from \$116 in 2019 to \$113m in 2020. (Source: Infometrics)</i></p>				
	<p>The number of students registered for tertiary and trades training in Whanganui.</p>	4,243	No data available	Maintain or increase from previous year	No data available 
	<p><i>Comment: The target is deemed not to have been met as no data is available. Tertiary Education Commission no longer produces this data. (Source: Tertiary Education Commission)</i></p>				
<p>The number of students²² choosing²³ Whanganui as a study destination.</p>	306	305	Increase from previous year	-- 	
<p><i>Comment: The target is deemed not to have been met as no data is available. With changes in Tertiary Education Sector data is not currently available at a district level. (Source: Whanganui Education Providers)</i></p>					
<p>The percentage of businesses satisfied or very satisfied with their relationship with Whanganui and Partners.</p>	53%	--%	70%	--% 	
<p><i>Comment: The target is deemed not to have been met as no data is available. A business survey measuring satisfaction with Whanganui & Partners has not been completed within the period however Whanganui & Partners has remained active with events, advice and support for local businesses including COVID-19. (Source: Whanganui and Partners)</i></p>					
<p>Whanganui is promoted as a great place to live and visit</p>	<p>The number of visitors to Whanganui, will track in line with national trends.</p>	0.52%	--%	0.58%	--% 
<p><i>Comment: The target is deemed not to have been met as no data is available. Stats NZ stopped producing the Commercial Accommodation Monitor (CAM) data in Sep 2019.</i></p>					

²⁰ The 2018/19 figure of \$112.8m has been rebased by Infometrics for an accurate comparison with the current period.

²¹ The 2019/20 figure of \$111.9m has been rebased by Infometrics for an accurate comparison with the current period.

²² Borders, tertiary and trades training, international students.

²³ Defined as students that live outside Whanganui (domestic and international) that pick Whanganui as a study destination.

	Whanganui will have the same growth rate of tourism spend as the NZ total average.	0.439% ²⁴	0.445% ²⁵	In line with NZ average	0.445% 
	<i>Comment: Target was met. Visitor spend within Whanganui as a proportion of national visitor spend has remain stable. (Source: MBIE Monthly Regional Tourism Estimates)</i>				
	There will be an increase in positive media locally and nationally.	--	93%	2% Improvement	98% 
	<i>Comment: Target was met. 98% of media articles (excluding neutral) were favourable for the period. (Source: Whanganui and Partners)</i>				
i-Site					
i-Site: The i-Site provides an attractive and engaging space for locals and visitors – encouraging people to visit, spend time and do business with us.	The number of visitors served by the i-Site	24,217	20,536	27,560	21,965 
	<i>Comment: The target was not met. This result was partly attributable to COVID-19 with lower numbers of international visitors. (Source: Whanganui i-Site)</i>				
The i-Site provides excellent customer service with the right information delivered to locals and visitors.	Customer satisfaction with service received at the i-Site.	4.68	4.53	4.5	4.44 
	<i>Comment: The target was not met. The result was largely attributable to a single one star rating within the fourth quarter. (Source: Trip Advisor ratings: Aggregate score)</i>				

²⁴ This figure has been converted from that reported in the Annual Report 2020 for better comparison with the 2020/21 reported figure however the figure has not materially changed.

²⁵ This figure has been converted from that reported in the Annual Report 2020 for better comparison with the 2020/21 reported figure however the figure has not materially changed.

Economic development group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
<i>Economic Development</i>					
Website development	-	-	-	29	-
	-	-	-	29	-
Total Capital Expenditure for the Group	-	-	-	29	-

Whanganui and Partners had no budget planned in the Annual Plan, however external funding for a website upgrade was secured. There was \$29k spent on developing the new website.

Internal borrowings

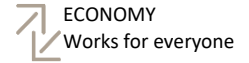
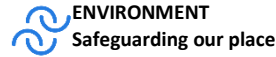
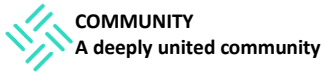
	2021 \$	2020 \$
Brought forward	0	0
Borrowings raised	0	0
Borrowings repaid	0	0
Interest paid	0	0
Carried forward	<u>0</u>	<u>0</u>

Economic development group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,832	2,918	2,960	2,959
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	84	424
Fees and charges	-	-	-	66
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	85	87	83	1
Total operating funding (A)	2,917	3,005	3,127	3,450
Application of operating funding				
Payments to staff and suppliers	2,377	2,463	2,594	2,959
Finance costs	(8)	(8)	(18)	(32)
Internal charges and overheads applied	548	550	551	577
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	2,917	3,005	3,127	3,504
Surplus (deficit) of operating funding (A - B)	-	-	-	(54)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	87
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	87
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	-	-	-	29
-to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	4
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	-	-	-	33
Surplus (deficit) of capital funding (C - D)	-	-	-	54
Funding balance ((A - B) + (C - D))	-	-	-	-



8

Community facilities and services

This group of activities includes services and facilities that help to sustain the safety and welfare of our community, preserve our exceptional heritage and infrastructure, and protect our environment and awa. Some of these activities are required by legislation and others respond to our community needs and demands. For example, our regulatory services include the provision of advice, consent and licence management, monitoring and compliance. We provide social housing for elderly people with low to moderate financial means. We also work with our community in the effective management and minimisation of waste in our district to protect the health and sustainability of our community and natural environment. The group of activities in this section are:

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

What we did

Cemeteries

We continued to digitise our historical burial and cremation records: our project is nearly completed for the Aramoho cemetery. This will enable online accessibility of records with search capability.

We developed a new burial area: approximately 400 plots are now available for use in the newly developed 'Public Lawn D'.

CBD maintenance

We have been actively implementing initiatives from our Town Centre Regeneration strategy: initiatives from the strategy continued to be rolled out as part of revitalising our town centre.

We drew upon local artists: a large mural was designed and painted at the Maria Pop-up site. Whanganui artists designed the symbolic street art for Drews Avenue that also serves a practical function for slowing traffic.

We partnered with the Tramways Trust to install a unique fence: reclaimed Oregon timber from the historic Red Shed at Whanganui's port was used to construct a fence around the tramshed storage area on Taupo Quay. The fence also contains vintage glass insulators.

We successfully rolled out a new creative and vibrant streetscape in Drews Avenue: The project was majority-funded through Waka Kotahi's Innovating Street's initiative with the design directly informed by the community's ideas and talents following a series of workshops and surveys. It incorporates community gathering spaces, musical instruments, a telephone that tells stories of the area's history, a giant river marble run, bike racks, educational and food bearing planting, light box artwork, glass art and road art. The street was opened in conjunction with the Lights on Bikes street party event.

Whanganui Walls returned in 2021

After last year's cancellation of the event due to the COVID-19 pandemic, seven New Zealand-based artists created original street artwork pieces within the CBD for the Whanganui Walls street art festival.

Our CBD maintenance is ongoing: collaborative initiatives with Mainstreet has continued to ensure that the town centre is well presented at all times. As well as the ongoing beautification projects such as the 'Whanganui in Bloom' hanging flower baskets programme, power outlets for food carts were updated at Majestic Square, additional planter boxes were added to the CBD, and regular maintenance was undertaken on the gas lights and arches.

Victoria Avenue between Taupo Quay and Ingestre Street was a finalist for the Keep New Zealand Beautiful Best Street Award 2020: this award is judged upon beauty, cleanliness, plantings and sense of community pride. Whanganui was also awarded Most Beautiful Small City – a follow up from 2019 when it won Most Beautiful City.

Waste minimisation

Our number of waste minimisation education programmes and forums continues to grow with involvement from 11 schools and including 48 classes; 8 workshops; 2 successful waste free parenting seminars; stalls at the home show and UCOL opening day; and an e3 environmental education expo for all teachers and students in the District. We also introduced the Pare Kore (zero waste) programme to 13 community organisations; signed 17 memorandum of understandings and implemented a web based 'A to Z Resource' directory.

We're planting trees!

We collected recycling material from 349 schools/preschools as part of the *Paper4trees* programme resulting in 488 native trees being distributed to local schools for planting.

We ran two successful public hazardous substance drop off days: this resulted in 3.2 tonnes of hazardous waste being environmentally disposed of.

We continued to look at alternative ways to divert waste to landfill through trials exploring pyrolysis/waste to energy technology to be fuelled by fibre, green waste, treated sawdust, tyres etc.

We continued to implement an illegal dumping campaign with targeted education, surveillance and enforcement technics resulted in 505 reported dumpings, 8 infringement offences issued and over 100 incidents investigated.

The Whanganui Waste Minimisation Fund approved \$195,000 of its waste levy fund on waste minimisation initiatives, grants and projects in the 2020/21 year.

Pensioner housing

We continued to support the social wellbeing of our residents: this was done in conjunction with Age Concern, who partner with us to focus on our tenant's well-being. An internal change in the process for the day-to-day maintenance of the various complexes led to a further improvement in service to our tenants. We continue to work towards our obligations as a landlord in terms of Healthy Homes requirements well before the legislative timelines.

Community buildings

We looked to a number of our community buildings in terms of their current utilisation and use: in doing so we considered their heritage and cultural values to our community, this being over and above the small monetary returns, and will be working through the opportunities and needs that have arisen. The Arts Society Hall now presents well with further internal works planned, whilst changes lie ahead for the Repertory Theatre and the Upokongaro Hall.

Emergency management

We have been continually rolling out training in Civil Defence Emergency Management (CDEM): Council has a responsibility to plan and provide for CDEM within the district. In 2020/21 there were multiple CDEM Integrated Training Framework courses for staff, partner organisations and volunteers. We have exercised the Operations Centre three times using local hazard scenarios, and have provided staff training in the new Microsoft Teams based message management systems as well as First Aid and other training for volunteers. We also provided support to other agencies' training, including scenarios and exercises.

We continued to build resilience and capability in difficult-to-access areas: with support from other agencies, we conducted practical response activities to hone and develop our use of remote access and information technology capabilities. Our mobile coordination, and communication tools and equipment was proven to work even in those areas where normal communications are absent.

We helped our neighbours: CDEM staff deployed repeatedly to other parts of New Zealand to assist in emergencies. As well as gaining valuable experience, this helped to enhance our reputation nationally. We have provided local expertise and input into a number of National level capability development areas and working groups. We have also provided surplus Stinger Tsunami alerting systems to our neighbouring Districts to help cover at risk locations.

We have been enhancing our use of evolving mapping and information systems: we have introduced whole of District processes for Rapid Impact assessments, evacuation and warnings, including paper and alternative electronic back-up systems covering every dwelling and road in the District.

We have continued with public education and community response initiatives: initiatives include public talks amongst communities (from schools through to retirement villages); development of Iwi-specific Civil Defence capability enhancements, including welfare/Civil

Defence Centre, and resilience activities in upriver communities as well as Community Response Plans.

We have supported local community building activities: we have provided direct support to a number of community building activities including NZ Masters Games, Safer Whanganui, Safe as Houses, Family Fun Day, Lights on Bikes, Tupoho Careers expo and others.

We continue to monitor hazards and prepare for emergency events: we have duty staff able to respond 24/7 every day of the year, and actively monitor and plan for a range of emergency events, including the risk of COVID resurgence. We have sourced and deployed extra mobile alerting systems to cover our hazard areas.

Animal management

We continued our focus on animal management education: a new 'Responsible Dog Ownership' education programme was developed in readiness for the new Dog Control Bylaw that came into force on 1 July 2021.

We completed work on the new Animal Pound building: the newly-built animal pound in Airport Road became fully operational in February 2021 and opened to the public by appointment only via an online booking system. As well as the core functions of temporarily housing, rehoming and microchipping of dogs, the new pound will provide community education programmes on responsible dog ownership.

We maintained record dog registration numbers

Our dog registration compliance remained at **98%**
of the **8,179** known active dogs in the district.

We proactively targeted wandering dogs: a bulk infringement patrol saw dog impounds increase 96% with 930 dogs impounded in the reporting year. During the final reporting quarter of 2021, the call requests to service wandering dogs reduced by 22%.

Building control

Maintaining accreditation recognition: Building Control Authority accreditation is current with workflows in place to prepare for the next scheduled accreditation audit due in January 2022.

We are keeping pace with online services transformations: the online Building Consent and Code Compliance Certificate application process continues to be a beneficial service for our community and the building sector generally. The GoBuild online inspection booking portal is continuing to deliver encouraging results with the uptake of this technology increasing. Council is investigating the rollout of new technology (Artisan) to enable key steps within the building inspection process that will enable remote inspections to take place that reports in real time to a building control officer working from the office. The online LIMs portal is also working successfully. Council continue to be involved with the Simpli cluster group to ensure ongoing and improved alignment of building regulatory functions and have rolled out the joint Quality management system that is being utilised by the Building Consent Authority arm of the team.

We continue to initiate shared services with our neighbours: we supplied commercial inspection supervision services for a complex community development in Rangitikei. Due to increased workflows, however, any further provision of building control services to Rangitikei

and Ruapehu District Councils have been withdrawn until workloads permit. As well as supporting, and chairing, a regional team leader/senior building control officer group to maintain and ensure consistency across the central New Zealand region, we continued to engage and foster relationships with the local building sector, and staff attended Master Builders Association meetings on a regular basis.

Environmental health

We focussed on our online services: major work is underway to digitise our forms to enable efficiencies for health, food and alcohol applications.

Resource management

We continued to provide a customer-focussed town planning assessment service: recognising the pressures of housing and community need, we are dedicating time to developers and the public to help them realise the most out of each site, and to balance priorities on every proposal to reach the best results

Shaping development

In 2020/21, we received and assessed:

- 180 applications for use of land
- 115 applications for subdivision of land
- 55 applications for minor variations to plan standards
- 4 applications for certificates of compliance
- 5 variations to rights-of-way

We received **1,141** customer service requests (logged calls and queries).

Environmental policy

We progressed the District Plan review programme: the review and update of provisions regulating industrial activities in the Manufacturing Zone was advanced with Council releasing Plan Change 54 – Industrial, for public notification at the end of the reporting year. The review of the Commercial Zone is on hold until the implications of the resource management reform process are more clearly understood, including timelines for transition.

Rezoning of land around the Castlecliff Golf Club has progressed: this followed additional ecological assessment as recommended in the original ecological report and as requested in Cultural Impact Assessments of the proposed plan change.

We commenced work on the residential growth plan: this strategic project incorporates analysis that will guide future residential development in Whanganui. The last growth analysis was undertaken in 2015.

We continued to implement the Town Centre Regeneration Strategy: preliminary planning for the redevelopment of Majestic Square was paused while Council undertook Innovating Streets projects in partnership with Waka Kotahi.

We completed the translation of our District Plan into a National Planning Standards compliant format: this was a national requirement.

We continued to promote and protect our built heritage: the Heritage Grants Scheme approved \$109,602 in grants towards six heritage initiatives in the 2020/21 year, with six projects having now been completed over the same period. Guided by community feedback from stakeholder engagement and a heritage survey conducted during the reporting year, a draft Heritage Strategy was developed. Public consultation on the strategy will be undertaken in the upcoming months.

Parking services

We are progressing our parking meter replacement project: the replacement of our ageing meters will dramatically reduce the need for maintenance. This will allow parking officers to focus on compliance and their ambassadorial roles rather than repairs and maintenance.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Supporting the welfare of our community

We provide services and facilities that help to sustain the safety and welfare of our community.



Enhancing our reputation

We work in collaboration as a region to leverage opportunities. We continually improve the way we do business to enhance our reputation as a great place to come, stay and invest.



Facilitating the use of digital technologies

We seek new and innovative technology that will enhance our customer experience and access to enable global connectivity.



Sustainably manage our resources

We protect our environment and Awa. We work to foster our district's unique identity and image in a positive way.

Effects on community well-beings

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

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

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

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




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









How did we perform?

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










PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
COMMUNITY FACILITIES AND SERVICES					
Cemeteries: There is adequate capacity to meet future burial and cremation needs of the community.	The number of unsold plots available for burial or cremation.	2499	2302	700	1518 
	<i>Comment: The target was met. The figure includes 1069 ash plots across all cemeteries and 449 burial plots across all cemeteries. (Source: WDC Cemetery Records database)</i>				
Cemetery grounds provide a special place of remembrance for loved ones amongst attractive and well maintained grounds.	The percentage of people satisfied with cemetery facilities.	--%	--%	90%	90 
	<i>Comment: The target was met. (Source: WDC Parks Team)</i>				
Heritage records are maintained to help people to connect with the past.	The number of official cemetery records available on the Council website.	30,339	30,883	65,000	45,581 
	<i>Comment: The target was not met. This includes 37,794 archive records and 7,787 Sexton Records. (Source: WDC Cemetery Records Database)</i>				
CBD Maintenance: The CBD is safe, vibrant and contributes to the positive image of Whanganui.	The percentage of residents satisfied with the contribution the town centre makes to the image of Whanganui ²⁶ .	62%	71%	75%	80% 
	<i>Comment: The target was met. Satisfaction with the contribution the CBD makes to the image of Whanganui increased by 9%. (Source: Community Views Survey 2021)</i>				
	The percentage of residents that feel safe in the CBD during the evening.	58%	58%	70%	56% 
<i>Comment: The target was not met. The percentage of residents that feel safe in the CBD during the evening reduced by 2% from the previous period. (Source: Community Views Survey 2021)</i>					
The CBD is safe, clean and attractive.	The percentage of residents satisfied with the standard of the presentation in the town centre ²⁷ .	81%	78%	90%	83% 
	<i>Comment: The target was not met. Satisfaction with the standard of the presentation increased by 5% from the previous period. (Source: Community Views Survey 2021)</i>				

²⁶ The wording of this question has slightly altered from previous years.

²⁷ The wording of this question has slightly altered from previous years to broaden the scope to include the wider presentation of the town centre.







LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
	The number of complaints about the cleanliness or hygiene of public toilets reported to Council.	1	3	<12	2 
	<i>Comment: The target was met. There were two complaints regarding cleanliness of toilets recorded in the CRM system for this period. (Source: Council WDC CRM system)</i>				
Waste Minimisation: Waste minimisation and waste collection services are accessible and effective.	The percentage of users of the Resource Recovery Centre that are satisfied with the overall service provided.	100%	99%	95%	--% 
	<i>Comment: The target is deemed not to have been met. The survey of users of the Resource Recovery Centre was not undertaken in 2020/21 period. (Source: WDC Parks Team)</i>				
	Iconic events ²⁸ held in public parks and reserves will have an appropriate waste minimisation plan.	100%	100%	100%	100% 
	<i>Comment: The target was met. A total of seven iconic events were held during the period with all having an appropriate waste minimisation plan. (Source: WDC Parks Team)</i>				
Council supports and provides incentives for waste reduction, reuse and recycling in line with its Waste Management & Minimisation Plan	The amount of product recycled through the centre each year.	4057	4128	Maintain or improve from previous year	3974 
	<i>Comment: The target was not met. There was a 3.7% decrease in product recycled. (Source: Resource Recovery Centre records)</i>				
	The number of educational visits to schools on waste minimisation.	17	9	≥5	12 
	<i>Comment: The target was met. There were a total of 12 educational visits to schools. (Source: Resource Recovery Centre records)</i>				
Pensioner Housing: Pensioner housing is healthy, safe, warm and well-maintained	Tenants' overall satisfaction with Council's Pensioner Housing service.	92%	93%	90%	89% 
	<i>Comment: The target was not met. Tenants satisfied with the Council's Pensioner Housing service reduced by 4% from the previous period. (Source: WDC Pensioner Housing Survey 2021)</i>				
Tenant wellbeing is maintained through welfare and connectivity services.	The percentage of tenants who are very satisfied or satisfied with welfare services.	80%	66%	85%	74% 
	<i>Comment: The target was not met. The percentage of tenants who are very satisfied or satisfied with welfare services increased by 8% from the previous period. (Source: WDC Pensioner Housing Survey 2020)</i>				
Provision is based on the needs of our community.	The percentage of Pensioner housing units that are occupied.	93%	97%	90%	95% 
	<i>Comment: The target was met. (Source: WDC Pensioner Housing)</i>				
Emergency Management: The community is properly prepared for and educated about emergency events.	The percentage of the community indicating they are prepared to be self-sufficient for at least three days during an emergency event.	81%	86%	>85%	91% 
	<i>Comment: The target was met. Overall preparedness increased by 5% from the previous period. (Source: Community Views Survey 2021)</i>				

²⁸ Iconic events are large-scale events that expect to attract crowds of 100+, and do not include smaller scale one-off events. Measurement is that a waste minimisation plan is received – we do not monitor the achievements within it.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
A continuous 24-hour emergency management response service is provided.	The percentage of emergency management calls responded to within 15 minutes. <i>Comment: The target was met. This includes after hours calls non-emergency management related. (Source: MCDEM records)</i>	100%	100%	100%	100% 
An Emergency Operations Centre (and trained volunteers) are available and ready to help our community respond to, and recover from, emergency situations ²⁹ .	The percentage of Emergency Operations Centre activations managed with appropriate staffing, systems and processes in place within two hours. <i>Comment: The target was met. (Source: WDC Emergency Management Team)</i>	100%	100%	100%	100% 
Civil Defence sirens operate when tested and are rapidly repaired if faults are identified.	Any fault identified through monthly testing of the tsunami sirens is rectified within 10 working day. <i>Comment: The target was not met. Three sirens were permanently disabled due to environmental damage and due to be replaced. These areas are being covered by mobile sirens. (Source: WDC Emergency Management Team)</i>	98%	100%	100%	75% 
Animal Control: A dog registration service and system is delivered.	The percentage of known dogs that are registered. <i>Comment: The target was met. During the period there were 8179 known dogs of which 8015 were registered. Those not registered have received infringements for failing to register. (Source: WDC Property and Rating Database)</i>	98%	98%	95%	98% 
Excellent customer service is provided to our customers and the animal control activity minimises nuisance and makes Whanganui a safer place to live.	The percentage of the community satisfied with the animal control services provided. <i>Comment: The target was not met. Satisfaction with animal management services has remain stable with the previous period. (Source: Community Views Survey 2021)</i>	56%	49%	53%	49% 
	The percentage of Priority 1 (Urgent) ³⁰ call outs that are responded to within 1 hours. <i>Comment: The target was met. 771 of 783 Priority 1 call outs were responded to within 1 hour. (Source: Council CRM system)</i>	20%	96%	97%	98% 
Building Control: Whanganui's building integrity is protected so that buildings are safe and fit for use.	The maintenance of building consent authority accreditation status. <i>Comment: The target was met. The next review is due in January 2022. (Source: WDC Building Control)</i>	Achieved	Achieved	Achieve	Achieved 
The building consent process is compliant, efficient and user friendly.	The percentage of building consents processed within 20 working days (the statutory timeframe). <i>Comment: The target was not met. 950 of 985 building consents were processed within statutory timeframes. (Source: WDC Property and Rating Database)</i>	100%	93%	100%	96% 

²⁹ This means having staff in place sufficient to the activation mode, all essential information technology systems available and operating at levels sufficient to complete core roles and delivery of coordination and management consistent with the Emergency Operations Centre Emergency Operations Procedures.

³⁰ Priority 1 includes: secured dogs; a dog caught in a dog trap; Police request; stock on priority roads; and dog attacks.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
An exceptional customer service experience is delivered with customers helped through the building consent process and assisted with other building projects	The percentage of customers satisfied with the building consent services provided.	96%	87%	90%	84% 
	<i>Comment: The target was not met. 84% of respondents were satisfied or very satisfied with only 2% being dissatisfied and the remaining responses being neutral. As applicants understanding of the online lodgement portal increases, satisfaction is expected to increase. (Source: WDC Building Consent Satisfaction Survey 2021)</i>				
Environmental Health: Premises are assisted to improve hygiene standards and minimise risks to customers.	The percentage of food ³¹ and other premises ³² to be verified within required statutory timeframes.	100%	100%	100%	100% 
	<i>Comment: The target was met. All premises were inspected and verified within required statutory timeframes. (Source: WDC Property and Rating Database)</i>				
	Where premises do not meet minimum standards, a corrective plan is put in place to help them within 10 working days	100%	100%	100%	100% 
	<i>Comment: The target was met. (Source: WDC Property and Rating Database)</i>				
Nuisances are managed or eliminated so that our community is a better place to live.	The percentage of Alcohol Licensing applications processed within 20 working days.	96%	90%	100%	87% 
	<i>Comment: The target was not met. 291 of the 333 alcohol licences received in the year to date were processed within 20 working days. (Source: WDC Property and Rating Database)</i>				
Exceptional customer service is delivered.	The percentage of excessive noise complaints investigated within 30 minutes.	91%	92%	93%	91% 
	<i>Comment: The target was not met. During the period 1622 of the 1776 noise calls were attended within 30 minutes. (Source: WDC Property and Rating Database)</i>				
Parking Services: There is fair and equitable access to parking.	The percentage of customers satisfied or very satisfied with the environmental health services delivered.	93%	68%	90%	69% 
	<i>Comment: The target was not met. Customer satisfaction with the environmental health service increased by 1% on the previous period. (Source: WDC Environmental Health Satisfaction Survey 2021)</i>				
Parking Services: There is fair and equitable access to parking.	The percentage of time that parking officers are present Monday to Saturday (excluding public holidays).	96%	65%	98%	85% 
	<i>Comment: The target was not met. This result is attributable to staff absences including training, leave and vacancies. (Source: WDC Parking Team)</i>				

³¹ Food businesses registered and audited in accordance with the Food Act 2014, as either Food Control Plans or National Programmes. For National Programmes registration take place every 2 years and verification depends on the level/risk. The levels of national programmes determine the verification frequency: Level 1 (includes food businesses that extract or pack honey and coffee carts) is verified in the first year then not unless a complaint is received; Level 2 (includes food businesses that make bread, frozen fruit and vegetables) to be verified every 3 years; and Level 3 (food businesses that handle food for retail, includes scoop ice cream and reheating manufactured prepared food, and manufacturers of oils) to be verified every 2 years.

³² Other health premises include Hair Salons, Camping Grounds, Offensive Trades, and Funeral Directors.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
Parking is well connected and convenient to meet the needs of retailers, shoppers and visitors.	The percentage of the community satisfied with the availability of on-street parking. <i>Comment: The target was not met. The percentage of the community satisfied with the availability of on-street parking increased 6% to 58%. (Source: Community Views Survey 2021)</i>	61%	52%	80%	58% 
The CBD is patrolled for unregistered and unwarranted cars and infringement notices are issued so that we have safer vehicles in our central city.	Percentage of registration and warrant of fitness infringements waived due to compliance being achieved ³³ . <i>Comment: The target was not met. There were 98 WOF infringements issued of which 14 were waived due to compliance being achieved. There were 179 registration infringements issued, of which 35 were waived due to compliance being achieved. (Source: WDC Property and Rating Database)</i>	25%	24%	Increase from the previous year	18% 
Resource Management: Resource consents are processed within the statutory timeframes.	The percentage of resource consents (non-notified) issued within statutory timeframes. <i>Comment: The target was met. A total of 264 land use and subdivisions were assessed within the period. (Source: WDC Property and Rating Database)</i>	99%	100%	100%	100% 
Resource consent services are professional and meet the needs of customers.	The percentage of customers satisfied with the resource management services provided. <i>Comment: The target was met. A total of 11 surveys were completed within the period; 10 responses were either satisfied or very satisfied with the resource management services. (Source: WDC Resource Consent Satisfaction Survey 2021)</i>	100%	100%	90%	92% 
A sustainable approach to resource management is delivered in line with the goals of the District Plan.	The percentage of resource consents monitored within five years of being issued. <i>Comment: The target was met. All subdivisions are inspected at certification stages with use permits being inspected on a periodic basis. (Source: WDC Property and Rating Database)</i>	100%	0%	85%	85% 

³³ This is a new measure for the LTP.

Community facilities and services group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
<i>Animal Control</i>					
Animal Welfare Centre	-	651	651	859	-
<i>CBD Maintenance</i>					
Drews Avenue streetscape	-	-	-	379	-
Lower Victoria Avenue streetscape	60	-	60	261	-
Tram Shed project	-	-	-	183	-
Maria Place pop up space	-	-	-	7	-
Sundry Town Centre projects	100	89	189	10	77
	160	89	249	839	77
	160	740	900	1,699	77
Capital expenditure to replace existing assets :					
<i>Animal Control</i>					
Sundry Animal Control replacements	35	-	35	1	-
<i>Cemeteries</i>					
Aramaho Cemetery	7	-	7	-	-
<i>Community Buildings</i>					
Duncan Pavilion	6	-	6	-	6
Repertory Theatre	-	47	47	-	47
	6	47	53	-	53
<i>CBD Maintenance</i>					
Tram Shed project	-	-	-	74	-
Majestic Square upgrade	200	-	200	-	-
Sundry Town Centre projects	-	59	59	9	-
	200	59	259	84	-
<i>Pensioner Housing</i>					
Building improvements	55	-	55	-	-
<i>CBD Parking</i>					
Parking meter replacements	16	837	853	10	842
	319	943	1,262	94	895
Total Capital Expenditure for the Group	479	1,683	2,162	1,793	972

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

Cemeteries

No spend at the Aramaho cemetery, with a \$7k budget.

CBD Maintenance

The Town Centre Regeneration project continued this year, with the original planned budget reallocated to focus on Lower Victoria Ave, Drews Ave, Majestic Square and the Tram Shed project. Significant progress was made in all, with Tram Shed and Majestic Square completed. Waka Katohi contributed 90% of the funding required for Lower Victoria and Drews Ave projects.

Animal Control

The Animal Welfare Centre was completed. Total cost was higher than originally planned as scope increased to meet welfare standards.

Community Buildings

Work on Repertory Theatre or Duncan Pavilion have been deferred, with both budgets carried over to 2021/22.

Pensioner Housing

The capital replacement budget of \$55k was not spent. This was due to expenditure being classified as either planned or reactive maintenance, i.e. as operating expenditure. Overall maintenance expenditure was ahead of budget to meet new rental standards and facilitate increased occupancy rates being achieved.

CBD Parking

Parking meter renewals and upgrade budget of \$853k had a minor spend while the project is being planned. The balance is carried over to 2021/22 to fund the works.

Internal borrowings

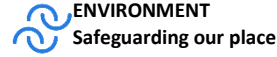
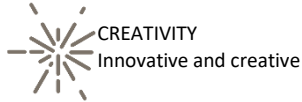
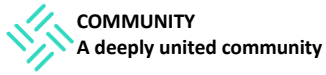
	2021	2020
	\$	\$
Brought forward	409,793	251,915
Borrowings raised	0	154,892
Borrowings repaid	(109,895)	0
Interest paid	0	2,986
Carried forward	299,898	409,793

Community facilities and services group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	4,213	4,343	5,210	5,208
Targeted rates	473	499	437	440
Subsidies and grants for operating purposes	-	-	-	696
Fees and charges	4,681	4,696	4,858	5,057
Internal charges and overheads recovered	0	0	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	938	952	930	1,007
Total operating funding (A)	10,305	10,490	11,435	12,408
Application of operating funding				
Payments to staff and suppliers	7,586	7,842	9,075	9,658
Finance costs	324	328	304	245
Internal charges and overheads applied	1,754	1,763	1,902	1,989
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	9,664	9,933	11,281	11,892
Surplus (deficit) of operating funding (A - B)	641	557	154	516
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	122	(10)	325	1,379
Gross proceeds from asset sales	-	-	-	5
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	122	(10)	325	1,384
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	61	219	160	1,699
-to replace existing assets	1,067	328	319	94
Increase (decrease) in reserves	(365)	-	-	107
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	763	547	479	1,900
Surplus (deficit) of capital funding (C - D)	(641)	(557)	(154)	(516)
Funding balance ((A - B) + (C - D))	-	-	-	-



9 Transportation

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

Our transport activities are –

Airport: we have a joint venture with the Crown for the provision of a provincial airport. We provide facilities for scheduled air services and for commercial and private aircraft. The airport facilities include sealed and grass runways and domestic passenger terminal facilities. Whanganui Airport is also the home to the New Zealand International Commercial Pilot Academy.

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

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

What we did

Airport

We continued to operate during changes to COVID alert levels: pilot training and scheduled air transport operations resumed under COVID-19 levels 1 and 2. Air ambulance and agricultural operations have continued throughout the pandemic in support of essential services. The airport remained open at all times as an essential ‘Lifeline’ utility.

We fulfilled our compliance requirements: we have retained our Civil Aviation Authority Part 139 certification to enable air logistics and transportation services.

Sea port

We commenced work on Te Pūwaha (the Whanganui Port Revitalisation Project): as a result of significant government funding being allocated across four applicants for the port’s rejuvenation, port infrastructure improvements commenced. This work included repairing the wharves and deconstructing the Red Shed, with repairs to other structures also underway. Work is ongoing with this project.

We supported the movement of cargo by sea: we provide infrastructure and personnel to assist with the movement of bulk cargo across the port which reduces reliance on land transport options.

Durie Hill elevator

We upgraded the entranceway and undertook extensive maintenance of the Durie Hill elevator: the new entranceway was completed in May 2021 with an official opening to be delayed until September to coincide with Heritage Month. During the closure for the entranceway to be modernised, we took the opportunity to undertake vital maintenance work to the lift car, along with the motor, to ensure that it continues to meet critical health and safety compliance requirements.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Delivering services to the community

Enabling an air ambulance service to be based at Whanganui Airport. Whanganui Port 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 Whanganui 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 their capabilities.

Effects on community well-beings

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




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









How did we perform?

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

PERFORMANCE INDICATOR

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

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
COMMUNITY FACILITIES AND SERVICES					
Airport: The airport is safe and maintenance is carried out to a high standard	The airport will be safe as demonstrated by receipt of CAA Part 139 Certification (assessing runway maintenance, security, safety, and emergency and management systems and procedures).	100%	100%	100%	100% 
<i>Comment: The target was met. (Source: Whanganui Airport CAA Audit Report)</i>					
The airport is cost neutral, increases its overall income and provides a commercial return on its activities.	The overall income from commercial activities meets the Airport's operational and capital requirements resulting in a reduction in funding required from the Whanganui Airport Joint Venture (WAJV).	No	No	Yes	No 
<i>Comment: The target was not met. The Whanganui Airport Joint Venture is working towards increasing the commercial revenue received. However, at this stage operational and capital costs exceed revenue. (Source: Whanganui Airport financial report)</i>					
The terminal and passenger services are attractive and functional – providing a welcoming gateway to and from Whanganui.	The percentage of users satisfied with the terminal facilities and other passenger services.	93%	95%	87%	96% 
<i>Comment: The target was met. (Source: Targeted Airport Users Survey)</i>					
Whanganui Port & River: The port is safe and well utilised.	The number of commercial vessel visits per year.	19	27	25	23 
<i>Comment: The target was not met. The result is within the normal range of port visits over the past three years. (Source: Whanganui Port records)</i>					
The port is a safe and healthy workplace.	The number of workplace accidents.	4	0	<55	0 
<i>Comment: The target was met. (Source: Whanganui Port Accident and injury register)</i>					
Durie Hill Elevator: The Durie Hill elevator is a convenient form of public transport for locals.	The percentage of users satisfied with the Durie Hill Elevator.	89%	--%	90%	--% 
<i>Comment: The target is deemed not to have been met. The survey of users of the Durie Hill Elevator was not undertaken in 2020/21 period. (Source: WDC Property survey)</i>					

Transportation group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
Port and River					
Port Redevelopment project	-	15,153	15,153	643	14,560
Seaport assets development	40	202	242	152	137
	40	15,355	15,395	795	14,697
Airport (half-share)					
Unicom Project	-	-	-	21	-
	40	15,355	15,395	816	14,697
Capital expenditure to replace existing assets :					
Port and River					
Building & Improvements replacements	64	15	79	-	15
Durie Hill Elevator					
Entranceway	28	-	28	327	-
Fire protection systems	20	-	20	-	-
	48	-	48	327	-
Airport (half-share)					
Taxi- and accessways	2,050	-	2,050	-	-
Unicom Project	40	-	40	-	-
Sundry Airport projects	35	-	35	17	-
	2,126	-	2,126	17	-
	2,238	15	2,253	345	15
Total Capital Expenditure for the Group	2,278	15,370	17,648	1,161	14,712

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

Port and River

The Port redevelopment project continued this year, with significant planning and minor site-works. The remaining budget of \$14.56M will be carried over to 2021/22 as works proceed.

The Seaport asset development is planned to align with port redevelopment, with significant work to date. The remaining work will be funded by budget carried over to 2021/22.

Airport

Council's half-share of airport runway reseal and Taxiway development has been delayed while more economic solutions are being sought. The Unicom project made good progress, with sundry airport projects lower than planned.

Internal Borrowings

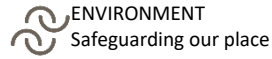
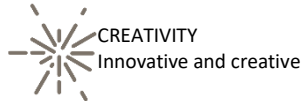
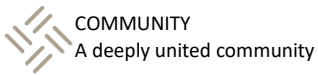
	2021	2020
	\$	\$
Brought forward	64,874	69,034
Borrowings raised	0	0
Borrowings repaid	(24,894)	(4,633)
Interest paid	0	473
Carried forward	<u>39,980</u>	<u>64,874</u>

Transportation group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,263	1,649	2,263	2,262
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	55	55	1,080	250
Fees and charges	215	221	344	339
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	16	16	138	88
Total operating funding (A)	1,549	1,941	3,825	2,939
Application of operating funding				
Payments to staff and suppliers	914	983	993	1,398
Finance costs	256	377	689	27
Internal charges and overheads applied	216	226	355	371
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	1,386	1,586	2,037	1,796
Surplus (deficit) of operating funding (A - B)	163	355	1,788	1,143
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,494	1,839	490	18
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	2,494	1,839	490	18
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	2,657	627	40	817
-to replace existing assets	-	1,567	2,238	344
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	2,657	2,194	2,278	1,161
Surplus (deficit) of capital funding (C - D)	(163)	(355)	(1,788)	(1,143)
Funding balance ((A - B) + (C - D))	-	-	-	-



10 Investments

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

- Whanganui District Council Holdings Limited
- Harbour Endowment property portfolio
- City Endowment property portfolio
- Quarry

What we did

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

We were successful in an application to the Provincial Growth Fund (PGF): The Port Revitalisation Project (Te Puwaha) has commenced for all funded partners, Council, Horizons Regional Council and our private sector partner. Council has undertaken its first stage of works to relocate Port Operations and clear the construction sites along Wharves 2 & 3. We are currently preparing consent applications and tender documentation for the appointment of a contractor to undertake the remaining works. Horizons are readying to start repair of the North Mole in their first works and our private sector partner has successfully demolished the Tod St cement silos in readiness for their facility build.



We managed our investment portfolio: During another challenging year COVID-19 continued to impact on the New Zealand International Commercial Pilot Academy (NZICPA) due to the closure of the NZ borders. Despite this NZICPA has trained the highest number of pilot students in flight training since the company was formed. We will continue to manage our way through the challenges ahead under COVID-19 and strive for maximum utilisation of our accommodation and aircraft assets whilst balancing the needs of NZICPA when the borders eventually reopen and the international students return.

GasNet has reported on another successful year. In partnership with GasNet, Whanganui District Council Holdings will continue to monitor developments as the Government develops its plans for a low carbon future and how that might impact on our investment in the Gas industry.

We are exploring opportunities at Waitahinga Quarry: Council is currently completing consultation with affected parties and is hopeful of having consent lodged and approved this year to commence quarry operations through a commercial partner who will be appointed following an open tender process.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

-  **Focusing on investment opportunities and diversification**
 We work to provide a reliable and acceptable financial return on our investments to enable development of projects and reduce reliance on rating as a source of funding for debt repayment.
-  **Capitalising on opportunities**
 We use the expertise of Directors on our Investment Boards to guide us in our decision-making on investment decisions. This includes advising us on opportunities to purchase, retain or sell key investment assets.

Effects on community well-beings

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








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

How did we perform?


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

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
INVESTMENTS					
Investments are effectively managed to enhance development, build prosperity, provide a financial return and repay debt as required.	The forecast return for Whanganui District Council Holdings Limited.	\$1M	\$0	\$800k dividend \$200k loan repayment	\$0 
	<i>Comment: The target was not met. No dividend was returned by Whanganui District Council Holdings Limited for the 2020/21 period. (Source: WDC Holdings Ltd Annual Report)</i>				
	The forecast net income from Council's Harbour Endowment property portfolio ³⁴ .	5.6%	5.5%	6.5%	5.1% 

³⁴ Returns cover investment properties only and exclude Council overheads.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
	<i>Comment: The target was not met. Results are in keeping with recent valuation advice. (Source: WDC Financial Reports)</i>				
	The forecast net income from Council's City Endowment property portfolio ³⁵ .	6.35%	5.75%	6.5%	4% 
	<i>Comment: The target was not met. This result was largely affected by one underperforming asset with remaining portfolio achieving a 6.7% return. (Source: WDC Financial Reports)</i>				

³⁵ Returns cover investment properties only and exclude Council overheads.

Investments group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
<i>Investments</i>					
City Endowment Ridgway Street	-	-	-	52	-
	-	-	-	52	-
Capital expenditure to replace existing assets :					
<i>Investments</i>					
Harbour Endowment Heads Road	35	90	125	-	100
Harbour Endowment Cook Street	3	-	3	-	-
Harbour Endowment Gas Building	-	100	100	-	-
City Endowment Taupo Quay	-	21	21	-	5
City Endowment Parks yard	97	-	97	18	53
City Endowment Ridgway Street	19	41	60	-	5
	154	252	406	18	163
Total Capital Expenditure for the Group	154	252	406	71	163

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

None of the Harbour Endowment planned budget and minor amount of City Endowment planned budget was spent, as most costs have been reclassified as operating expenditure or deferred to align with Port Redevelopment project. The projects have been reviewed and only the required budget amounts have been carried over to 2021/22 to proceed with works.

Internal borrowings

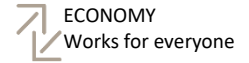
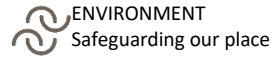
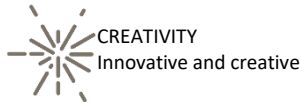
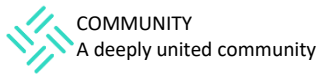
	2021 \$	2020 \$
Brought forward	46,812	43,257
Borrowings raised	0	3,214
Borrowings repaid	(45,460)	0
Interest paid	0	341
Carried forward	1,352	46,812

Investments group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	106	(20)	251	251
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,687	1,803	1,882	1,926
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	579	569	702	256
Total operating funding (A)	2,372	2,352	2,835	2,433
Application of operating funding				
Payments to staff and suppliers	1,742	1,731	1,956	1,412
Finance costs	139	135	37	13
Internal charges and overheads applied	376	371	384	401
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	2,257	2,237	2,377	1,826
Surplus (deficit) of operating funding (A - B)	115	115	458	607
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	5	(173)	(364)	(536)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	5	(173)	(364)	(536)
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	-	-	-	52
-to replace existing assets	380	202	154	19
Increase (decrease) in reserves	(60)	(60)	(60)	-
Increase (decrease) of investments	(200)	(200)	-	-
Total application of capital funding (D)	120	(58)	94	71
Surplus (deficit) of capital funding (C - D)	(115)	(115)	(458)	(607)
Funding balance ((A - B) + (C - D))	-	-	-	-



11 Corporate

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

Activities encompassed under Corporate include –

- Governance
- Corporate management
- Community and operational property

What we did

Governance

We increased public access to our meetings: livestreaming has been brought in-house, allowing us to broadcast Council's three major committees as well as Council, making these meetings accessible to more of our community.

We sought increased representation for our youth: the Youth Committee ran a series of young voter engagement events with Ngā Tai o Te Awa and the Electoral Commission.

Corporate management

We are committed to continuous improvement: our customer service request system (CRM) was improved making it more streamlined to ensure all requests are captured and suitably responded to.

We introduced Antenno: an application that offers more options for interacting with Council.

We continued to streamline our processes: we introduced new online capability for property file requests, and a number of online applications as well as successfully managing the phasing out of cheques as a payment option. Significant enhancements were made to online policy submissions, internal paper forms and processes were replaced with electronic ones, and we implemented an online appointment booking system for the animal pound.

Repeat National Winners...

Whanganui was crowned Most Beautiful Small City in the Keep New Zealand Beautiful Awards – making it the second in a row.

We continued to support our international relationships: we remained in contact and offered support to all of our sister cities through the varying stages of COVID-19. We sought new and

innovative online ways to stay in touch and through this won a Best Local Government Award from Sister Cities New Zealand.

We ensured we remained current by reviewing policies, strategies and bylaws: this included (among others) the Streets Infrastructure Bylaw, Psychoactive Substances – Local Approved Products Policy, Council-owned Housing (formerly Pensioner Housing) Policy, Dog Control Policy & Bylaw, Significance and Engagement Policy, and we undertook a review of the Gambling Venues Policy.

We have focused on driving digital innovation and opportunity in Whanganui: work has commenced on implementing our Digital Strategy: Digital by Design in partnership with the community.

We adopted the Te Rautaki Huringa Āhuarangi / Climate Change Strategy

This was a significant piece of work and will guide our action to both mitigate and adapt to climate change, as well as providing a framework for collaboration across the district.

We undertook a review of Council’s strategic framework: this work ran alongside the Long-Term Plan process and included community testing of the refined community outcomes. Once finalised it will ensure a ‘best fit’ strategic framework to ensure that Council’s priorities are as clear, well aligned, and deliverable as possible.

Our Council venues promoted zero waste recycling: we aimed to minimise waste and eliminate single-use plastics by running zero waste recycling at 12 major events in Whanganui diverting over 120m³ of waste from landfill in the process.

We continued to review and enhance our risk management processes: due to the dynamic nature of risk, we regularly undertook reviews of enterprise risk management, horizon scanning for emerging risks, internal control assurance, legal compliance and management of risk through health and safety processes.

Community and operational property

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

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Demonstrating strong, positive and empowering leadership

Governance and Council staff collaborate to drive our district forward and deliver services.



Effective engagement with our community

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

Effects on community well-beings

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




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















How did we perform?





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

PERFORMANCE INDICATOR

 Met or exceeded target	 Target not met	 Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
CORPORATE					
Governance: Corporate involvement in Council activities and decision-making processes is fostered and the Council is responsive to the needs and issues of our community.	The percentage of people who consider that Council has responded well or very well to community needs and issues. <i>Comment: The target was not met. 41% of Whanganui district residents surveyed considered that Council responded to community needs well or very well. This reduced by 4% when compared to the previous period however it is noted those who felt it was poor also decreased with a larger proportion responding neutrally (neither well nor poor). (Source: Community Views Survey 2021)</i>	49%	45%	70%	41% 
The views of the community are successfully represented by the Mayor and Councillors.	The percentage of people who rate the performance of the Mayor and Councillors as good or very good. <i>Comment: The target was not met. The percentage of people who rate the performance of the Mayor and Councillors as good or very good reduced by 2% from the previous period however it is noted those who felt it was poor also decreased by 8% with a larger proportion responding neutrally (neither well nor poor). (Source: Community Views Survey 2021)</i>	54%	47%	70%	45% 
The views of the rural community are successfully represented by the Rural Community Board.	The percentage of rural people who rate the performance of the Rural Community Board as good or very good. <i>Comment: The target was not met. The percentage of rural people who rate the performance of the Rural Community Board as good or very good increased by 4%. (Source: Community Views Survey 2021)</i>	29%	24%	70%	28% 

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
Meetings are held and agendas are made available to the public in advance.	The percentage of Council and committee agendas made available to the public two working days before the meeting. <i>Comment: The target was not met. 68 of 69 Council and Committee agendas were circulated at least two working days prior to the meetings. (Source: WDC Governance)</i>	100%	100%	100%	99% 
Corporate Management: Council issues and queries are resolved quickly and effectively and Council is recognised as a provider of consistently outstanding customer service.	Overall satisfaction with the initial contact and service received from the frontline team. <i>Comment: The target was met. (Source: WDC Customer Service survey)</i>	96%	92%	90%	90% 
	The percentage of the community rating the performance of Council staff as good or very good. <i>Comment: The target was not met. There was a 13% decrease from the previous period. (Source: Community Views Survey 2021)</i>	71%	72%	75%	59% 
The Council is a safe and healthy workplace of choice.	The number of workplace accidents for Council employees. <i>Comment: The target was met. This is a continual decrease from previous years. (Source: WDC Accident and injury register)</i>	19	16	<55	15 
Communications: Communication is informative, engaging, helpful and understandable.	The percentage of residents who are satisfied with ease of access to Council information. <i>Comment: The target was not met. Resident satisfaction with ease of access to Council information increased by 12% from the previous period. (Source: Community Views Survey 2021)</i>	51%	49%	70%	61% 
	The percentage of users who agree that the Council website is easy to navigate and find what they are looking for. <i>Comment: The target not met. The percentage of users who agree that the Council website is easy to navigate and find what they are looking for increased by 20%. This is as a result of continued improvements to the new Council website and as users become more familiar with the site layout. (Source: Community Views Survey 2021)</i>	64%	46%	80%	66% 
Finance: Council's finances are prudently managed.	The documents we have audited receive an unmodified audit opinion. <i>Comment: The target was met. The documents audited during the 2020/21 year were the 2020 Annual Report and the Long Term Plan 2021-31. (Source: WDC Finance)</i>	100%	100%	100%	100% 
Information Services: Council information is looked after for future generations and is consistently available.	The percentage of archives requests responded to within 24 hours. <i>Comment: The target was met. All archive requests received by email, website, text or in person were acknowledged and responded to within 24 hours of receipt. (Source: WDC Archives)</i>	100%	100%	100%	100% 
Strategy and Policy: The people of Whanganui are	The percentage of people satisfied with their level of involvement in the decision-making process. <i>Comment: The target was met. (Source: WDC Survey Monkey)</i>	77%	--%	70%	73% 

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
empowered to have their say and we provide good quality long-term advice that articulates the vision of our district.	The percentage of Annual Plan or Long Term Plan submission decisions provided within 10 working days of the adoption of the Plan.	100%	100%	100%	100% 
	<i>Comment: The target was met. All submitters were responded to within 10 working days. (Source: WDC Corporate Team)</i>				
Bylaws are kept up-to-date to protect community safety, health and amenity.	The percentage of bylaws reviewed five years after they are made (and then 10 years after that).	100%	100%	100%	100% 
	<i>Comment: The target was met. All bylaws have been, or are, under review within 5 years after having been made. (Source: WDC Policy Team)</i>				
Environmental Monitoring: Waste minimisation and waste collection services that available to Council.	Waste produced by Council.	--	--	< previous year	-- 
	<i>Comment: There is currently no method to capture this data. (Source: WDC Waste Advisor)</i>				
	Waste recycled by Council.	--	80,450 litres	< previous year	76,618 litres 
<i>Comment: This target was met. (Source: WDC Waste Advisor)</i>					
Supply of power to Council property.	Council's electricity usage.	17,608,761	18,877,553	< previous year	18,387,858 
	<i>Comment: The target was met. (Source: Smart Power report)</i>				
	Council's gas usage.	3,736,463	7,922,314	< previous year	4,830,078 
<i>Comment: The target was met. (Source: Smart Power report)</i>					
Paper for printing is readily available.	The amount of A4 paper Council ³⁶ use. (Measured in 500 sheet reams).	2243	1690	< previous year	1355 
	<i>Comment: This target was met. (Source: WDC records)</i>				
	The amount of A3 paper Council use. (Measured in 500 sheet reams).	63	59	< previous year	65 
<i>Comment: This target was not met. (Source: WDC records)</i>					
Fuel cards are available when fuelling Council vehicles.	Council's diesel consumption.	31664.50 litres	31344.46 litres	< previous year	-- 
	<i>Comment: The target is deemed not to have been met as data is not available.</i>				
	Council's petrol consumption.	18588.50 litres	19439 litres	< previous year	-- 
<i>Comment: The target is deemed not to have been met as data is not available.</i>					
Community and Operational property: The Community and Operational portfolio is effectively managed meaning that it is efficient,	The percentage of our community organisation tenants on the maximum subsidy (this means that the services they deliver provide maximum benefit to the community) ³⁷ .	78%	77%	70%	81% 
	<i>Comment: The target was met. 55 of the 68 Community Organisation leases are on the maximum subsidy. (Source: WDC Property Team)</i>				

³⁶ This includes Council's municipal building, Infrastructure, Libraries, i-Site and Sarjeant Gallery.

³⁷ The maximum subsidy is 90%.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2018/19 RESULT	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT
offers economic benefits and supports community organisations.					

Corporate group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
Corporate Management					
Information Technology projects	50	-	50	41	-
Sundry Corporate Projects	-	-	-	6	-
	50	-	50	47	-
	50	-	50	47	-
Capital expenditure to replace existing assets :					
Governance					
Sundry Governance plant & equipment	27	-	27	4	-
Corporate Management					
IT equipment replacement	170	-	170	267	-
IT SAN Replacement	160	-	160	148	-
Vehicle Replacements	60	-	60	163	-
Sundry Information Services projects	27	-	27	24	-
	417	-	417	601	-
Community and Operational Buildings					
Council Administration Buildings renewal	249	393	642	276	217
Sundry Corporate Projects	20	-	20	19	-
	269	393	662	295	217
	713	393	1,106	900	217
Total Capital Expenditure for the Group	763	393	1,156	947	217

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

Governance

Some of the planned spend on equipment renewals was purchased, however the bulk was reclassified as operational expenditure or rationalised. None of the unspent budget is carried over to 2021/22.

Corporate Management

The Information Technology (IT) capital expenditure during the year was higher than budget. This was driven by additional equipment to enable staff to work from home, upgrading Council's systems to manage the additional traffic from working online and telephone system replacement.

The purchased price of vehicle replacements for the year were higher than planned, however this is offset by trade in value of vehicles replaced.

Community and Operational Property

The Council continued with renovating the Council Building in Guyton Street, with 2nd floor completed. Further work is planned and the unspent budget has been carried over to 2021/22 to fund additional work.

Internal borrowings

	2021	2020
	\$	\$
Brought forward	168,831	119,161
Borrowings raised	0	48,440
Borrowings repaid	(56,117)	0
Interest paid	0	1,230
Carried forward	<u>112,715</u>	<u>168,831</u>

Corporate group

Funding impact statement

For the year ended 30 June 2021

	Long Term Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,468	3,549	3,390	3,219
Targeted rates	-	-	-	-
	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	29
Fees and charges	103	104	88	79
Internal charges and overheads recovered	8,754	9,088	8,988	9,230
Local authorities fuel tax, fines, infringement fees and other receipts	525	457	477	496
Total operating funding (A)	12,850	13,198	12,943	13,053
Application of operating funding				
Payments to staff and suppliers	10,944	11,356	11,862	12,254
Finance costs	(80)	(101)	(173)	38
Internal charges and overheads applied	785	759	590	447
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	11,649	12,014	12,279	12,739
Surplus (deficit) of operating funding (A - B)	1,201	1,184	664	314
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(398)	(322)	279	547
Gross proceeds from asset sales	-	-	-	66
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(398)	(322)	279	613
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	56	57	50	47
-to replace existing assets	567	625	713	900
Increase (decrease) in reserves	180	180	180	(20)
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	803	862	943	927
Surplus (deficit) of capital funding (C - D)	(1,201)	(1,184)	(664)	(314)
Funding balance ((A - B) + (C - D))	-	-	-	-

Community monitoring indicators

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

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

COMMUNITY

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

How will we know when we get there?

Indicators	Commentary	Result ³⁸
We will maintain International Safe Community accreditation	Our reaccreditation as a Pan-Pacific Safe Community was attained in 2021. Our accreditation spans a five year period and demonstrates our capacity to take strategic and proactive steps to prevent injury and promote a culture of safety for everyone in our district. <i>(Source: Receipt of international accreditation)</i>	✓
We will demonstrate restorative city principles	Council is committed to restorative city principles. Restorative meetings are held to resolve work relationship issues in order to achieve an appropriate outcome for all parties, and work is to be undertaken to incorporate restorative principles into other HR processes. Restorative practices have also been successfully used for community engagement. <i>(Source: Participation in the Restorative Cities programme)</i>	✓
The percentage of people who indicate high levels of belonging and wellbeing will increase	Overall, 54% of residents indicated that they had a “very high” or “high” level of wellbeing, This is a decrease of 6% compared to the previous reporting period. Residents rating their current level of wellbeing as “moderate” increased to 37% (up from 33% in 2020). <i>(Source: Community Views Survey)</i>	✗
	When asked to consider their sense of belonging, or feeling part of a community, more than half (59%) of residents rated their sense of	✓

³⁸ ✓ = achieved; — = not commenced/no result ✗ = not achieved

	<p>belonging as strong (41%). This was a significant increase (7%) compared to the previous reporting period. A further 18% of residents rated their sense of belonging as very strong (an increase of 1%) and 36% as moderate.</p> <p><i>(Source: Community Views Survey)</i></p>	
We will become more culturally diverse	<p>We have had increasingly more Maori, Pacific peoples, Asian and Middle Eastern / Latin American / African residents between the 2006 and 2018 censuses.</p> <p><i>(Source: Census results)</i></p>	✓
We will have more hapu / marae / community plans	<p>Work on specific hapū/marae/community plans has not progressed in this reporting year.</p> <p>Civil Defence community response initiatives were advanced in a number of the Whanganui River communities with capability enhancements, resilience activities and Community Response Plans.</p> <p>Council supported the Pūanga events, with an iwi/community leaders' decision not to hold the Whakawhanake (Waitangi Day) in 2021.</p> <p><i>(Source: Council records)</i></p>	✗
The community will be more satisfied with Council leadership	<p>45% of residents felt the performance of the Mayor and Councillors was either good (38%) or very good (7%). This measure has declined since 2018. 33% of residents felt the performance was neither good nor poor, while 14% felt it was poor or very poor. This was a decrease of 8% compared to 2020.</p> <p><i>(Source: Community Views Survey)</i></p> <p>In a new question for 2021, residents were asked why they rated the Mayor and Councillor's performance the way they did. A net total of 45% of people provided a positive comment (with leading reasons of doing a good job and that they have no problems with Council). Respondents providing a negative comment totalled 43% (with leading reasons relating to wasting money, the need to do more for Whanganui and focusing on the wrong things).</p> <p><i>(Source: Community Views Survey)</i></p>	✗
There will be greater levels of community pride	<p>69% of residents agreed (45%) or strongly agreed (24%) that they felt a sense of pride with how their neighbourhood looks and feels. This is an increase to those that agreed (cf.2020, 40%), and a decrease to those residents that strongly agreed (cf. 2020, 27%).</p>	✓

	Residents were not asked about their sense of pride with Whanganui as a whole in the 2021 survey. <i>(Source: Community Views Survey)</i>	
Council's performance will improve (for example, as measured through appropriate benchmarking tools)	<p>Council's inaugural assessment under the LGNZ CouncilMARK programme was undertaken in 2019, resulting in a BB rating in its first assessment. This is a local government excellence programme designed to demonstrate and improve the value and services of councils by measuring indicators across four priority areas. Participating councils are assessed by independent experts every three years and given an overall rating from triple AAA to C.</p> <p>We will continue to build on our reported strengths, and address any perceived gaps or areas that can be tightened up on. <i>(LGNZ CouncilMARK assessment)</i></p>	✓
Our district's performance in relation to national health targets will improve	<p>Whanganui DHB has had mixed results compared to the national rate across the national health targets up to June 2021. Improvement was recorded during the first quarter of the 2020/21 year for 3 out of 5 targets that involved faster cancer treatment, raising healthy kids and better help for smokers to quit. With the exception of faster cancer treatment however, the remaining target results decreased in the second quarter. The local health system strives to provide a high quality, equitable service to the whole population and, where targets are not met, corrective action is taken as soon as practically possible. <i>(Source: Ministry of Health)</i></p>	✗

 **CONNECTIVITY**

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

How will we know when we get there?

Indicators	Commentary	Result ³⁹
We will achieve international benchmarks	We were re-accredited for a further five years as a Pan-Pacific Safe Community in 2021. <i>(Source: Receipt of international accreditation)</i>	✓
National perceptions of our district as a tourism destination will increase	A change of provider and differences in data collection has meant that results of a 2019 survey are not comparable to previous surveys, however, its information will be used to direct the activities of Whanganui & Partners in its destination planning and marketing. Whanganui was ranked the 9 th favourite location within New Zealand, and the perceptions of our district were higher for those who have spent nights in Whanganui or time in the district. A perceived lack of attractions was cited by 22% of people as a reason Whanganui is not a holiday destination. Although there was lower visitation to Whanganui in 2019, a higher proportion of people spent time while passing through. <i>(Source: National Perceptions Survey)</i>	—
The number of visitors to Whanganui will track in line with national trends	Whanganui continued to experience tourism growth despite border closures and the national visitor industry suffering. Whanganui was one of only three regions to experience growth in 2020, carrying on the growth trend that was evident pre-COVID. Our accommodation occupancy rate was 42.3% which ranked 9 th out of 31 regional tourism organisations across New Zealand. Statistics NZ no longer produce a Commercial Accommodation Monitor for gauging visitor numbers so the tourism statistics have been sourced from the Ministry of Business, Innovation and Employment. <i>(Source: MBIE)</i>	✓

³⁹ ✓ = achieved; — = not commenced/no result ✗ = not achieved

<p>Satisfaction with roading and connectivity will increase</p>	<p>The number of residents that were satisfied (46%) or very satisfied (10%) with the roads in the Whanganui district increased from the previous reporting period (cf. 2020, 42% and 9% respectively). Overall dissatisfaction with the road decreased to 17% (cf. 2020, 20%).</p>	<p>✓</p>
	<p>Data for 2020/21 is not available as this question was not asked as part of the Community Views Survey 2021. <i>(Source: Community Views Survey)</i></p>	<p>—</p>
<p>More people will be using our walkways</p>	<p>Resident usage of the Whanganui Riverbank Walkway remained the same over the reporting period with 67%. Usage of other river or park walkways reduced to 53% (cf. 65% in 2020). <i>(Source: Community Views Survey)</i></p>	<p>✗</p>
<p>We will have higher rates of tertiary qualifications</p>	<p>The number of people in the Whanganui district with a Bachelor degree or higher has progressively increased between the 2006, 2013 and 2018 Census. <i>(Source: Census results)</i></p>	<p>✓</p>
<p>We will gain a positive reputation as a destination of choice to live, work, study and do business</p>	<p>A change of provider and differences in data collection has meant that results of a 2019 survey are not comparable to previous surveys, however, its information will be used to direct the activities of Whanganui & Partners in its destination planning and marketing. The externally delivered Nations Perceptions Study is conducted every two years. <i>(Source: National Perceptions Survey)</i></p>	<p>—</p>
<p>The Digital Strategy's indicators and objectives will be met</p>	<p>Recent resourcing for the implementation of the Council's Digital Strategy and 'smart community' approaches has enabled the tracking of the strategy's objectives and measurable outcomes to commence. Progress on these will be more fully reported in the 21/22 year. Key achievements in the reporting period, however, included :</p> <ul style="list-style-type: none"> • Extending our range of online services adding more building and planning applications, historic rates records, animal pound appointment bookings, and property file requests. • Introducing Antenno – an application that offers more options for interacting with Council. • Launching 'YES' (Youth Employment Success) – a new digital platform connecting local youth with employment experiences. 	<p>✓</p>

	<ul style="list-style-type: none">• Partnering with the Digital Inclusion Alliance of Aotearoa, we ran free digital literacy programmes for people over 65 years. Extra courses were required due to its popularity.• Significantly increased the number of visitors to our promotional websites. Whanganui & Partners reported that around 150,000 people have accessed these between July 2020 and March 2021.• Delivery of the i4 Data Lab Design Workshop by Whanganui & Partners that introduced users to a data-driven innovation programme. <p><i>(Source: Council reporting)</i></p>	
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CREATIVITY

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

How will we know when we get there?

Indicators	Commentary	Result ⁴⁰
The types of jobs we offer in our district will increasingly support a knowledge economy	There were 1,164 filled jobs in information media, telecommunication services, professional, scientific and technical services in 2020. Professional, scientific and technical services was the second biggest growth industry in 2020 at 4.9% (financial and insurance services at 5.2%). <i>(Source: Infometrics)</i>	✓
The percentage of 15 to 24 year olds not in employment, education or training (NEET) will decrease	Although higher than the national average of 11.9%, the Whanganui NEET rate for the 2020 year was 15.7% which was a decrease from the previous reporting year (cf. 2019, 20.3%). <i>(Source for 2020 NEETs: Infometrics)</i>	✓
We will have implemented our Arts and Culture Strategy	An Arts and Culture Strategic Plan, with a ten-year framework (2019-2029), was finalised in November 2019 and responsibilities for its implementation delegated to Whanganui District Council, Whanganui & Partners, and New Zealand Glassworks (NZG). Progress will continue to be tracked in the 2021/22 year. Key achievements in 2020/21 include: <ul style="list-style-type: none"> • Whanganui & Partners established the Regional Film Office for Whanganui. • We submitted an application to be recognised as a UNESCO City of Design in the Creative Cities Network. • We established the Making It programme to facilitate capability building, assisting 16 participants to date. • We distributed five creative infrastructure grants through the Amplify programme. <i>(Source: Council minutes and Whanganui & Partners)</i>	✓
We will have more people engaged in our district's arts and cultural events	The number of residents reporting that they were involved in any art events or cultural activities or performances increased to 35% (c.f. 2020, 34%). A 2% increase was also indicated for residents attending a performance or event at the Royal Whanganui Opera House (c.f. 2020,	✓

⁴⁰ ✓ = achieved; — = not commenced/no result ✗ = not achieved

	<p>30%). The number of visitations to the Regional Museum, Sarjeant on the Quay, and theatre e.g. Amdram or Repertory, remained the same at 32%, 26%, and 12% respectively.</p> <p><i>(Source: Community Views Survey)</i></p>	
<p>There will be more social infrastructure and place-making activities in our district</p>	<p>Council continued to deliver more social infrastructure and place-making activities in our district this year. The Whanganui Walls Street Art Festival event was successfully run this year with the addition of 7 large scale murals to walls within the CBD. Continued implementation of the Town Centre Regeneration project saw the Maria Pop Up realised over summer with a mobile food stall and giant outdoor games; and the installation of the Tram Shed Screen, providing an attractive backdrop for the market and riverfront area.</p> <p>A street party to celebrate the new transformative streetscape in Drews Avenue was part of the 2021 Lights on Bikes event. The Innovating Streets funding was used to create a more people-friendly space with greenery, seating, an outdoor gallery space using light boxes, and a giant marble run.</p> <p>Following seed funding being granted from Tourism NZ, a project team is developing a plan to create a walking tour for the CBD.</p> <p><i>(Source: Council minutes)</i></p>	<p>✓</p>
<p>More people will perceive our district as an arts hub</p>	<p>A change of provider and differences in data collection has meant that results of a 2019 survey are not comparable to previous surveys, however, its information will be used to direct the activities of Whanganui & Partners in its marketing.</p> <p>Although only 29% of people in the 2019 survey considered that Whanganui has lots of arts and cultural activities available, interestingly 42% of people considered that Whanganui had a rich culture and heritage.</p> <p><i>(Source: National Perceptions Survey)</i></p>	<p>—</p>
<p>The number of people registered in tertiary / trades training will be maintained or increase</p>	<p>In 2020, Whanganui had 4,784 learners (enrolled in tertiary institutions, industry training organisations, private training establishments and wānanga).</p> <p>This is a new set of data for this monitoring outcome as the Ministry of Education no longer</p>	<p>✓</p>

	<p>collects trades training numbers. It is now measured through the Ngā Kete Platform (TEC). <i>(Source: Ngā Kete, 2020 Learner enrolments, Regional Profile)</i></p>	
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ENVIRONMENT

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

How will we know when we get there?

Indicators	Commentary	Result ⁴¹
We will meet environmental monitoring targets through the State of the Environment Report	Horizons Regional Council (Horizons) has a range of monitoring programmes to report on the state of the environment within its region, with its last formal report being published in 2019. Monitoring is undertaken on air, groundwater, and river quality, as well as water quantity, biodiversity and the ecological health of water bodies such as lakes and estuaries. Our Council has not completed state of the environment monitoring yet. This work will be progressed in conjunction with other environmental policy work.	—
We will have implemented a Town Centre Regeneration Strategy	This is an ongoing process. A focus has been on activation of Town Centre locations through art and social infrastructure as well as improving basic visitor needs. <i>(Source: Council minutes)</i>	✓
We will have achieved the targets in our Waste Management and Minimisation Plan	Council is currently reviewing its Waste Management and Minimisation Plan and in doing so reviewed its current Plan (2015). That review showed 14 out of the 19 separate actions have been completed and the remaining five have been either partially completed or proved to be impractical. This includes good progress with increased volumes and types of products being recycled through the Resource Recovery Centre and works towards assessing the community appetite for Council-led kerbside recycling collection service. Council has consciously decided not to pursue the one unrealistic target at this stage. <i>(Source: Waste Working Party Reports)</i>	✓
Our corporate environmental impact will reduce and will become a resource-efficient Council	The implementation of a Council-wide recycling programme has seen a significant increase in waste being collected and recycled from Council buildings and complexes. A total of 78,000 kilograms of waste was recycled through Council's venues this year. Council also continued with a recycling trial at 3 of its 16	✓

⁴¹ ✓ = achieved; — = not commenced/no result ✗ = not achieved

	<p>pensioner housing complexes with approximately 90m³ of product recycled. Our Council venues promoted zero waste recycling at 7 major events involving 15,000 attendees in Whanganui during the year diverting over 55m³ of waste from landfill in the process.</p> <p>As well as an improvement in Council's resource efficiency with less paper being used, corporate electricity and gas usage has also decreased. Council has included hybrid models in its corporate vehicle fleet.</p>	
<p>We will demonstrate a sustainable approach to resource management in line with the goals of the District Plan</p>	<p>Our current District Plan continues to serve its purpose as we manage development to suit our community and its aspirations. <i>(Source: Council records)</i></p>	<p>✓</p>

ECONOMY

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

How will we know when we get there?

Indicators	Commentary	Result ⁴²
There will be more jobs and businesses established in the district	There were 20,389 filled jobs in Whanganui in 2020. This is an increase of 1.3% from 2019. <i>(Source: Infometrics)</i>	✓
Our median income will increase	Our median income increased from \$23,500 to \$24,400 between 2013 and 2018. This compares to a median of \$31,800 for all of New Zealand. <i>(Source: Census results)</i>	✓
We will have more people in our district	There were an estimated 48,100 residents in the Whanganui District in 2020. This is an increase of 1.7% from 2019. <i>(Source: Infometrics)</i>	✓
We will have more people with NCEA Level 2	Whanganui District had an 84.1% attainment rate of NCEA Level 2 in 2020. This was an increase of 5.4% (c.f. 2019, 78.7%) and was also above the national rate of 80.8%. <i>(Source: Ministry of Education 2021)</i>	✓
We will perform well on the Affordability Index	The Whanganui District scored 4.6 on Infometric's Housing Affordability Index for 2021. This makes Whanganui more affordable than New Zealand as a whole, which scored 6.7. The score reflects the ratio between average income and average house price, so a lower score means increased affordability. <i>(Source: Infometrics)</i>	✓
More people will have a positive view of the lifestyle benefits in Whanganui – both internally and externally	84% of residents surveyed reported being satisfied or very satisfied with living in Whanganui. This was an increase of 81% as reported in 2020. <i>(Source: Community Views Survey)</i>	✓
	A change of provider and differences in data collection has meant that results of a 2019 survey are not comparable to previous surveys when measuring the perceptions for each of the lifestyle factors. <i>(Source: National Perceptions Survey)</i>	—
Our residents' satisfaction in relation to their standard of living will improve	85% of residents rated their standard of living as good (59%) or extremely good (26%). This was an increase of 5% from the previous reporting period. <i>(Source: Community Views Survey)</i>	✓

⁴² ✓ = achieved; — = not commenced/no result ✗ = not achieved

<p>We will meet the targets in our Economic Development Strategy</p>	<p>We adopted an Economic Development Strategy in 2018. Whanganui & Partners had a Statement of Intent (2020/21) that aligned to this strategy, and we have substantially met the goals and objectives outlined in this document. <i>(Source: Whanganui & Partners)</i></p>	<p>✓</p>
<p>Our schools will have more international students</p>	<p>There is no formal data for this monitoring outcome any longer. Data sourced directly from education providers indicated that Whanganui had 130 international students in 2020 (Terms 3 & 4), and 97 students in 2021 (Terms 1 & 2). With New Zealand’s borders remaining shut due to the COVID pandemic, these numbers are likely to continue to decline. <i>(Source: Whanganui Education providers)</i></p>	<p>✗</p>
<p>We will have the same rate of growth for tourism spend as the New Zealand total average</p>	<p>From January to December 2020 Whanganui had the best tourism growth in the country at +3%. Our tourism growth continues to track upwards. Whanganui was one of only three places to experience tourism growth replacing international visitors make up with domestic visitor attraction and growth. <i>(Source: MBIE Monthly Regional Tourism Estimates)</i></p>	<p>✓</p>

Council Controlled Organisations

Whanganui District Council Holdings Limited

Objectives

1.1 The Board intends to operate as a successful business in relation to its investments.

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

1.2 The company aims to improve the long term value and financial return that WDC receives from its commercial entities by:

1.2.1 Optimising financial and physical resources through close scrutiny of potential areas of inefficiency, waste or under-utilization of capital.

The Directors all have extensive and varied commercial experience which when combined provides a wide set of skills that can provide solutions to issues of inefficiency or under-utilisation of capital.

1.2.2 Providing prudent management of investments and timely, constructive professional advice regarding its position as shareholder in WGL, NZ International Commercial Pilot Academy Ltd, and any other subsidiary companies or undertakings.

In 2020, as a result of the WDC-initiated review two new WDCHL Directors were appointed and three WDCHL Directors resigned to provide independence from the WDCHL Board and its subsidiaries Boards. WDCHL's directors were actively involved in managing the impact of COVID-19 on WDCHL and its subsidiaries, in particular NZICPA, to ensure they continued to remain commercially viable.

1.2.3 Meeting the expectations of WDC for quality, cost effective strategic planning advice on investments and trading undertakings.

The Board meets six-weekly to discuss its portfolio performance and the Chair has reported to Council at almost every meeting to update the Council on matters. Additional meetings were held with the Mayor and Chief Executive of Council to inform and discuss the impact of Covid-19 on WDCHL and NZICPA.

1.2.4 Reviewing and advising on the strategies and plans of any subsidiary company, business unit or asset when requested by WDC.

Board meetings are held on a six-weekly basis and include reports from the subsidiaries with in person reporting as required. Additional meetings were

held with the Mayor and Chief Executive of Council when required to discuss the company strategies and plans. Board papers include reports on each area under WDCHL's governance portfolio.

1.2.5 Being a good corporate citizen and exercising the appropriate level of social responsibility toward the community and the environment, consistent with the conduct of a sustainable and profitable business.

WDCHL's Directors are experienced directors who have had significant training and experience in the operations of a Board and the concept of governance. The directors are aware of the responsibilities of local government as defined by the Local Government Act 2002 and carry out their decision making with the benefits to the ratepayers of the Whanganui District in the forefront in addition to ensuring the sustainability and profitability of the business.

Performance targets

Objective	Performance metric	
Advanced Aviation Hub		
1. Provided investment is agreed from all parties proceed with plans to construct a National Simulator Centre in Whanganui.	<ul style="list-style-type: none"> National Simulator timelines are in place and work is underway. 	<ul style="list-style-type: none"> Project continues to be on hold due to impact of Covid-19.
	<ul style="list-style-type: none"> Funding secured. 	<ul style="list-style-type: none"> Decision deferred
NZICPA		
3. Make NZICPA profitable	<ul style="list-style-type: none"> Positive net profit for the year. 	<ul style="list-style-type: none"> To be completed on receipt of NZICPA AR
4. Ensure NZICPA has appropriate, fit-for-purpose accommodation and infrastructure.	<ul style="list-style-type: none"> All students housed in suitable accommodation. Collegiate Motor Inn repurposed for NZICPA. Aircraft, hangar , and other infrastructure meets the needs of students and our contracts with airlines. 	<ul style="list-style-type: none"> All requirements were met during the year.
5. Ensure NZICPA has the resources and business systems required to be a sustainable, stand-alone business.		<ul style="list-style-type: none"> NZICPA operated independently from its parent WDCHL.
GasNet		
6. Operate GasNet efficiently and in compliance with regulations.	<ul style="list-style-type: none"> EBITDA greater than \$3.0 m No material breaches of regulations. Customer performance metrics (SAIDI, CAIDI etc) achieved. 	<ul style="list-style-type: none"> Achieved.

Financial		
7. Review the group's capital structure to ensure it is prudent and suitable for the strategic path of the subsidiaries.	<ul style="list-style-type: none"> Review completed and changes (if any) agreed with Council. 	<ul style="list-style-type: none"> The review is now planned to be undertaken in the 2021/22 financial year in accordance with the WDCHL Statement of Intent for that year.
8. Generate an adequate financial return for the group as a whole.	<ul style="list-style-type: none"> Council requests a return of 14% on its paid up share investment in WDCHL. 	<ul style="list-style-type: none"> No dividend was paid due to the impact of Covid-19 on NZICPA and the need to ensure that sufficient cash is retained to meet working capital needs.
Other		
9. Director induction: of new director(s) .	<ul style="list-style-type: none"> New board information compiled on basis of revised structure. 	<ul style="list-style-type: none"> New Directors appointed and successfully inducted.
10. Board performance: review of board performance at year end.	<ul style="list-style-type: none"> Review completed and any identified issues are acted upon. 	<ul style="list-style-type: none"> The review is now planned to be undertaken in the 2021/22 financial year in accordance with the WDCHL Statement of Intent for that year.
11 Provide commercial and strategic advice to WDC on an 'as required basis'.		

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

	Budget	Actual	Actual
	2020/21	2020/21	2019/20
Dividend paid	\$1,000,000	\$0	\$0

No dividend was paid due to the impact of Covid-19 on NZICPA and the need to ensure that sufficient cash is retained to meet working capital needs.

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

The directors have closely monitored the Whanganui District Council's investment in GasNet Limited and New Zealand International Commercial Pilot Academy Limited (NZICPA), with all Directors of WDCHL, including the Chair, sitting on the GasNet and NZICPA Boards. The Board has facilitated the continuance of the Council's investment with variances to performance targets being monitored.

Note: The audits of the Annual Reports for 2020/21 for Whanganui District Council Holdings Limited, New Zealand Commercial Pilot Academy Limited and Whanganui Airport Joint Venture have not been finalised at 7 December 2021 and therefore some information may be subject to change.

GasNet Limited

Statement of Intent

GasNet Limited (the Company) is an energy company formed in accordance with and registered under the Companies Act 1993. The Company is incorporated in New Zealand and is domiciled in Whanganui, New Zealand. The Company's parent entity is Whanganui District Council Holdings Limited.

The Statement of Corporate Intent (SoCI) sets out the overall intentions and objectives of GasNet Limited for the year beginning 1 July 2020.

Objectives

The Directors intend that the Company operate as a successful energy business and be at least as profitable and efficient as other gas distribution network companies and gas measurement system (GMS) companies.

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

Activities

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

Performance Targets

The performance of the Company will be judged against the following measures aligned to that provided in its SoCI:

Key Performance Indicators (KPIs)

	SoI Target	Budget Target	Actual	Actual
	2020/21	2020/21	2020/21	2019/20
<u>Health and Safety</u>				
Incidents Reported (No)	5	5	11	7
Lost Time Incidents	0	0	0	0
Lost Time Rate	0	0	0	0
<u>Financial Performance</u>				
EBITDA (before Subvention payment)	\$3.4m	\$3.05m	\$3.18m	\$2.81m
Capex Depreciation Ratio	1	1	1.03	0.59
Rate of Return (minimum)	6.43%	6.43%	8.89%	7.71%
Accumulated profits & capital reserves distributed to shareholders	\$1.8m	\$0.96m	\$1.30m	\$1.46m
Subvention payments made to WDCHL Group members	\$0.0m	\$0.20m	\$0.11m	\$0.34m
	SoI Target	Budget Target	Actual	Actual

	2020/21	2020/21	2020/21	2019/20
<u>Network Throughput</u>				
Total Throughput	1.3 PJ	1.27 PJ	1.26 PJ	1.31 PJ
UFG (Unaccounted For Gas)	1.0%	1.0%	1.85%	1.32%
<u>Operational Financial Performance</u>				
Direct & Indirect Costs per consumer	\$217	\$249	\$243	\$273
Direct & Indirect Costs per GJ conveyed	\$1.71	\$1.98	\$1.95	\$2.11
<u>Network Reliability</u>				
<i>Planned Interruptions (Class B)</i>				
Consumer Hours Lost	370	370	212.75	395.92
	SoI Target	Budget Target	Actual	Actual
	2020/21	2020/21	2020/21	2019/20
<i>Unplanned Interruptions (Class C)</i>				
Consumer Hours Lost	80	80	124.27	132.35
<i>Unplanned Third Party Interruptions (Class I)</i>				
Consumer Hours Lost	40	40	61.9	46,879.6
<i>Total Interruptions</i>				
Consumer Hours Lost	490	490	398.92	47,407.87
Third Party Interference Damage (No)	25	25	29	25
Public Reported Gas Escapes (No)	50	50	38	39
Metering				
Total on-network (000)	Not supplied	10.15	10.11	10.06
Total off-network (000)	Not supplied	0.23	0.23	0.23

Assessment

The performance of the Company will be judged against the above measures aligned to that provided in its Sol or as changed in striking the operating budget. The Company is of the opinion that, as a reasonable and prudent operator, it has achieved the above performance targets within acceptable margins and continues to exercise tight cost controls on the financial KPI's. Significant variations are discussed below.

The company advanced \$1,200,000 to the parent Whanganui District Council Holdings Limited as a planned dividend and an unplanned \$100,000 as an extraordinary dividend. GasNet Limited made an unplanned subvention payment to New Zealand International Commercial Pilot Academy of \$109,814. Combined target of Dividend and subvention payments was \$1.2M. Year to year budget differences related to increased company financial commitments.

Health and Safety performance is being maintained although 'Incidents Reported' increased from 7 in the previous year to 11 this year 6 above the 2020-21 target of 5. The Incidents Reported includes 3 injury incidents and 8 near miss incidents. The increase is near misses

reported is likely attributable to a Health and Safety refreshers course attended by all in the company in February 2021 which focussed on near-miss reporting.

With its focus on ensuring the health and safety of its employees, contractors and the public and the safe transportation and delivery of gas to consumers, the low number of incidents reflects the company's commitment to health and safety. There were three minor injuries that included a bruised shin when an office worker walked into an item stored incorrectly, an injury to a field worker's finger tips when they were caught between a bar and the ground which resulted in bruising; and an insect sting to a field worker.

A review audit of the Public Safety Management System (PSMS) was partially completed remotely by Telarc Limited in April 2020 during COVID19 Alert level 4. This year's PSMS review audit was conducted on 6th and 7th April at GasNet Limited's office in Whanganui by Telarc Limited.

Throughput of gas in the networks was higher than the previous year despite being slightly lower than target, and connection numbers reduced from 81 last year to 50 new consumer connections made during the year.

The Company has now been operating in a pandemic mode for the entire 2020-21 financial year, mostly at Alert Level 1 with several temporary escalations to Alert Level 2. It is GasNet's view that commercially, COVID-19 has had an insignificant impact on revenue while having increasing impacts relating to both cost of products and reduced availability of same. To potentially offset the availability impact, the Company has been buying in greater quanta for extended delivery timeframes which has introduced a further issue of storage space requirements. The Company does not see any quick fixes to inventory challenges given the global delivery chains are now undersized with airfreighting being so limited and access to raw materials being frustrated by country specific COVID-19 restrictions as well as equivalent supply chains constraints.

The Company views the emergent challenges from recent Climate Change Commission final advice (end of May 2021) to the Government as being potentially commercially significant. The Company is also mindful that during the 2021-22 financial year the NZ Commerce Commission will be resetting regulatory settings for our network business for the next four/five pricing years (1 October 2022 to 30 September 2026 or 2027).

Planned network interruptions (Class B) were similar in number to the previous 3 years. It is expected that this number will increase as main renewal work increases over time.

There was a reduction in the number of unplanned network interruptions (Class C) this year but the duration of interruptions were similar to previous years.

The number of unplanned supply interruptions caused by third party damage (Class I) were similar to previous years except the immediate past year when a pressurised water main ruptured damaging a low pressure gas main and flooding approximately 9 kilometres of the low

pressure gas network with water. The water effectively blocking the gas main and services interrupted supplies to approximately 283 consumer supplies for up to 2 weeks.

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

Note: The audits of the Annual Reports for 2020/21 for Whanganui District Council Holdings Limited, New Zealand Commercial Pilot Academy Limited and Whanganui Airport Joint Venture have not been finalised at 7 December 2021 and therefore some information may be subject to change.

New Zealand International Commercial Pilot Academy Limited (NZICPA)

Description of Entity's outcomes

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

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

NZICPA acts in alignment with corporate social responsibility best practice, and this is particularly focused on a community approach to youth development. This is facilitated through our pastoral care operations at the Hato Hohepa and Collegiate Estate sites.

Description and Quantification of the Entity's outputs

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

NZICPA delivers the following programmes and or qualifications:

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

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

Performance Results

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

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

Description and Quantification of the Entity's Outputs

NZICPA delivered an improved performance during the FY 20/21. Increasing flying hours from 9,265 to 13,976 and revenue from \$3,278,879 to \$3,945,613.

None the less, financial performance was severely affected by Covid-19 and an inability to bring new international students into the country.

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

Consolidated Shareholders' Funds

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

The Ratio for the year was (0.019%) (2020: (0.011%)).

	2021	2021 SOI	2020
Consolidated Shareholder Funds	(94,167)	-	(\$66,875)
Total Assets	\$4,971,918	-	\$5,694,313
Ratio Shareholder Funds Divided by Total Assets	(0.019%)	< 50%	(0.011%)

TEC Performance Metrics

	2021	2021 SOI	2020
Net tangible assets (i.e. shareholders' equity /funds less intangible assets; e.g. goodwill)	(3%) Fail	Net tangible assets should be larger than 2% of total revenue and larger than 60% of total tangible assets (less prepaid fees)	(2%) Fail
Liquid Assets (cash plus bank deposits plus readily liquefiable investments less bank overdrafts divided by annual cash outflow from operations)	14% Pass	8% to 12%	31.2% Pass
Working capital ratio (current assets divided by current liabilities)	87.6% Fail	100%+	95.3% Fail
Profitability (net surplus after tax to total income)	(3.2%) Fail	For commercial entities returns of 3% plus are desirable. For charitable trusts and other not for profit organisations the aim should be to maintain operating surpluses over the medium to longer term to ensure trust capital is not being eroded.	(12.7%) Fail
Net cash flow from operations (cash inflow from operations divided by cash outflow from operations)	102.5% Fail	111% plus	129.3% Pass
Debt divided by debt plus net tangible assets	(132.5%) Fail	Total borrowings less than 50% of net tangible assets; i.e. a debt ratio of less than 33%.	(2341.7%) Fail

As a TEO NZICPA has obligations to give its students the best opportunity to succeed this is measured by monitoring pass rates and percentage of former students either in further study or employed:

	2021	Budget 2021	2020
CPL flight test pass rate %	83%	85%	92%
CPL theory test pass rate %	81%	75%	75%
Domestic Students in study or employed %	50%	70%	71%

The low outcome for domestic students in study or employment reflects the impact of Covid-19 on the airline industry and the demand for pilots.

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

	2021	2021 SOI	2020
Student Numbers	102	160	85
Flying Hours	13,976	22,000	9,265
Margin per Flying Hour	\$115	\$40	\$64

Note: The audits of the Annual Reports for 2020/21 for Whanganui District Council Holdings Limited, New Zealand Commercial Pilot Academy Limited and Whanganui Airport Joint Venture have not been finalised at 7 December 2021 and therefore some information may be subject to change.

Whanganui Airport Joint Venture (WAJV)

The primary objectives of the airport operation are to:

- Provide high quality facilities and service commensurate with existing levels of aviation activity and in accordance with all the appropriate Acts, Regulations and Rules pertaining to airport and aviation operations in line with the size of Whanganui Airport.
- Operate the airport in a sound and business-like manner.
- Improve the long term value and financial performance of the airport while improving the economic value of the airport to Whanganui.

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

These objectives are listed below with the relevant targets and measure(s) of performance, and the performance achieved during the financial year.

Objective

Operate the airport in a sound and business-like manner.

Performance measure

Reduction of the current loss position to 'break even' or to a level acceptable to Council in light of the CCO's economic value to Whanganui.

Achievement

	2016	2017	2018	2019	2020	2021
Net Profit/(Loss)	-253,000	266,000	-313,000	-347,000	-409,000	-455,000

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

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

The result is acceptable to the Joint Venture Partners.

Objective

Provide high quality facilities and service commensurate with existing levels of aviation activity and in accordance with all the appropriate Acts, Regulations and Rules pertaining to airport and aviation operations of the size of Whanganui Airport.

Performance measure

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

Achievement

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

Objective

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

Performance measure

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

Achievement

The Joint Partners continue to investigate ways of improving revenue streams as well as controlling costs. The airport manager and CE meet on a two weekly basis. Positive development continues with the direction being taken by the airport aimed at increasing user satisfaction.

Note: The audits of the Annual Reports for 2020/21 for Whanganui District Council Holdings Limited, New Zealand Commercial Pilot Academy Limited and Whanganui Airport Joint Venture have not been finalised at 7 December 2021 and therefore some information may be subject to change.

Exempt Council Controlled Organisations

Whanganui River Enhancement Charitable Trust

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

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

The Whanganui River Enhancement Charitable Trust has been exempted according to section 7 of the Local Government Act 2002 (the Act). It is therefore not a Council Controlled Organisation for the purposes of the Act.

Sarjeant Gallery Trust Board

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

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

The Sarjeant Gallery Trust Board has been exempted according to section 7 of the Local Government Act 2002 (the Act). It is therefore not a Council Controlled Organisation for the purposes of the Act.

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

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

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

Other Non-Trading Organisations

Whanganui and Partners Limited, and Whanganui Port Limited are non-trading exempt Council Controlled Organisations.

Annual report disclosure statement

For the year ending 30 June 2021

What is the purpose of this statement?

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

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

Rates affordability benchmark

The council meets the rates affordability benchmark if—

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

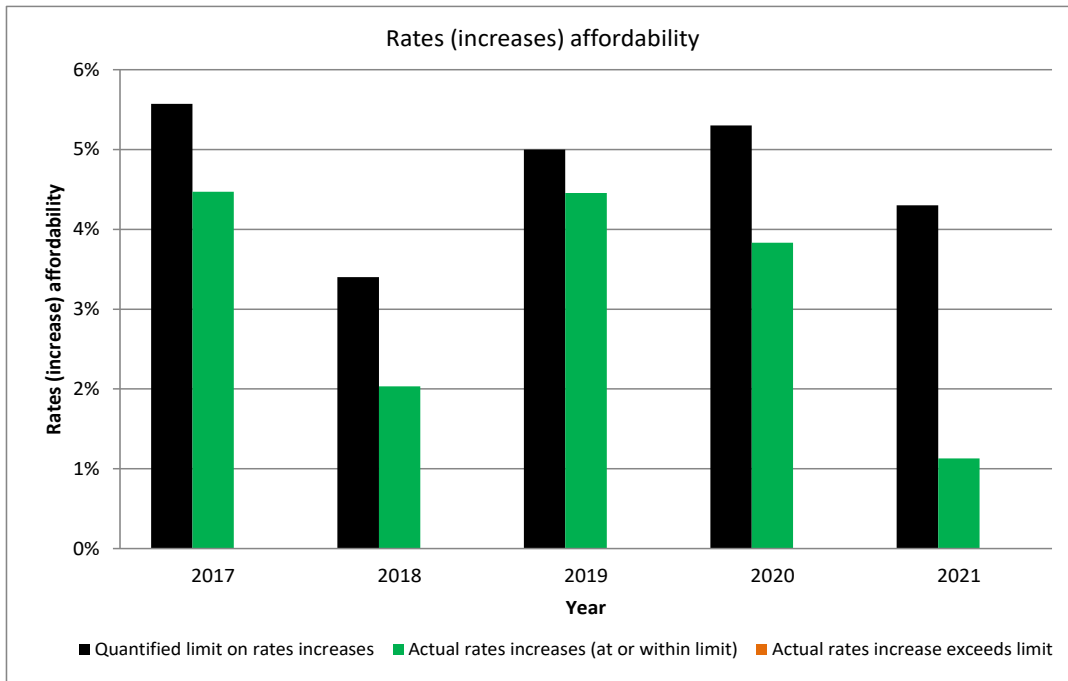
Rates (income) affordability

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



Rates (increases) affordability

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



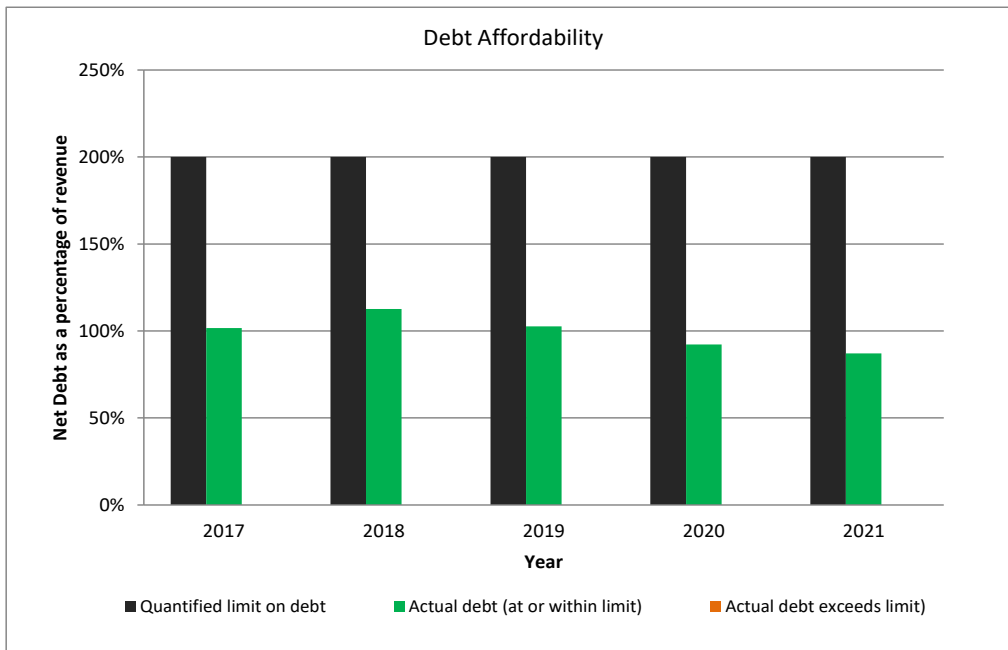
Debt affordability benchmark

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

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

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

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

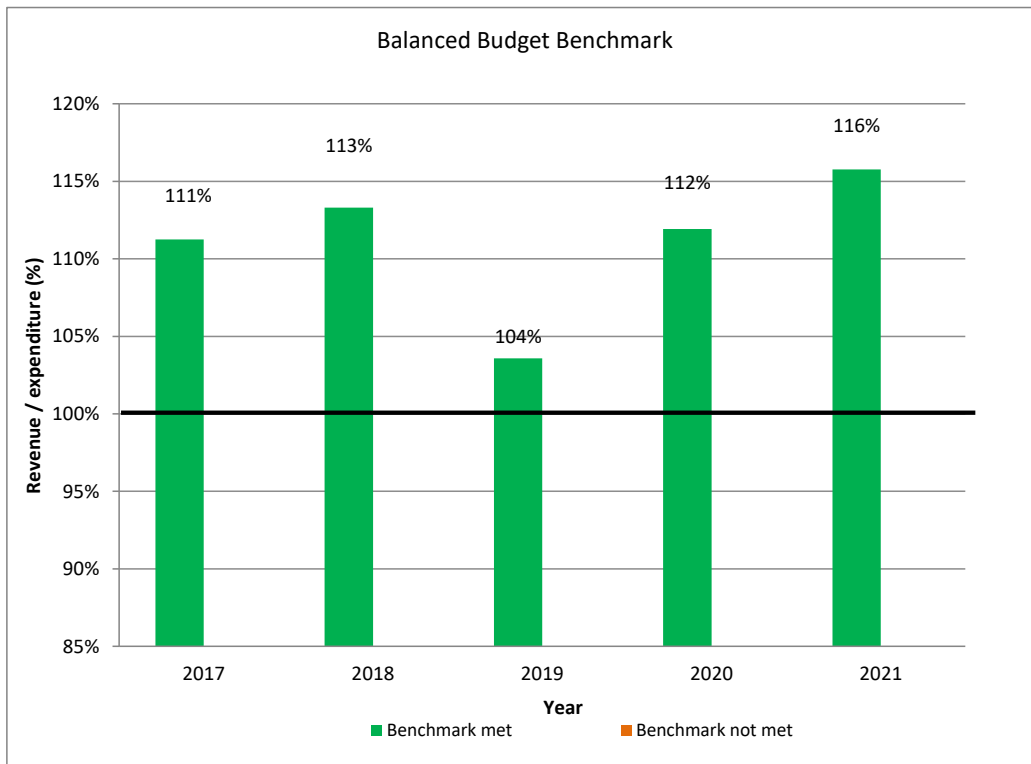


SUSTAINABILITY BENCHMARKS

Balanced budget benchmark

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

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



SUSTAINABILITY BENCHMARKS

Essential Services Benchmark

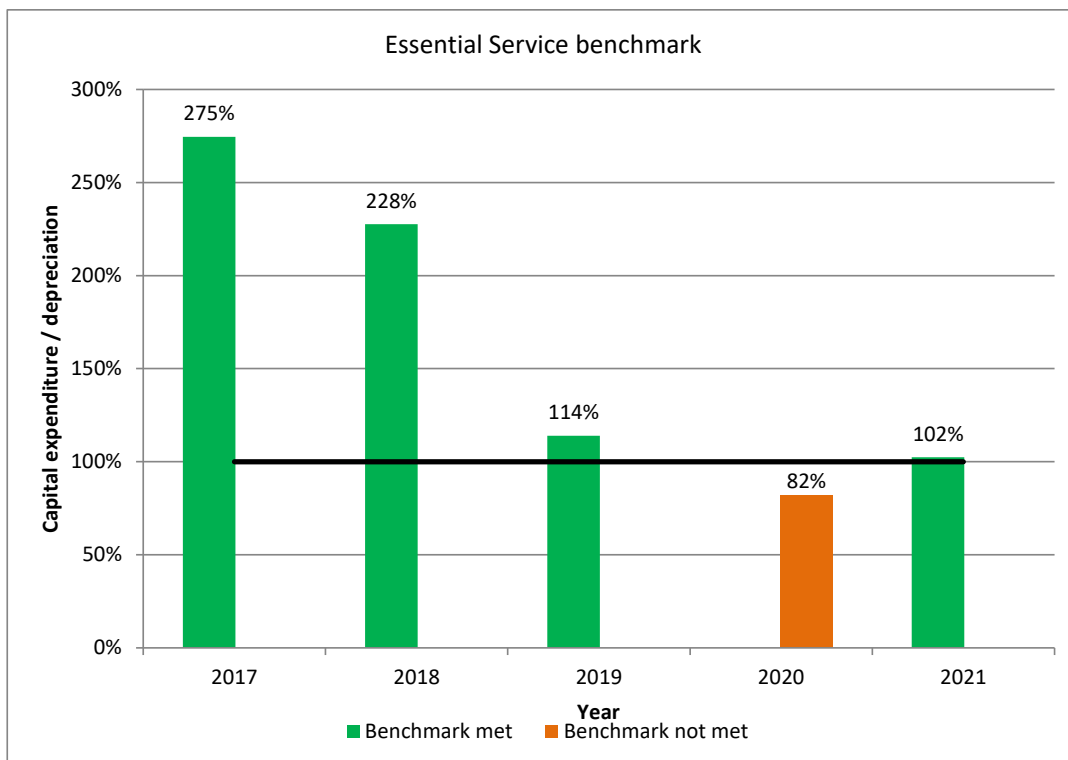
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Council did not meet the essential services benchmark in 2019/20. There are a number of factors that contribute towards capital expenditure being less than depreciation including:

- The \$41.2M upgrade to our Wastewater Treatment Plant carried out from 2016-2018 results in a higher depreciation charge and a lower requirement to spend large amounts on this asset.
- We have adopted a risk-based approach to asset management, meaning that we have prioritised capital expenditure towards critical assets, non-critical assets will be run to failure, and then replaced/renewed. Over a number of years we have been gathering reliable data on the condition of our critical assets to ensure money is spent prudently, and in the area of most need.
- Our Roothing asset management are prepared in full compliance with the “One Network Road Classification” (ONRC) outlined by the New Zealand Transport Agency (NZTA), these plans are audited by NZTA who funds 61% of our Roothing expenditure.

We plan our capital expenditure on network services based on asset information, criticality and condition. Although we do not meet the requirements of this benchmark, we believe that our capital expenditure is set at a sustainable and prudent level.

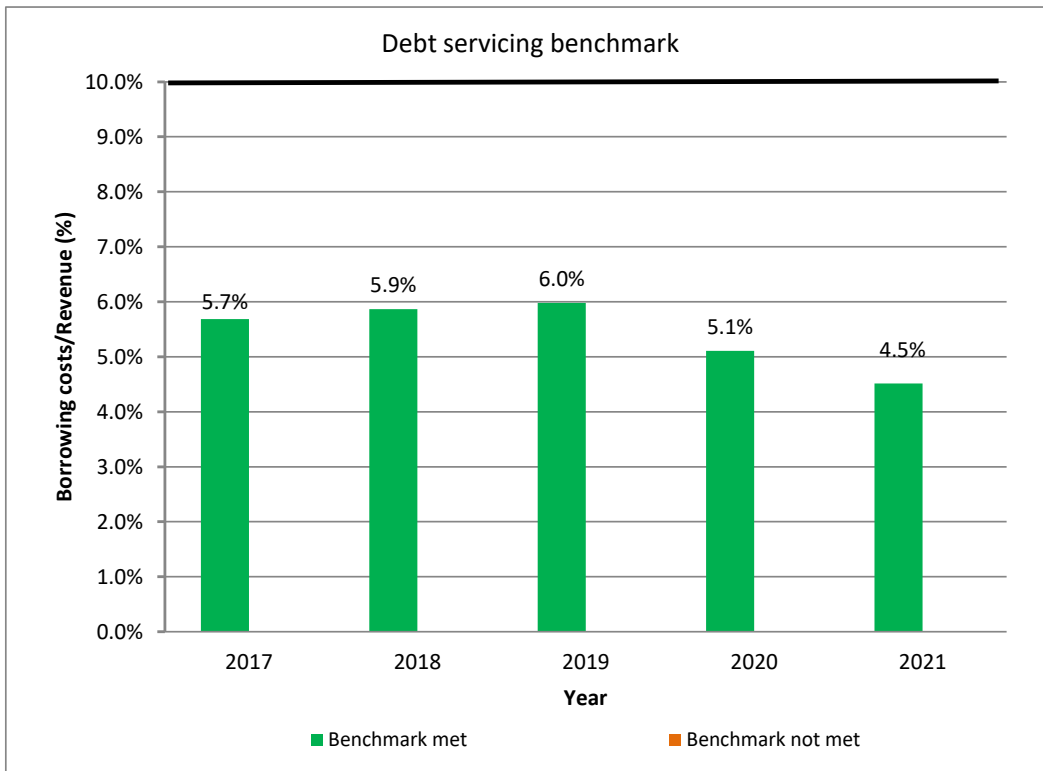


SUSTAINABILITY BENCHMARKS

Debt servicing benchmark

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

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

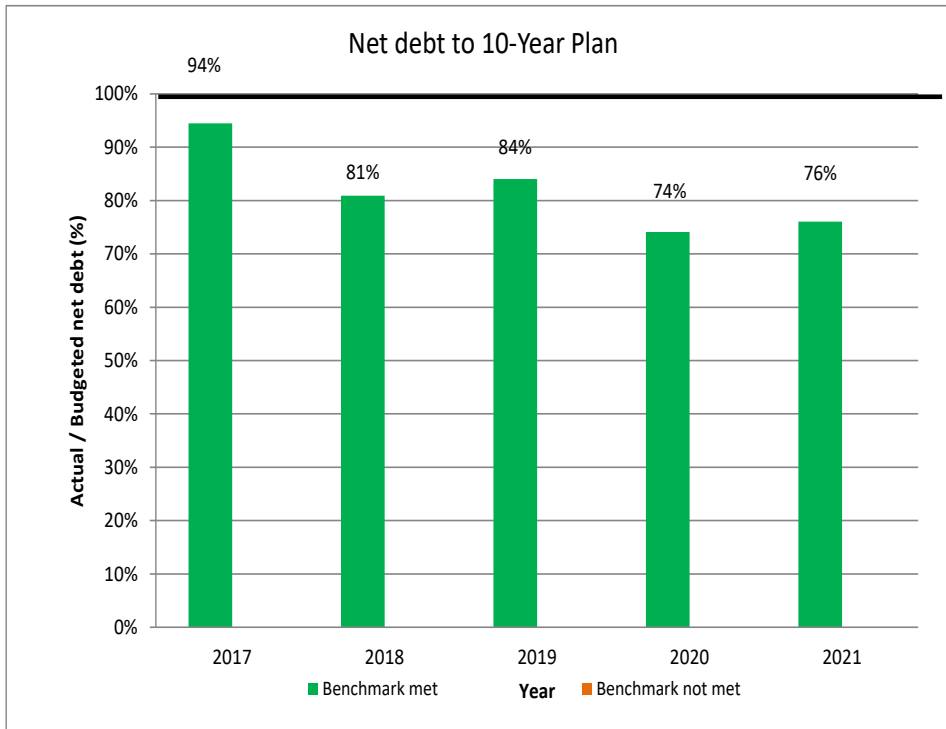


PREDICTABILITY BENCHMARKS

Debt control benchmark

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

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



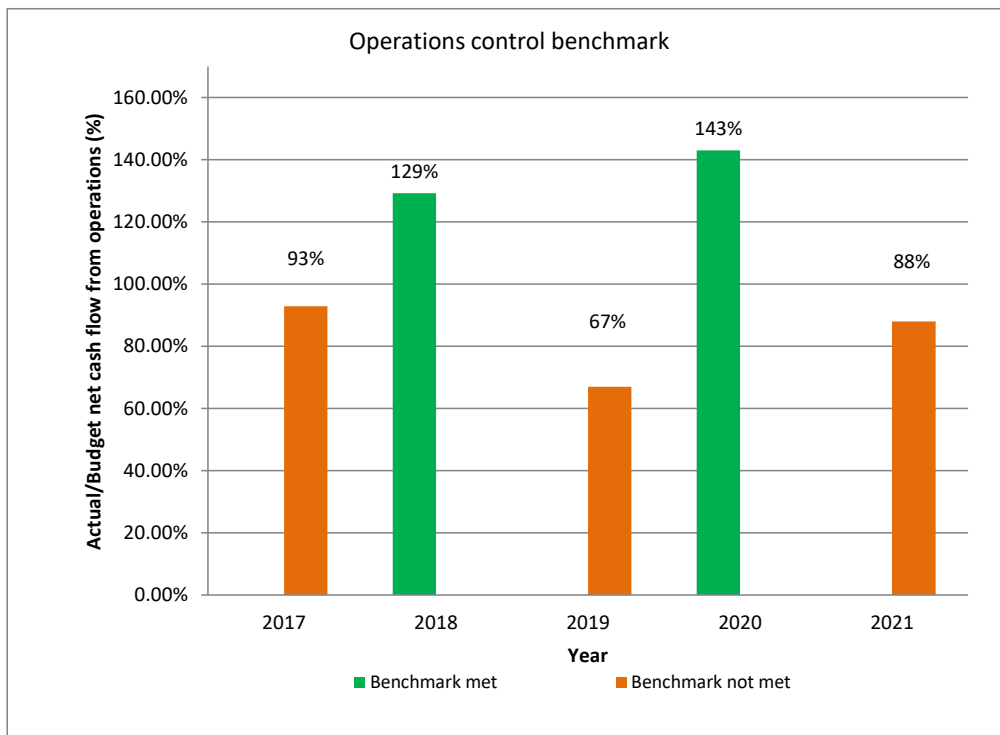
PREDICTABILITY BENCHMARKS

Operations control benchmark

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

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

Planned cash flows include large Grants and Donations to offset the capital expenditure for the redevelopment of the Sarjeant Gallery. The timing of when these grants and donations are received has cause us to not meet this benchmark in 2019 & 2021 but also to exceed the benchmark in 2020. Overall the funds received to date exceed the capital expenditure



Statement of comprehensive revenue and expense

For the year ended 30 June 2021

	Note	Council			Group	
		Budget	Actual	Actual	Actual	Actual
		2021	2021	2020	2021	2020
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates revenue (including metered water, trade waste and penalties) split as below:						
Rates (excluding water supply and trade waste)	1	60,959	60,799	60,079	60,799	60,079
Rates from metered water supply and trade waste	1	3,008	3,057	3,180	3,057	3,180
Total Rates		63,967	63,855	63,259	63,855	63,259
Finance revenue	2	1,205	488	805	524	982
Development and financial contributions		189	269	59	269	59
Other revenue:	3				-	-
Subsidies and grants		29,550	20,705	22,655	21,264	23,822
User fees and other revenue		11,808	12,516	12,886	23,301	22,455
Gains	4	554	13,361	4,032	13,480	4,102
Total revenue		107,273	111,194	103,696	122,694	114,679
Expenses						
Personnel costs	5	19,053	18,921	18,395	21,616	20,985
Depreciation and amortisation expense	6	22,537	21,778	23,480	23,547	25,523
Finance costs	2	5,705	4,629	5,088	5,116	5,719
Other expenses	7	40,829	43,323	43,402	48,258	48,573
Total expenses		88,124	88,651	90,365	98,537	100,800
Share of associate surplus/(deficit)		-	6	9	6	9
Surplus/(deficit) before tax		19,149	22,549	13,341	24,163	13,888
Income tax expense	8	-	(80)	(54)	(233)	36
Surplus/(deficit) after tax		19,149	22,629	13,395	24,396	13,851
Surplus/deficit attributable to:						
Whanganui District Council		19,149	22,629	13,395	24,396	13,851
Other comprehensive revenue and expense						
Gain/(loss) on property plant & equipment revaluations		7,184	82,325	64,854	82,326	64,855
Gain/(loss) on carbon credits revaluation		-	396	314	396	314
Financial assets at fair value through other comprehensive revenue and expense		-	58	(150)	58	(150)
Adjustments from CCO through retained earnings		-	-	-	-	-
Income tax re components of other comprehensive income		-	-	-	-	139
Total other comprehensive revenue and expense		7,184	82,780	65,018	82,781	65,158
Total comprehensive revenue and expense		26,333	105,409	78,413	107,177	79,010
Total comprehensive revenue and expense attributable to:						
Whanganui District Council		26,333	105,409	78,413	107,177	79,010
		26,333	105,409	78,413	107,177	79,010

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

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

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2021

	Note	Council		Group	Group	
		Budget 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Balance at 1 July		896,788	933,724	855,313	960,757	881,749
Net surplus / (deficit)		19,149	22,629	13,395	24,396	13,851
Other comprehensive revenue and expense		7,184	82,780	65,018	82,781	65,158
Total comprehensive revenue and expense for the year		26,333	105,409	78,413	107,177	79,009
Balance at 30 June	24	923,121	1,039,132	933,724	1,067,932	960,757
<i>Total comprehensive revenue and expense attributable to:</i>						
Whanganui District Council		26,333	105,409	78,413	107,177	79,009

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

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2021

	Note	Council		Group	Group	
		Budget 2021 \$000	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Assets						
Current assets						
Cash and cash equivalents	9	3,342	5,386	6,560	8,761	8,767
Receivables	10	7,452	6,339	9,129	10,503	13,956
Other financial assets	11	-	20,293	18,234	17,782	12,156
Inventories	12	-	1	1	451	458
Non-current assets held for sale	13	-	31,821	-	31,821	-
Taxation		-	-	-	3	5
Total current assets		10,794	63,841	33,925	69,322	35,341
Non-current assets						
Derivative financial instruments	14	-	-	-	-	-
Investments in associates	15	-	143	138	143	138
Other financial assets	11	10,195	11,060	10,118	3,227	6,343
Property, plant and equipment	16	1,020,661	1,074,794	988,861	1,124,031	1,037,875
Intangible assets	17	1,165	1,971	1,557	10,060	9,576
Investment property	18	25,640	13,454	27,993	12,409	26,957
Total non-current assets		1,057,661	1,101,422	1,028,667	1,149,870	1,080,889
Total assets		1,068,455	1,165,262	1,062,592	1,219,191	1,116,230
Liabilities						
Current liabilities						
Payables and deferred revenue	20	9,994	14,177	11,677	18,642	16,805
Derivative financial instruments	14	-	132	128	132	166
Borrowings & other financial liabilities	21	9,000	13,500	17,500	16,430	17,500
Employee entitlements	22	1,331	2,102	1,911	2,416	2,217
Provisions	23	-	-	-	-	-
Total current liabilities		20,325	29,911	31,216	37,620	36,689
Non-current liabilities						
Payables and deferred revenue	20	-	-	-	-	-
Derivative financial instruments	14	11,417	7,313	12,681	7,479	12,970
Borrowings & other financial liabilities	21	113,469	88,750	84,750	99,432	98,652
Employee entitlements	22	123	133	137	133	137
Deferred tax liability	8	-	23	84	6,596	7,026
Total non-current liabilities		125,009	96,219	97,651	113,639	118,784
Total liabilities		145,334	126,130	128,868	151,259	155,473
Net assets		923,121	1,039,132	933,724	1,067,932	960,757
Equity						
Retained earnings	24	561,749	584,070	558,612	604,529	577,304
Restricted reserves		63,816	76,081	78,912	76,081	78,911
Revaluation reserves		296,522	377,329	295,004	385,671	303,345
Other reserves		1,034	1,652	1,197	1,651	1,196
Total equity attributable to WDC		923,121	1,039,132	933,724	1,067,932	960,757
Total equity		923,121	1,039,132	933,724	1,067,932	960,757
Investments in CCOs and similar entities	36	8,735	8,582	8,524		

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

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2021

	Note	Council		Group	Group
		Budget	Actual	Actual	Actual
		2021	2021	2020	2021
		\$000	\$000	\$000	\$000
Cash flows from operating activities					
Receipts from rates revenue		63,967	65,454	62,962	65,454
Interest received		200	452	554	493
Dividends received		1,005	4	247	4
Subvention receipt		-	-	-	-
Receipts from other revenue		41,546	37,011	32,253	49,153
Payments to suppliers		(41,367)	(44,058)	(38,854)	(49,415)
Payments to employees		(18,515)	(18,734)	(18,103)	(21,080)
Goods and services tax (net)		-	720	(150)	720
Interest paid		(5,705)	(4,666)	(5,081)	(5,236)
Income tax paid		-	19	138	(71)
<i>Net cash from operating activities</i>	25	41,131	36,202	33,967	40,022
Cash flows from investing activities					
Receipts from sale of property, plant and equipment		-	90	110	90
Purchase of property, plant and equipment		(38,802)	(34,331)	(21,245)	(35,678)
Acquisition of investments		-	(12,667)	(16,191)	(18,975)
Receipts for sale and maturity of investments		-	9,650	-	15,594
Purchase of intangible assets		(50)	(117)	(28)	(187)
<i>Net cash from investing activities</i>		(38,852)	(37,374)	(37,355)	(39,156)
Cash flows from financing activities					
Proceeds from borrowings		6,157	11,000	9,000	11,028
Dividends paid		-	-	-	-
Repayment of borrowings		(8,316)	(11,000)	(6,500)	(11,900)
<i>Net cash from financing activities</i>		(2,159)	-	2,500	(872)
Net (decrease)/increase in cash and cash equivalents		120	(1,174)	(888)	(6)
<i>Cash and cash equivalents at the beginning of the year</i>		3,222	6,560	7,447	8,767
Cash and cash equivalents at the end of the year	9	3,342	5,386	6,560	8,767

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

The accompanying notes form part of these financial statements.

Funding Impact Statement for the Whole of Council

For the year ended 30 June 2021

	Annual Plan 2021 \$000	Annual Report 2021 \$000	Annual Plan 2020 \$000	Annual Report 2020 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	31,225	31,043	30,347	30,401
Targeted rates	32,742	32,812	32,505	32,858
	-	-	-	-
Subsidies and grants for operating purposes	5,308	6,426	4,207	5,323
Fees and charges	9,305	9,695	9,558	8,940
Interest and dividends from investments	1,205	488	980	805
Local authorities fuel tax, fines, infringement fees and other receipts	2,485	3,282	2,473	2,845
Total operating funding (A)	82,270	83,745	80,070	81,172
Application of operating funding				
Payments to staff and suppliers	59,882	62,244	57,643	60,402
Finance costs	5,705	4,629	5,756	5,088
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	65,587	66,873	63,399	65,490
Surplus (deficit) of operating funding (A - B)	16,683	16,872	16,671	15,682
Sources of capital funding				
Subsidies and grants for capital expenditure	5,231	13,436	6,848	17,109
Development and financial contributions	189	269	120	59
Increase (decrease) in debt	(2,159)	-	11,088	2,500
Gross proceeds from asset sales	-	90	-	110
Lump sum contributions	-	-	-	-
Other dedicated capital funding	19,028	18	29	1,303
Total sources of capital funding (C)	22,289	13,814	18,085	21,081
Application of capital funding				
Capital expenditure				
-to meet additional demand	900	1,465	1,805	449
-to improve the level of service	22,841	20,832	19,965	10,672
-to replace existing assets	15,111	12,466	13,476	9,841
Increase (decrease) in reserves	120	(4,076)	(290)	15,801
Increase (decrease) of investments	-	-	(200)	-
Total application of capital funding (D)	38,972	30,686	34,756	36,763
Surplus (deficit) of capital funding (C - D)	(16,683)	(16,872)	(16,671)	(15,682)
Funding balance ((A - B) + (C - D))	-	-	-	-

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

Statement of accounting policies

For the year ended 30 June 2021

REPORTING ENTITY

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

The Whanganui District Council group (WDCG) consists of the ultimate parent Whanganui District Council (WDC) and its subsidiaries, Whanganui District Council Holdings Limited (100% owned) which in turn owns 100% of GasNet Limited and the New Zealand International Commercial Pilot Academy (NZICPA), 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.

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

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

The financial statements of WDC are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on 7 December 2021.

BASIS OF PREPARATION

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

Statement of compliance

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

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

These financial statements comply with PBE standards.

Measurement base

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

Functional and presentation currency

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

Standards adopted

Public benefit entities (PBEs), for periods beginning on or after 1 January 2019, need to comply with the new PBE IPSAS group accounting standards PBE IPSAS 34-38. The new accounting standards do not have a material impact on the WDC group.

Standards issued and not yet effective and not early adopted

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

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. WDC does not intend to early adopt the amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. WDC has not yet determined how application of PBE FRS 48 will affect its statement of performance.

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

Subsidiaries

WDC consolidates as subsidiaries in the group financial statements all entities where WDC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where WDC controls the majority voting power on the

governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

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

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

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

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

Associates

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

If WDC's share of deficits of an associate equals or exceeds its interest in the associate, WDC discontinues recognising its share of further deficits. After WDC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that WDC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, WDC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

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

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

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

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an activity that is subject to joint control. For jointly controlled assets, WDC recognises in its financial

statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and revenue from the sale or use of its share of the output of the joint venture.

Revenue

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

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

Exchange transactions

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

Non-exchange transactions

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

Accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

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

Gas

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

Government grants

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

Other grants received

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

Provision of services

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

Vested assets

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

Sale of goods

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

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

Interest and dividends

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

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

Development contributions

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

Borrowing costs

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

Grant expenditure

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

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

Income Tax

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect to prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

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

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

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Leases

Finance leases

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

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Receivables

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

Impairment of a receivable is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable

is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Derivative financial instruments

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

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

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

Inventories

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

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

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

Non-current assets held for sale

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

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

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

Property, plant and equipment

Property, plant and equipment consists of:

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

Restricted assets – these include land and buildings in the City Endowment and Harbour Endowment portfolios. These assets provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

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

The infrastructure networks are valued at optimised depreciated replacement cost, adjusted by additions (at cost), disposals and depreciation. Revaluations are carried out every three years and are independently reviewed.

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

Revaluation

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

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Additions

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

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

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

Derecognition and Disposals

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

Subsequent Costs

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

Depreciation

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

Asset type	Useful life	Depreciation rate
Land (including Restricted properties)		Not a Depreciable item
Buildings and leasehold improvements (including Restricted properties)	5 to 50 years	2-20%
Plant, vehicles and equipment	3 to 20 years	5-33%
Furniture & Fittings	5 to 10 years	10-20%
Library books	10 years	10%
Art Works		Not a Depreciable item
<i>Infrastructural assets</i>		
Roading network		Weighted average 3.6%
Pavement	4-18 years	
Basecourse	80-100 years	
Footpaths	8-100 years	
Bridges & large culverts	100 years	
Kerb and channel	20-100 years	
Retaining Walls	50-100 years	
Street lighting	15-50 years	
Culverts	80 years	
Traffic signals and under road assets	5-50 years	

Wastewater system	20 to 120 years	2.5%
Storm water system	20 to 120 years	1.7%
Water system	9 to 100 years	2.6%
Gas distribution network mains and services	7 to 100 years	1% - 15%
Gas distribution network condition renewals	50 years	2%
Gas measurement systems and distribution network customer stations	10 to 100 years	1% - 10%
Airport runway	10 years	10%

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

Intangible assets

Goodwill

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

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

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

Carbon credits

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

The net revaluation result is credited or debited to other comprehensive revenue and expense and is accumulated to fair value through general reserve. Where this results in a debit balance in the reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase in revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense. They are derecognised when they are used to satisfy carbon emission obligations.

Software acquisition and development

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

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

Staff training costs are recognised in the surplus or deficit when incurred.

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

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

Amortisation

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

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

Asset type	Useful life	Amortisation rate
Computer software	3-10 years	10%-33%

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for indicators of impairment at each balance date and whenever events and circumstances indicate the carrying amount may not be recoverable. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use for non-cash generating assets

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

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

Value in use for cash-generating assets

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. Where an impairment loss is reversed this is recognised in the surplus or deficit.

Forestry assets

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

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

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

Investment property

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

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

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

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Payables

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

Borrowings

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

Borrowings are classified as current liabilities unless WDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are expected to be settled within 12 months of balance date.

Employee entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities; have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

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

Equity

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

The components of equity are:

- retained earnings
- restricted reserves
- asset revaluation reserves
- other reserves

Restricted reserves

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

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

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

Revaluation Reserves

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

Other Reserves

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

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

Goods and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2019/20 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by WDC for the preparation of the financial statements.

Cost allocation

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

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

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such operating expenditure net of NZTA subsidies.

Critical accounting estimates and assumptions

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

WDC infrastructural assets

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

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

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

WGL infrastructural assets

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

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

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

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

Critical judgements in applying WDC's accounting policies

Management has exercised the following critical judgements in applying the WDC's accounting policies for the period ended 30 June 2021.

Classification of property

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

Impairment of shares in subsidiary

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

Notes to the financial statements

For the year ended 30 June 2021

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
CBD rate	440	437	440	437
General rate	31,190	30,153	31,190	30,153
Roading and footpath rates	8,026	8,158	8,026	8,158
Stormwater rate	5,352	5,384	5,352	5,384
Wastewater rate	7,834	7,515	7,834	7,515
Water charge (excluding metered water)	4,437	4,513	4,437	4,513
Storm damage rate	-	-	-	-
Roading Resilience rate	869	866	869	866
Fire capacity rate	1,106	1,124	1,106	1,124
Debt retirement rate	582	587	582	587
Earthquake strengthening rate	908	929	908	929
Exotic forestry rate	135	135	135	135
Rates Penalties	192	537	192	537
Rates discounts	(266)	(246)	(266)	(246)
Rates remissions	(7)	(15)	(7)	(15)
Total rates revenue (excluding metered water and trade waste)	60,799	60,079	60,799	60,079
Tradewaste fees	1,552	1,442	1,552	1,442
Metered water supply charges	1,505	1,738	1,505	1,738
Total rates revenue (including metered water and trade waste)	63,855	63,259	63,855	63,259

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$1.7M (2020 \$1.7M).

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

Non-rateable land

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

Rating base information

	The number of rating units	The total capital value of rating units \$000	The total land value of rating units \$000
At the end of the preceding financial year (i.e. 30 June 2020)	21,577	9,876,231	4,324,522
Last year (i.e. 30 June 2019)	21,566	6,959,872	2,680,955

Notes to the financial statements

For the year ended 30 June 2021

2. Finance revenue and finance costs

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Finance revenue				
Interest revenue:				
- money market and term deposits	370	446	381	464
- related party loans	94	50	-	-
- other	20	62	140	271
Subvention receipt	-	-	-	-
Dividend revenue	4	247	4	247
Total finance revenue	488	805	524	982
Finance costs				
Interest expense:				
- interest on borrowings and swaps	4,629	5,088	5,116	5,719
- interest on finance leases	-	-	-	-
Total finance costs	4,629	5,088	5,116	5,719
Net finance costs	4,141	4,283	4,592	4,737

3. Other revenue

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Subsidies and Grants				
New Zealand Transport Agency Rooding subsidies	8,757	9,710	8,757	9,710
Lotteries Board Grant - Gallery Redevelopment project	800	3,000	800	3,000
Provincial Growth Fund (MBIE)	4,000	-	4,000	-
Ministry for Culture and Heritage	3,000	-	3,000	-
Other government grants	4,148	9,945	4,708	11,112
Subsidies and grants Total	20,705	22,655	21,264	23,822
User fees and other revenue				
Other user charges	2,138	1,862	2,138	1,862
Regulatory revenue	2,551	2,168	2,551	2,168
Rental from investment properties	1,663	1,343	1,663	1,343
Rental from other properties	2,834	2,961	2,834	2,961
Infringements and fines	385	373	385	373
Rendering of services	111	249	111	249
Petrol tax	347	322	347	322
Trade waste user fees	978	982	978	982
Vested assets	324	-	324	-
Property, plant and equipment gain on disposal	40	21	40	21
Other (includes trading revenue from GasNet Limited)	1,145	2,604	11,930	12,173
Total User fees and other revenue	12,516	12,886	23,301	22,455
Total other revenue	33,221	35,541	44,565	46,277

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies or any government grant recognised (2020 nil).

Notes to the financial statements

For the year ended 30 June 2021

4. Gains

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Non-financial instruments				
Investment property revaluation gains/(losses) (note 18)	8,071	3,934	8,063	3,903
Investment property gains/(losses) on disposal	-	-	-	-
Gain on shares held in WDC Holdings Ltd	-	-	-	-
Change in fair value of property, plant and equipment (including reversal of previous year write-downs)	(57)	99	71	199
<i>Total non-financial instruments gains</i>	8,014	4,032	8,133	4,102
Financial instruments				
Gains/(losses) on derivative financial instruments	5,347	-	5,347	-
<i>Total financial instruments gains</i>	5,347	-	5,347	-
Total gains	13,361	4,032	13,480	4,102

5. Personnel costs

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Salaries and wages	18,315	17,656	20,938	20,213
Employer contributions to defined contribution plans	549	523	621	556
Increase/(decrease) in employee entitlements/liabilities	57	216	57	216
Total personnel costs	18,921	18,395	21,616	20,985

Council received employment subsidies of \$314,838 (2020 \$156,218)

Notes to the financial statements

For the year ended 30 June 2021

6. Depreciation and amortisation expense by group of activity

	Council	
	2021 \$000	2020 \$000
Water supply	2,056	2,412
Stormwater drainage	1,917	1,850
Waterways and natural drainage	-	50
Sewerage and the treatment and disposal of sewage	3,849	5,015
Provision of roads and footpaths	9,658	10,055
Parks and recreation	1,131	1,138
Community and cultural	1,280	1,232
Economic development	13	12
Community facilities and services	616	587
Transportation	235	199
Investments	86	86
Corporate	938	845
Total depreciation and amortisation expense	21,778	23,480

7. Other expenses

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Fees to auditors:				
- Audit New Zealand for financial statement audit	188	178	294	280
- Audit New Zealand for 10-Year Plan audit & Consultation Document	114	-	114	-
- Audit New Zealand for audit related fees for disclosure regulations	-	-	50	46
- Audit New Zealand for audit related fees for Debenture Trust Deed	4	4	-	-
- Audit New Zealand for joint venture financial statement audit	-	8	-	8
- Road Alliance Contract - Brian Smith Advisory Services	10	14	10	14
- Road Alliance Contract - McHale Group	-	-	-	-
Donations	5	3	5	3
General grants	1,031	916	1,026	2,076
Contractors	16,203	15,739	16,203	15,739
Maintenance	2,828	2,759	2,828	2,759
Electricity	2,088	2,316	2,088	2,316
Planned maintenance	3,165	2,567	3,165	2,567
Insurance premiums	1,974	1,741	1,974	1,741
Directors' fees	-	-	297	248
Consultancy	2,351	2,445	2,351	2,445
Legal fees	331	243	331	243
Rates Expense	1,902	1,935	1,902	1,935
Property, plant and equipment losses on disposal	70	-	70	-
Losses from derivative financial instruments	-	1,391	(162)	1,291
Impairment of receivables (note 10)	57	56	57	56
Minimum lease payments under operating leases	28	51	(78)	330
Forestry expenditure	-	3	-	3
Other operating expenses	10,976	11,032	15,734	14,473
Total other expenses	43,323	43,402	48,258	48,573

Notes to the financial statements

For the year ended 30 June 2021

8. Tax

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Components of tax expense				
Current tax expense	-	-	612	595
Deferred tax expense	(80)	(54)	(430)	(559)
Prior year adjustment	-	-	(415)	-
Income tax expense	(80)	(54)	(233)	36
impairment of receivables (note 10)				
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	22,549	13,341	24,163	13,888
Tax at 28%	6,314	3,735	6,766	3,889
Non-deductible expenditure	(6,716)	(3,791)	(6,706)	(5,135)
Loss not recognised	322	(2)	-	-
Prior year adjustment to deferred tax	-	-	(551)	(408)
Deferred tax adjustment	-	-	258	1,691
Total tax expense	(80)	(54)	(233)	36

Council

Council has not recognised a deferred tax asset in relation to tax losses of \$1,149,000 (2020 \$6,690). However, the tax income has been recognised at group level.

Deferred tax liability

Council	Property, plant and equipment	Financial instruments	Tax losses	Employee entitlements	Total
	\$000	\$000	\$000	\$000	\$000
Balance 30 June 2019	553	-	(487)	(67)	-
Charged to profit and loss	(17)	-	(38)	(1)	(55)
Charged to equity	139	-	-	-	139
Balance 30 June 2020	674	-	(525)	(68)	84
Charged to profit and loss	(62)	-	-	-	(62)
Charged to equity	-	-	-	-	-
Balance 30 June 2021	612	-	(525)	(68)	23
Group					
Balance 30 June 2019	8,289	(155)	(1,060)	(192)	6,886
Charge/(credit) to revenue	(118)	22	91	(1)	(6)
Charge/(credit) to equity	139	-	7	-	146
Balance 30 June 2020	8,310	(133)	(962)	(193)	7,026
Charged to profit and loss	(299)	80	(212)	-	(430)
Charged to equity	-	-	-	-	-
Balance 30 June 2021	8,011	(53)	(1,174)	(193)	6,596

9. Cash and cash equivalents

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Cash at bank and on hand	5,386	6,560	8,761	8,767
Term deposits with maturities less than 3 months at acquisition	-	-	-	-
Total cash and cash equivalents	5,386	6,560	8,761	8,767

The total value of cash and cash equivalents that can only be used for a specific purpose as outlined in the relevant trust deeds is \$nil (2020 \$nil).

Notes to the financial statements

For the year ended 30 June 2021

10. Receivables

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rates receivables	3,690	5,355	3,716	5,465
Other receivables:				
- related party receivables	-	-	-	-
- New Zealand Transport Agency subsidies	548	742	548	742
- interest receivable	36	4	36	4
- other	3,570	5,841	7,716	10,566
Gross Receivables	7,844	11,943	12,016	16,778
Less provision for impairment	(1,505)	(2,813)	(1,513)	(2,822)
Total Receivables	6,339	9,129	10,503	13,956
<i>Total receivables comprise:</i>				
Receivables from exchange transactions	942	442	4,919	5,082
Receivables from non exchange transactions	5,398	8,687	5,584	8,874
Gross Receivables	6,339	9,129	10,503	13,956

Fair value

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

Impairment

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

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

The ageing profile of receivables as at 30 June 2021 and 2020 are detailed below:

	2021		
	Gross \$000	Impairment \$000	Net \$000
Council			
Not past due	3,806	-	3,806
Past due 1-60 days	157	(5)	153
Past due 61-120 days	36	-	36
Past due > 120 days	3,846	(1,500)	2,346
Total	7,844	(1,505)	6,339
	2020		
	Gross \$000	Impairment \$000	Net \$000
Council			
Not past due	3,780	-	3,780
Past due 1-60 days	277	(14)	263
Past due 61-120 days	105	-	105
Past due > 120 days	7,781	(2,799)	4,981
Total	11,943	(2,813)	9,129

Notes to the financial statements

For the year ended 30 June 2021

	2021		
	Gross \$000	Impairment \$000	Net \$000
Group			
Not past due	7,492	-	7,492
Past due 1-60 days	274	(13)	262
Past due 61-120 days	36	-	36
Past due > 120 days	4,215	(1,500)	2,714
Total	12,016	(1,513)	10,503

	2020		
	Gross \$000	Impairment \$000	Net \$000
Group			
Not past due	7,878	-	7,878
Past due 1-60 days	423	(22)	401
Past due 61-120 days	170	-	170
Past due > 120 days	8,306	(2,799)	5,507
Total	16,778	(2,822)	13,956

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

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Individual impairment	1,505	2,813	1,513	2,822
Collective impairment	-	-	-	-
Total provision for impairment	1,505	2,813	1,513	2,822

Individually impaired receivables have been determined to be impaired because of the unlikeliness of the debt being repaid.

An analysis of these individually impaired debtors are as follows:

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Not past due	-	-	-	-
Past due 1-60 days	5	14	13	22
Past due 61-120 days	-	-	-	-
Past due > 120 days	1,500	2,799	1,500	2,799
Total individual impairment	1,505	2,813	1,513	2,822

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
At 1 July	2,813	2,630	2,822	2,639
Additional provisions made during the year	363	590	(1,308)	183
Provisions reversed during the year	-	-	-	-
Receivables written-off during period	(1,672)	(407)	-	-
At 30 June	1,505	2,813	1,513	2,822

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

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 totalling \$1,621,941 in 2021 (2020 \$0)

Notes to the financial statements

For the year ended 30 June 2021

11. Other financial assets

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Current portion				
Loans to subsidiaries and associates	9,016	8,585	214	478
Term deposits with maturities greater than 3 months at acquisition	11,277	9,650	17,568	11,678
<i>Total current portion</i>	20,293	18,234	17,782	12,156
Non-current portion				
Community loans	803	-	803	-
Loans to subsidiaries and associates	-	-	-	-
Government Indexed Bonds	-	-	-	-
NZ Local Government Funding Agency borrower notes	1,712	1,631	1,712	1,631
Unlisted shares in NZ Local Government Insurance Corporation Limited	279	270	279	270
Unlisted shares in NZ Local Government Funding Agency Limited	421	371	421	371
Sarjeant Gallery (NJ Young Fund with Craigs Investment Partners & Term Dep	-	-	-	3,906
Shares in subsidiary (at cost - WDCHL)	7,846	7,846	-	-
Other financial assets	-	-	13	164
<i>Total non-current portion</i>	11,060	10,118	3,227	6,343
Total other financial assets	31,353	28,352	21,009	18,499

Fair value

Community loans

The fair value of community loans is their carrying value of \$802,500 (2020 \$nil), which has not been discounted due to immaterial size. The terms of the loans may be discretionary as a result of a Council decision.

Loans to related parties

The fair value and carrying amount of Group loans to related parties is \$9,016,023 (2020 \$8,584,567).

Unlisted shares

Due to the immaterial size and nature, the unlisted shares in NZ Local Government Insurance Corporation Limited are valued using the net assets of the company. Council considers this to be fair value at 30 June 2021.

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

Notes to the financial statements

For the year ended 30 June 2021

12. Inventories

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<i>Held for distribution/Commercial inventories</i>				
Inventory	1	1	1	1
Network	-	-	450	457
Total inventories	1	1	451	458

Network Inventories are pledged as security for liabilities 2021 \$450,000 (2020 \$457,000). There has been no write-down of commercial inventories to net realisable value (2020 \$nil).

13. Non-current assets held for sale

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Land	-	-	-	-
Buildings	-	-	-	-
Forestry Assets	-	-	-	-
Port Assets	31,821	-	31,821	-
Total non-current assets held for sale	31,821	-	31,821	-

Harbour endowment portfolio land and buildings have been classified as held for sale following the establishment of a new CCO for the purpose of developing, operating and maintaining the Whanganui Port and associated assets. The transfer of assets will be in exchange for units in a limited partnership. The transfer is expected to be completed before June 2022.

14. Derivative financial instruments

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
	-	-	-	-
Non-current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
	-	-	-	-
Total derivative financial instrument assets	-	-	-	-
Current liability portion				
Interest rate swaps - cash flow hedges	132	128	132	166
	132	128	132	166
Non-current liability portion				
Interest rate swaps - cash flow hedges	7,313	12,681	7,479	12,970
	7,313	12,681	7,479	12,970
Total derivative financial instrument liabilities	7,445	12,809	7,611	13,136

Fair value

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

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for WDC were \$91,000,000 (2020 \$99,000,000) and for the WDC group were \$93,000,000 (2020 \$103,000,000). At 30 June 2021 the Fixed Interest rates on the swaps ranged from 2.23% to 6.39%.

Notes to the financial statements

For the year ended 30 June 2021

15. Investments in associates

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Whanganui River Enhancement Charitable Trust (WRET)	70	64	70	64
New Zealand Masters Games Limited (NZMGL)	36	36	36	36
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	37	38	37	38
Total investments in associates	143	138	143	138

Summarised financial information of associate entities

	WRET	
	2021 \$000	2020 \$000
Assets	397	413
Liabilities	185	218
Revenues	146	146
Surplus/(deficit)	18	(6)
Group's interest	33%	33%

	NZMGL	
	2021 \$000	2020 \$000
Assets	74	77
Liabilities	3	4
Revenues	7	19
Surplus/(deficit)	7	9
Group's interest	49%	49%

	MW LASS	
	2021 \$000	2020 \$000
Assets	660	484
Liabilities	403	263
Revenues	1,157	1,157
Surplus/(deficit)	19	59
Group's interest	14%	14%

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

Wanganui-Manawatu LASS Limited

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

Notes to the financial statements

For the year ended 30 June 2021

16. Property, plant and equipment

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

Council 2021	Cost/ revaluation 30/6/2020	Accumulated depreciation and impairment charges 30/6/2020	Carrying amount 30/6/2020	Current year additions	Current Years Vesting Additions	Current year disposals	Accumulated depreciation & Impairments eliminated on disposals / revaluations	Current year depreciation	Transfers	Depreciation Transfers	Revaluation surplus	Cost/ revaluation 30/6/2021	Accumulated depreciation and impairment charges 30/6/2021	Carrying amount 30/6/2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets														
Land	58,905	-	58,905	1,029	-	(6)	-	-	(1,068)	-	39,538	98,397	-	98,397
Buildings	63,185	(4,437)	58,748	1,673	-	(84)	6,545	(2,261)	107	154	24,685	89,566	()	89,566
Leasehold Improvements	2,854	(573)	2,281	383	-	-	-	(123)	445	(134)	-	3,682	(830)	2,851
Plant, equipment and motor vehicles	16,963	(13,792)	3,171	1,084	-	(241)	203	(1,155)	-	-	-	17,806	(14,744)	3,061
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-
Furniture and fittings	3,962	(2,942)	1,020	708	-	-	-	(135)	-	-	-	4,670	(3,077)	1,592
Library books	4,261	(2,809)	1,453	220	-	-	-	(298)	-	-	-	4,482	(3,106)	1,376
Artworks - Sarjeant Gallery	31,451	-	31,451	21	-	-	-	-	-	-	-	31,472	-	31,472
Artworks - Sculptures/Monuments	381	-	381	-	-	-	-	-	-	-	-	381	-	381
Capital work in progress (see breakdown below)	9,274	-	9,274	12,737	-	-	-	-	(4,018)	-	-	17,993	-	17,993
Total operational assets	192,414	(25,731)	166,683	17,854	-	(331)	6,747	(3,973)	(4,534)	20	64,223	269,626	(22,937)	246,689
Infrastructural assets														
Stormwater and Drainage	134,613	-	134,613	3,214	172	-	-	(1,906)	-	-	-	137,999	(1,906)	136,093
Wastewater Other	130,544	-	130,544	2,176	82	-	-	(2,531)	-	-	-	132,803	(2,531)	130,272
Waste Water Treatment Plants & Facilities	65,715	-	65,715	77	-	-	-	(1,269)	4	-	-	65,796	(1,269)	64,527
Water Other	73,825	-	73,825	2,544	70	-	-	(1,654)	48	-	-	76,487	(1,654)	74,833
Water Treatment Plants & Facilities	16,037	-	16,037	797	-	-	-	(364)	-	-	-	16,834	(364)	16,470
Roading network	367,841	-	367,841	8,289	-	-	-	(9,647)	3,238	-	-	379,368	(9,647)	369,721
Land under roads	8,166	-	8,166	45	-	-	-	-	-	-	-	8,211	-	8,211
Airport runway	2,452	(1)	2,451	5	-	-	-	(97)	-	-	-	2,457	(98)	2,359
Total infrastructural assets	799,194	(1)	799,192	17,146	324	-	-	(17,469)	3,289	-	-	819,953	(17,469)	802,484
Restricted assets														
Land	17,099	-	17,099	-	-	-	-	-	(5,197)	-	9,030	20,932	-	20,932
Buildings	6,325	(438)	5,886	149	-	-	362	(238)	(2,955)	314	1,171	4,689	-	4,689
Total restricted assets	23,424	(438)	22,985	149	-	-	362	(238)	(8,153)	314	10,201	25,621	-	25,621
Total property, plant and equipment	1,015,031	(26,171)	988,861	35,149	324	(331)	7,110	(21,679)	(9,397)	334	74,424	1,115,199	(40,405)	1,074,794

Note: Vested assets to Whanganui District Council; \$324k (2020 \$Nil).

Notes to the financial statements

For the year ended 30 June 2021

Group 2021	Cost/ revaluation 30/6/2020	Accumulated depreciation and impairment charges 30/6/2020	Carrying amount 30/6/2020	Current year additions	Current Years Vesting Additions	Current year disposals	Accumulated depreciation & Impairments eliminated on disposals / revaluations	Current year depreciation	Transfers	Depreciation Transfers	Revaluation surplus	Cost/ revaluation 30/6/2021	Accumulated depreciation and impairment charges 30/6/2021	Carrying amount 30/6/2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets														
Land	58,944	-	58,944	1,029	-	(6)	-	-	(1,068)	-	39,538	98,437	-	98,437
Buildings	74,001	(4,588)	69,413	1,881	-	(84)	6,545	(2,263)	107	154	24,715	100,621	(153)	100,469
Leasehold Improvements	2,854	(573)	2,281	383	-	-	-	(123)	445	(134)	-	3,682	(830)	2,851
Plant, equipment and motor vehicles	22,622	(15,608)	7,014	1,679	-	(330)	246	(1,714)	-	-	-	23,970	(17,076)	6,894
Leased equipment	1,178	(1,178)	(-)	-	-	-	-	-	-	-	-	1,178	(1,178)	(-)
Furniture and fittings	4,316	(3,018)	1,298	709	-	-	-	(171)	-	-	-	5,025	(3,188)	1,837
Library books	4,262	(2,809)	1,453	220	-	-	-	(298)	-	-	-	4,482	(3,106)	1,376
Art work	31,832	-	31,832	21	-	-	-	-	-	-	-	31,853	-	31,853
Capital work in progress	9,272	-	9,272	12,737	-	-	-	-	(4,018)	-	-	17,991	-	17,991
Total operational assets	209,281	(27,774)	181,507	18,659	-	(421)	6,790	(4,568)	(4,534)	20	64,254	287,239	(25,532)	261,707
Infrastructural assets														
Stormwater and Drainage	134,613	-	134,613	3,214	172	-	-	(1,906)	-	-	-	137,999	(1,906)	136,093
Wastewater Other	130,543	-	130,544	2,176	82	-	-	(2,531)	-	-	-	132,802	(2,531)	130,271
Waste Water Treatment Plants & Facilities	65,715	-	65,716	77	-	-	-	(1,269)	4	-	-	65,796	(1,269)	64,527
Water Other	73,825	-	73,826	2,544	70	-	-	(1,654)	48	-	-	76,487	(1,654)	74,833
Water Treatment Plants & Facilities	16,037	-	16,037	797	-	-	-	(364)	-	-	-	16,834	(364)	16,470
Roading network	367,841	-	367,841	8,289	-	-	-	(9,647)	3,238	-	-	379,368	(9,647)	369,721
Land under roads	8,166	-	8,166	45	-	-	-	-	-	-	-	8,211	-	8,211
Airport runway	2,452	(1)	2,451	5	-	-	-	(97)	-	-	-	2,457	(98)	2,359
Gas network infrastructure	36,543	(2,356)	34,188	1,737	-	-	-	(1,156)	(551)	-	-	37,730	(3,512)	34,218
Total infrastructural assets	835,736	(2,356)	833,382	18,883	324	-	-	(18,625)	2,738	-	-	857,681	(20,980)	836,703
Restricted assets														
Land	17,099	-	17,099	-	-	-	-	-	(5,197)	-	9,030	20,932	-	20,932
Buildings	6,325	(438)	5,886	149	-	-	362	(238)	(2,955)	314	1,171	4,689	-	4,689
Total restricted assets	23,424	(438)	22,985	149	-	-	362	(238)	(8,153)	314	10,201	25,621	-	25,621
Total property, plant and equipment	1,068,440	(30,568)	1,037,875	37,690	324	(421)	7,153	(23,432)	(9,948)	334	74,454	1,170,540	(46,512)	1,124,031

Notes to the financial statements

For the year ended 30 June 2021

Council 2020	Cost/ revaluation 30/6/2019 \$000	Accumulated depreciation and impairment charges 30/6/2019 \$000	Carrying amount 30/6/2019 \$000	Current year additions \$000	Current Years Vesting Additions \$000	Current year disposals \$000	Accumulated depreciation & Impairments eliminated on disposals / revaluations \$000	Current year depreciation \$000	Transfers \$000	Depreciation Transfers \$000	Revaluation surplus \$000	Cost/ revaluation 30/6/2020 \$000	Accumulated depreciation and impairment charges 30/6/2020 \$000	Carrying amount 30/6/2020 \$000
Operational assets														
Land	58,905	-	58,905	-	-	-	-	-	-	-	-	58,905	-	58,905
Buildings	62,622	(2,183)	60,439	565	-	(60)	3	(2,258)	59	-	-	63,185	(4,437)	58,748
Leasehold Improvements	2,560	(481)	2,078	294	-	-	-	(92)	-	-	-	2,854	(573)	2,281
Plant, equipment and motor vehicles	16,087	(12,904)	3,183	1,047	-	(171)	139	(1,027)	-	-	-	16,963	(13,792)	3,171
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-
Furniture and fittings	3,896	(2,804)	1,092	65	-	-	-	(138)	-	-	-	3,962	(2,942)	1,020
Library books	3,993	(2,500)	1,492	269	-	-	-	(308)	-	-	-	4,261	(2,809)	1,453
Artworks - Sarjeant Gallery	31,451	-	31,451	-	-	-	-	-	-	-	-	31,451	-	31,451
Artworks - Sculptures/Monuments	381	-	381	-	-	-	-	-	-	-	-	381	-	381
Capital work in progress (see breakdown below)	7,398	-	7,398	3,259	-	-	-	-	(1,383)	-	-	9,274	-	9,274
Total operational assets	188,470	(22,050)	166,420	5,499	-	(231)	143	(3,824)	(1,324)	-	-	192,414	(25,731)	166,683
Infrastructural assets														
Stormwater and Drainage	114,776	(3,577)	111,199	3,635	-	-	5,466	(1,888)	276	-	15,926	134,613	-	134,613
Wastewater Other	128,603	(6,744)	121,859	658	-	-	10,150	(3,405)	-	-	1,283	130,544	-	130,544
Waste Water Treatment Plants & Facilities	58,980	(1,897)	57,083	-	-	-	3,455	(1,558)	-	-	6,735	65,715	-	65,715
Water Other	63,524	(3,631)	59,893	714	-	-	5,514	(1,883)	1,048	-	8,538	73,825	-	73,825
Water Treatment Plants & Facilities	16,651	(856)	15,795	1,356	-	-	1,349	(493)	-	-	(1,971)	16,037	-	16,037
Roading network	379,551	(18,717)	360,834	9,067	-	-	28,763	(10,046)	-	-	(20,777)	367,841	-	367,841
Land under roads	8,166	-	8,166	-	-	-	-	-	-	-	-	8,166	-	8,166
Airport runway	2,056	(173)	1,883	-	-	-	264	(92)	-	-	396	2,452	(1)	2,451
Total infrastructural assets	772,307	(35,595)	736,712	15,431	-	-	54,960	(19,365)	1,324	-	10,131	799,194	(1)	799,192
Restricted assets														
Land	17,099	-	17,099	-	-	-	-	-	-	-	-	17,099	-	17,099
Buildings	6,321	(212)	6,110	3	-	-	-	(227)	-	-	-	6,325	(438)	5,886
Total restricted assets	23,420	(212)	23,209	3	-	-	-	(227)	-	-	-	23,424	(438)	22,985
Total property, plant and equipment	984,198	(57,857)	926,340	20,934	-	(231)	55,103	(23,415)	-	-	10,131	1,015,031	(26,171)	988,861

Notes to the financial statements

For the year ended 30 June 2021

Group 2020	Cost/ revaluation 30/6/2019 \$000	Accumulated depreciation and impairment charges 30/6/2019 \$000	Carrying amount 30/6/2019 \$000	Current year additions \$000	Current Years Vesting Additions \$000	Current year disposals \$000	Accumulated depreciation & Impairments eliminated on disposals / revaluations \$000	Current year depreciation \$000	Transfers \$000	Depreciation Transfers \$000	Revaluation surplus \$000	Cost/ revaluation 30/6/2020 \$000	Accumulated depreciation and impairment charges 30/6/2020 \$000	Carrying amount 30/6/2020 \$000
Operational assets														
Land	58,944	-	58,944	-	-	-	-	-	-	-	-	58,944	-	58,944
Buildings	66,132	(2,331)	63,801	7,784	-	(60)	3	(2,261)	59	-	87	74,001	(4,588)	69,413
Leasehold Improvements	2,560	(481)	2,078	294	-	-	-	(92)	-	-	-	2,854	(573)	2,281
Plant, equipment and motor vehicles	19,444	(14,343)	5,101	3,380	-	(202)	170	(1,435)	-	-	-	22,622	(15,608)	7,014
Leased equipment	1,178	(1,178)	()	-	-	-	-	-	-	-	-	1,178	(1,178)	()
Furniture and fittings	4,169	(2,850)	1,319	146	-	-	-	(168)	-	-	-	4,316	(3,018)	1,298
Library books	3,993	(2,500)	1,493	269	-	-	-	(308)	-	-	-	4,262	(2,809)	1,453
Art work	31,832	-	31,832	-	-	-	-	-	-	-	-	31,832	-	31,832
Capital work in progress	7,397	-	7,397	3,259	-	-	-	-	(1,383)	-	-	9,272	-	9,272
Total operational assets	195,648	(23,683)	171,965	15,132	-	(262)	173	(4,263)	(1,325)	-	87	209,281	(27,774)	181,507
Infrastructural assets														
Stormwater and Drainage	114,776	(3,577)	111,199	3,635	-	-	5,466	(1,888)	276	-	15,926	134,613	-	134,613
Wastewater Other	128,602	(6,744)	121,859	658	-	-	10,150	(3,405)	-	-	1,283	130,543	-	130,544
Waste Water Treatment Plants & Facilities	58,980	(1,897)	57,084	-	-	-	3,455	(1,558)	-	-	6,735	65,715	-	65,716
Water Other	63,524	(3,631)	59,894	714	-	-	5,514	(1,883)	1,048	-	8,538	73,825	-	73,826
Water Treatment Plants & Facilities	16,651	(856)	15,795	1,356	-	-	1,349	(493)	-	-	(1,971)	16,037	-	16,037
Roading network	379,550	(18,717)	360,833	9,067	-	-	28,763	(10,046)	-	-	(20,777)	367,841	-	367,841
Land under roads	8,166	0	8,166	-	-	-	-	-	-	-	-	8,166	-	8,166
Airport runway	2,056	(173)	1,883	-	-	-	264	(92)	-	-	396	2,452	(1)	2,451
Gas network infrastructure	35,881	(1,222)	34,660	662	-	-	-	(1,134)	-	-	-	36,543	(2,356)	34,188
Total infrastructural assets	808,187	(36,817)	771,372	16,093	-	-	54,960	(20,498)	1,324	-	10,131	835,736	(2,356)	833,382
Restricted assets														
Land	17,099	-	17,099	-	-	-	-	-	-	-	-	17,099	-	17,099
Buildings	6,321	(212)	6,110	3	-	-	-	(227)	-	-	-	6,325	(438)	5,886
Total restricted assets	23,420	(212)	23,209	3	-	-	-	(227)	-	-	-	23,424	(438)	22,985
Total property, plant and equipment	1,027,256	(60,712)	966,546	31,228	-	(262)	55,133	(24,988)	(1)	-	10,218	1,068,440	(30,568)	1,037,875

Notes to the financial statements

For the year ended 30 June 2021

16. Property, plant and equipment (continued)

Valuation

Operational and restricted land and buildings

Under NZ IFRS, this portfolio is being held for operational purposes, is valued and accounted for under the public Benefit Entity International Public Sector Accounting Standard 17 (PBE IPSAS 17) Property Plant and Equipment. The most recent valuation was performed by Mr KD Pawson (ANZIV, SPINZ, Bcom (VPN), of Morgans Property Advisors, Valuers and the valuation is effective as at 30 June 2021

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

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

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

Where Council only holds a land interest, then Fair Value has been determined by comparison with market based land sales.

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

Some of the portfolio is impacted by reserves status (zoned or gazetted) and designations. Where land is impacted by same, the approach has been to firstly assess market values as per underlying zoning/status and then discounted values by a percentage that appropriately reflects the 'percentage chance' of changing the zoning/status or uplifting the designation. The property has been valued as if free and clear of any mortgages, debenture or toher charge against the property.

No allowance has been made for any liability for taxation which may arise on disposal of the property, nor any allowance for capital based Government grants investments allowances which may apply if the property was being built at the date of valuation.

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

Leasehold improvements are held at cost less depreciation.

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

These are valued at fair value determined on a depreciated replacement cost basis. The most recent valuation, as at 30 June 2020, was performed by WDC staff, with Fraser Clarke Masters of Business Studies, BApplEcon, Affiliate member of PINZ and John Vessey BE (Civil), BA (Econs), Fellow of IPENZ, Member of ACENZ, CPEng, Affiliate member of PINZ of WSP consultants peer reviewing the methodology. Infrastrucutre assets lives are very long so it is considered any short term movement in construction prices will have a very small impact.

Land under Roads

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

Gas distribution network

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

Art collection

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

Impairment

There are no impairments to Property, plant and equipment for the year ending 30 June 2021 (2020 \$Nil).

Notes to the financial statements

For the year ended 30 June 2021

Work in progress	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Operational Buildings & improvements	16,995	8,989	16,995	8,989
Plant & Equipment	94	-	94	-
Art Works	9	9	9	9
Waste Water Other	-	4	-	4
Storm Water	-	-	-	-
Water Other	-	48	-	48
Roading	802	118	802	118
Waterways & Natural Drainage	105	105	105	105
Gas distribution network	-	-	19	19
Restricted Buildings & improvements	-	-	-	-
Intangible	-	-	-	-
Total work in progress	18,005	9,273	18,025	9,292

Leasing

The net carrying amount of plant and equipment held under finance leases is \$Nil (2020 \$Nil).

Restrictions

Land and buildings in the "Restricted" category are subject to either restrictions in use, or disposal, or both. This includes restrictions from legislation (such as land declared a reserve under the Reserves Act 1977), or other restrictions (such as land and buildings under a bequest or donation that restricts the purpose for which the asset may be used).

Core infrastructure asset disclosures

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

	Closing book value \$000	Additions constructed by Council \$000	Additions transferred to Council \$000	Most recent replacement cost estimate for revalued assets \$000
2021				
Stormwater & Drainage	136,093	3,214	172	193,241
Wastewater Other	130,272	2,176	82	258,140
Wastewater Treatment Plants & Facilities	64,527	80	-	82,898
Water Other	74,833	2,544	70	134,965
Water Treatment Plants & Facilities	16,470	797	-	39,967
Roading network	369,721	8,289	-	712,297
2020				
Stormwater & Drainage	134,613	3,635	-	190,027
Wastewater Other	130,544	658	-	255,964
Wastewater Treatment Plants & Facilities	65,715	-	-	82,818
Water Other	73,825	714	-	132,421
Water Treatment Plants & Facilities	16,037	1,356	-	39,170
Roading network	367,841	9,067	-	704,009

Notes to the financial statements

For the year ended 30 June 2021

17. Intangible assets

	Council computer software \$000	Council other \$000	Council total \$000	Group other \$000	Group goodwill \$000	Group \$000
Movements for each class of intangible asset are as follows:						
Balance at 1 July 2020						
Cost	3,452	1,257	4,709	1,119	9,496	15,324
Accumulated amortisation and impairment	(3,152)	-	(3,152)	(1,070)	(1,526)	(5,748)
Opening carrying amount	301	1,257	1,557	49	7,970	9,576
Year ended 30 June 2021						
Additions	70	47	117	70	-	187
Amortisation / Impairment charge	(99)	-	(99)	-	-	(99)
Disposals/Transfers	-	-	-	-	-	-
Amortisation charge eliminated on disposal	-	-	-	-	-	-
Revaluation increment	-	396	396	-	-	396
Closing carrying amount	272	1,699	1,971	119	7,970	10,060
Year ended 30 June 2021						
Cost	3,522	1,699	5,222	1,189	9,496	15,907
Accumulated amortisation and impairment	(3,251)	-	(3,251)	(1,070)	(1,526)	(5,847)
Closing carrying amount	272	1,699	1,971	119	7,970	10,060
Balance at 1 July 2019						
Cost	3,430	937	4,367	1,118	9,496	14,981
Accumulated amortisation and impairment	(3,087)	-	(3,087)	(1,070)	(1,126)	(5,283)
Opening carrying amount	342	937	1,280	48	8,370	9,698
Year ended 30 June 2020						
Additions	23	6	28	1	-	29
Amortisation / Impairment charge	(65)	-	(65)	-	(400)	(465)
Disposals/Transfers	-	-	-	-	-	-
Amortisation charge eliminated on disposal	-	-	-	-	-	-
Revaluation increment	-	314	314	-	-	314
Closing carrying amount	301	1,257	1,557	49	7,970	9,577
Year ended 30 June 2020						
Cost	3,452	1,257	4,709	1,119	9,496	15,324
Accumulated amortisation and impairment	(3,152)	-	(3,152)	(1,070)	(1,526)	(5,748)
Closing carrying amount	301	1,257	1,557	49	7,970	9,576

Council's other intangible assets relate to Whanganui District Councils holdings of Carbon Credits under the Emissions Trading Scheme. There are no restrictions over the title of WDC's intangible assets, nor are any intangible assets pledged as security for liabilities.

Impairment

Goodwill

Goodwill arises on the consolidation of GasNet Limited and the New Zealand International Commercial Pilot Academy in the books of Whanganui District Council Holdings Limited and the consolidation of the WINC glass school into the books of WDC. Any excess of the cost of the business combination over WDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If WDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the statement of comprehensive revenue and expense. There is no impairment of goodwill as the net book value of assets, cashflows all in line with the expectations contained in the Council's 10 year plan 2018/28.

Work in progress

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Software	-	9	-	9
Easements	-	-	-	-
	-	9	-	9

Notes to the financial statements

For the year ended 30 June 2021

18. Investment property

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Balance at 1 July	27,993	24,060	26,957	23,054
Additions from acquisitions	40	-	40	-
Disposals/Transfers	(22,651)	-	(22,651)	-
Fair value gains/(losses) on valuation	8,071	3,934	8,063	3,903
Balance at 30 June	13,454	27,993	12,410	26,957
Less Impairment of earthquake prone buildings	-	-	-	-
Balance at 30 June	13,454	27,993	12,409	26,957

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

Covid-19 Impact

The current Coronavirus (Covid-19) global Pandemic is creating significant economic and financial global 'headwinds'. As New Zealand is an 'exporting' nation, the impact on forestry and the meat industry is evident, and Tourist numbers have decreased significantly. A drop in New Zealand's Gross Domestic Product (GDP) is widely expected by economists, with a potential "recession" in the short to medium term.

Whanganui District, to date, has been largely insulated given that the district has limited exposure to the Tourism sector and that most primary produce prices have remained strong. While the impact on the property market at time of writing has been minimal there is the feeling that the impact of Covid-19 on consumer confidence may not yet be fully realized and that certain caution on property value expectations is appropriate.

This Asset Valuation is current at the date of valuation only. As at the date of valuation we consider that there is significant market uncertainty given that impact of Covid-19 on consumer confidence may not yet be fully realised.

The values assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation).

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

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<u>Revenue and expenses in relation to investment properties:</u>				
Rental revenue	1,663	1,343	1,663	1,343
Expenses from investment property generating revenue	(785)	(634)	(751)	(603)
Expenses from investment property not generating revenue	(34)	(31)	(34)	(31)
Contractual obligations for capital expenditure	-	-	-	-
Contractual obligations for operating expenditure	-	-	-	-

19. Joint ventures

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

	Council and Group	
	2021 \$000	2020 \$000
Current assets	79	115
Non-current assets	5,659	5,028
Current liabilities	306	262
Non-current liabilities	23	85
Revenue	167	336
Expenses	410	530

Notes to the financial statements

For the year ended 30 June 2021

Joint venture commitments and contingencies

Details of any commitments and contingencies arising from the group's involvement in the joint ventures are disclosed separately in notes 26 and 27.

20. Payables and deferred revenue

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current portion				
<i>Payables under exchange transactions</i>				
Trade payables	6,231	6,932	7,285	8,584
Deposits and bonds	1,324	946	1,324	946
Accrued expenses	1,616	628	1,616	628
Amounts due to related parties	-	-	(195)	-
Accrued interest payable	635	672	777	782
Revenue in advance	1,085	1,612	4,159	5,041
<i>Payables under non exchange transactions</i>				
Income tax payable	-	-	760	760
Other taxes payable	193	182	(176)	(642)
Rates in advance	857	706	857	706
Grants and funding with conditions	2,236	-	2,236	-
	14,177	11,677	18,642	16,805
Non-current portion				
<i>Payables under non exchange transactions</i>				
Grants and funding with conditions	-	-	-	-
	-	-	-	-
Total payables and deferred revenue	14,177	11,677	18,642	16,805

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

21. Borrowings & other financial liabilities

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current portion				
Secured loans	13,500	17,500	16,430	17,500
Finance leases	-	-	-	-
<i>Total current portion</i>	13,500	17,500	16,430	17,500
Non-current portion				
Secured loans	88,750	84,750	99,432	98,652
Finance leases	-	-	-	-
<i>Total non-current borrowings</i>	88,750	84,750	99,432	98,652
Total borrowings	102,250	102,250	115,862	116,152

Notes to the financial statements

For the year ended 30 June 2021

Secured loans

WDC's secured debt of \$102,250,000 (2020 \$102,250,000) is mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bill rate plus a margin of 0.20%-1.05% for credit risk.

There is a multi option credit facility of \$10,000,000 (2019 \$15,000,000) available with Westpac. At year end there had been drawdowns of \$750,000 (2020 \$750,000) on this facility. In addition WDC has a loan facility of \$15,000,000 available with ANZ. At year end there was no drawdown (2020 \$Nil). It also has a \$93,000 credit card facility with ANZ Bank. At 30 June 2021 \$11,235 was owing on this facility (2020 \$15,417).

WDC has debt raised with the New Zealand Local Government Funding Agency. At 30 June 2021, \$101,500,000 is outstanding (2020 \$101,500,000) with maturities from 2022 to 2029.

Security

Council loans are secured over rates revenue or property. WDC adopted a new Liability Management Policy during the 2020/21 year.

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

Fair values

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

Notes to the financial statements

For the year ended 30 June 2021

22. Employee entitlements

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	606	476	706	585
Annual leave	1,372	1,319	1,586	1,516
Retirement and long service leave	112	104	112	104
Sick leave	12	12	12	12
<i>Total current portion</i>	2,102	1,911	2,416	2,217
Non-current portion				
Retirement and long service leave	133	137	133	137
<i>Total non-current portion</i>	133	137	133	137
Total employee entitlements	2,235	2,048	2,549	2,354

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

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used are from 1 year, 5 year and 10 year bond yields. The salary inflation factor has been determined after considering historical salary inflation patterns. An average discount rate of 0.52% (2020 0.52%) and an inflation factor of 2.3% (2020 2.3%) were used.

23. Provisions

Council has not made any provisions during the 2020/21 or 2019/20 periods.

Notes to the financial statements

For the year ended 30 June 2021

24. Equity	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Retained earnings				
Balance at 1 July	558,612	560,121	577,304	578,215
Asset adjustment to equity 1 July	-	-	-	-
Transfers (to)/from restricted reserves	2,830	(14,926)	2,830	(14,925)
Adjustment to equity from CCO's	-	-	-	140
Transfers from property revaluation reserves on disposal	-	22	-	23
Transfers from other revaluation reserves on disposal	-	-	-	-
Surplus/(deficit) for the year	22,629	13,395	24,396	13,851
Balance at 30 June	584,070	558,612	604,529	577,304
Restricted reserves				
Balance at 1 July	78,912	63,986	78,911	63,986
Transfers (to)/from retained earnings	(2,830)	14,926	(2,830)	14,926
Balance at 30 June	76,081	78,912	76,081	78,911
Asset revaluation reserves				
Balance at 1 July	295,004	230,172	303,345	238,514
Revaluation gains/(losses)	82,325	64,854	82,325	64,854
Impairment of roading assets	-	-	-	-
Transfer to retained earnings on disposal of property	-	(22)	-	(24)
Tax on property revaluations	-	-	-	-
Balance at 30 June	377,329	295,004	385,671	303,345
Asset revaluation reserves consist of:				
Operational assets:				
- land	79,665	39,540	79,665	39,540
- buildings	36,449	4,792	36,449	4,792
- Artworks	7,070	7,069	7,070	7,069
Infrastructural assets:				
- wastewater system (including stormwater)	160,187	160,187	160,187	160,187
- water system	28,894	28,894	28,894	28,894
- roading network	33,094	33,094	33,094	33,094
- Airport runway	405	423	405	423
- gas network infrastructure	-	-	8,342	8,342
Restricted assets:				
- land	28,645	19,615	28,645	19,615
- buildings	2,922	1,389	2,922	1,389
	377,329	295,004	385,671	303,345
Other reserves				
Balance at 1 July	1,197	1,034	1,196	1,034
Valuation gains/(losses) taken to equity	58	(151)	57	(152)
Transfer to accumulated funds on disposal of carbon credits	-	-	-	-
Gain/(loss) on carbon credits revaluation	396	314	397	314
Balance at 30 June	1,652	1,197	1,651	1,196
Other reserves consist of:				
- Fair value through equity	136	78	136	75
- Carbon credit reserve	1,515	1,120	1,515	1,121
	1,652	1,197	1,651	1,196
Total Equity	1,039,132	933,724	1,067,932	960,757

Notes to the financial statements

Restricted Reserves consists of:

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2020 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance at 30 June 2021 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	2,299	-	(20)	2,279
City Endowment	Investments	To provide alternative income for funding of Council activities	26,170	-	-	26,170
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	27,690	-	-	27,690
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of artworks	698	13	-	711
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	4	-	-	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	12	-	-	12
Gallery Redevelopment project	Community & cultural	Lotteries Board funds to go towards Gallery project	12,472	8,020	(11,133)	9,359
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	20	-	-	20
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	386	162	(196)	352
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	753	845	(659)	938
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	67	8	(52)	23
De-sexing program	Community facilities and services	To fund future dog de-sexing program	1	-	-	1
MA Larsen Bequest	Parks and recreation	To finance improvements at the Bason Reserve	602	-	-	602
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	30	-	-	30
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	11	-	-	11
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	9	-	-	9
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	108	-	-	108
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	24	-	(1)	23
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	12	-	-	12
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	6	-	-	6
Mars Donation	Parks and recreation	To fund improvements at Durie Hill	-	100	-	100
Nagaizumi Donation	Parks and recreation	For qualifying expenditure	10	-	-	10
Nicholson bequest	Parks and recreation	For qualifying expenditure	42	-	-	42
Tree Planting contribution	Parks and recreation	For qualifying expenditure	4	-	-	4
Reserve Management Plans	Parks and recreation	For qualifying expenditure	-	100	-	100
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,785	-	-	6,785
Rural road special rate - Whangaehu No 1	Roads, footpaths and pathways	Rural rates specifically collected for future works	65	10	-	76
Rural road special rate - Whangaehu No 2	Roads, footpaths and pathways	Rural rates specifically collected for future works	96	8	-	104
CUVL renewals fund	Economic development	To fund renewals of community under-veranda lighting	190	-	-	190
International Education	Economic development	To fund education initiatives	77	4	-	81
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	39	-	-	39
Aged Citizens Benefit Trust	Corporate	To benefit aged citizens	6	-	-	6
Tram Fund	Community & cultural	To fund the Tram project	11	-	-	11
Welcoming Communities grant	Community & cultural	To administer the Welcoming Communities scheme	61	10	(13)	57
Community Development grants	Community & cultural	To fund Youth Committee projects	10	-	-	10
Tylee Cottage	Community & cultural	To fund the Artists in Residence scheme	48	21	(36)	34
Opera House Friends	Community & cultural	To fund future Friends projects	()	3	(2)	1
Library mobile vans	Community & cultural	To fund purchase of new mobile vans	21	-	(21)	-
LI Smith Bequest	Community & cultural	To fund an arts award	76	12	(15)	74
			78,912	9,318	(12,148)	76,081

Notes to the financial statements

For the year ended 30 June 2021

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2019 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance at 30 June 2020 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	2,403	-	(121)	2,299
City Endowment	Investments	To provide alternative income for funding of Council activities	23,818	2,328	-	26,170
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	26,239	1,451	-	27,690
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of artworks	693	-	-	698
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	4	-	-	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	12	-	-	12
Gallery Redevelopment project	Community & cultural	Lotteries Board funds to go towards Gallery project	1,502	13,436	(2,466)	12,472
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	20	-	-	20
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	322	162	(101)	386
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	619	148	(19)	753
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	155	24	(113)	67
De-sexing program	Community facilities and services	To fund future dog de-sexing program	1	-	-	1
MA Larsen Bequest	Parks and recreation	To finance improvements at the Bason Reserve	597	-	-	602
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	29	-	-	30
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	10	-	-	11
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	9	-	-	9
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	107	-	-	108
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	25	1	(3)	24
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	12	-	-	12
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	6	-	-	6
Nagaizumi Donation	Parks and recreation	For qualifying expenditure	10	-	-	10
Nicholson bequest	Parks and recreation	For qualifying expenditure	41	-	-	42
Tree Planting contribution	Parks and recreation	For qualifying expenditure	3	-	-	4
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,793	-	(8)	6,785
Rural road special rate - Whangaehu No 1	Roads, footpaths and pathways	Rural rates specifically collected for future works	55	10	-	65
Rural road special rate - Whangaehu No 2	Roads, footpaths and pathways	Rural rates specifically collected for future works	87	8	-	96
CUVL renewals fund	Economic development	To fund renewals of community under-veranda lighting	188	-	-	190
International Education	Economic development	To fund education initiatives	13	64	-	77
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	39	-	-	39
Aged Citizens Benefit Trust	Corporate	To benefit aged citizens	6	-	-	6
Tram Fund	Community & cultural	To fund the Tram project	11	-	-	11
Welcoming Communities grant	Community & cultural	To administer the Welcoming Communities scheme	38	60	(38)	61
Community Development grants	Community & cultural	To fund Youth Committee projects	11	-	(1)	10
Tylee Cottage	Community & cultural	To fund the Artists in Residence scheme	15	109	(76)	48
Opera House Friends	Community & cultural	To fund future Friends projects	3	2	(5)	()
Library mobile vans	Community & cultural	To fund purchase of new mobile vans	10	30	(19)	21
LI Smith Bequest	Community & cultural	To fund an arts award	79	-	(3)	76
						-
			63,986	17,835	(2,975)	78,912

Notes to the financial statements

For the year ended 30 June 2021

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Surplus/(deficit) after tax	22,629	13,395	24,396	13,851
Add/(less) non-cash items				
Share of associate surplus/(deficit)	(6)	(9)	(6)	(9)
Interest credited directly to investments	-	-	(530)	151
Depreciation and amortisation expense	21,778	23,480	25,351	25,523
Vested assets	(324)	-	(324)	-
(Gains)/losses in fair value of biological assets	-	-	-	-
Movement in fair value of investment property	(8,071)	(3,934)	(8,063)	(3,903)
(Gains)/losses on derivative financial instruments	(5,347)	1,391	(5,508)	1,291
(Gains)/losses on shares held in WDC Holdings Ltd	-	-	-	-
(Gains)/losses in fair value of plant, property and equipment	127	(100)	127	(100)
Increase/(decrease) in deferred tax	(61)	84	(442)	344
(Gains)/losses on other investments	-	-	-	-
	8,097	20,914	10,607	23,299
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	-	-	364	151
	-	-	364	151
Add/(less) movements in working capital items				
Accounts receivable	2,790	(4,131)	2,706	(3,979)
Inventories	-	-	7	(160)
Accounts payable	2,690	3,788	1,960	3,027
Employee benefits	(4)	-	(17)	(16)
	5,476	(342)	4,656	(1,127)
Net cash inflow/(outflow) from operating activities	36,202	33,967	40,022	36,175

26. Capital commitments and operating leases

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Capital commitments				
Plant & Equipment	137	-	137	-
Parks	-	330	-	330
Building & Improvements	33,909	43,798	33,909	43,798
Water System	2,463	4,903	2,463	4,903
Storm Water & Drainage System	173	1,400	173	1,400
Waste Water System	75	883	75	883
Roading Network	91,360	76,580	91,360	76,580
Wastewater Treatment Plant (see note 22)	-	-	-	-
Investment property	-	-	-	-
Library Stock	244	422	244	422
Total capital commitments	128,361	128,316	128,362	128,317

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

Notes to the financial statements

For the year ended 30 June 2021

Operating leases as lessee

WDC leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 60 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Not later than one year	51	86	399	520
Later than one year and not later than five years	161	22	594	583
Later than five years	-	-	308	300
Total non-cancellable operating leases	211	108	1,302	1,403

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2020 \$nil).

Lease can be renewed at WDC's option, with rents set by reference to current market rates for items of equivalent age and condition. WDC does not have the option to purchase the asset at the end of the lease term.

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

WDC's financial statements include lease expenditure of \$42,760 (2020 \$143,302). The lease expenditure is for photocopiers, water coolers, and Eftpos terminals.

Operating leases as lessor

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

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

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Not later than one year	1,420	1,404	1,420	1,404
Later than one year and not later than five years	1,872	1,847	1,872	1,847
Later than five years	5,800	5,493	5,800	5,493
Total non-cancellable operating leases	9,090	8,742	9,090	8,742

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

Notes to the financial statements

For the year ended 30 June 2021

27. Contingencies

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Litigation	-	-	-	-
Building Act claims	-	-	-	-
Total contingent liabilities	-	-	-	-

Building act claims

The Building Act (2004) imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done. At the date of this report, agreement has been reached with regards to Council's contribution towards the one claim shown in 2019.

Financial Assistance Package

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

New Zealand Local Government Funding Agency

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

WDC is one of 53 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100,000.

When aggregated with the uncalled capital of other shareholders, \$20M is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, WDC is a guarantor of all of NZLGFA's borrowings. At 30 June 2021, NZLGFA had borrowings totalling \$13,610M (2020: \$10,900M).

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

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

Unquantified Liabilities

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

Contingent Assets

As at 30 June there were no contingent assets.

Notes to the financial statements

For the year ended 30 June 2021

28. Related party transactions

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

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

Related party transactions required to be disclosed

Tax losses of \$883,000 were transferred to the Whanganui Gas Group by loss offset (2020 \$318,000)

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

The Council paid the Drawing Room \$Nil for the provision of Architectural services (2020: \$Nil).

The Council paid Downer NZ \$15.7M for the supply of various contract works (2020: \$15.7M)

The Council paid MWLASS for shared services \$74,737 (2020: \$49,228).

Council provided WDCHL \$Nil grant for a provincial growth fund application (2020 \$Nil). WDC paid WDCHL management fees of \$252,250 (2020 \$252,500).

The Council made equity contributions to Whanganui Joint Venture Airport totalling \$200,402 (2020 \$131,486).

The Council received from NZ Masters Games Ltd for administrative services \$0 (2020: \$2,150).

Council paid the Whanganui Vintage weekend Trust by the way of a grant \$30,000 (2020 \$30,000).

The Council received from the Sarjeant Gallery Trust grants totalling \$Nil (2020 \$1,310,000). An amount of \$Nil was outstanding at 30 June 2020 (2020 \$Nil).

Key management personnel compensation

	2021 \$000	2020 \$000
<i>Councillors</i>		
Remuneration	652	627
Full-time equivalent members	13	13
<i>Senior Management, including the Chief Executive</i>		
Remuneration	1,739	1,477
Full-time equivalent members	9	6
	2,391	2,104
Total full-time equivalent personnel	22	19

Key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel. The above remuneration for senior management includes payment of leave entitlements to a senior management personnel who left during the year.

Notes to the financial statements

For the year ended 30 June 2021

29. Remuneration

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$373,740 (2020 \$389,413) including annual leave bought out of \$0 (2020 \$13,212).

Elected representatives

Elected representatives received the following remuneration:

Whanganui District Council as elected on 12 October 2019

Mayor Hamish McDouall (includes car) (1/7/20 - 30/6/21)

Councillor Charlie Anderson (1/7/20 - 30/6/21)

Councillor Philippa Baker-Hogan (1/7/20 - 30/6/21)

Councillor James Barron (1/7/20 - 30/6/21)

Councillor Josh Chandulal-Mackay (1/7/20 - 30/6/21)

Councillor Helen Craig (1/7/20 - 30/6/21)

Councillor Brent Crossan (1/7/20 - 30/6/21)

Councillor Jenny Duncan (1/7/20 - 30/6/21)

Councillor Kate Joblin (1/7/20 - 30/6/21)

Councillor Hadleigh Reid (1/7/20 - 30/6/21)

Councillor Alan Taylor (1/7/20 - 30/6/21)

Councillor Rob Vinsen (1/7/20 - 30/6/21)

Councillor Graeme Young (1/7/20 - 30/6/21)

Not re-elected on 12 October 2019

Councillor David Bennett

Councillor Murray Cleveland

Whanganui Rural Community Board as elected on 12 October 2019

Chairperson Grant Skilton (Board member 1/7/20 - 30/6/21)

Bill Ashworth (1/7/20 - 30/6/21)

Michael Dick (1/7/20 - 30/6/21)

Alistair Duff (1/7/20 - 30/6/21)

Sandra Falkner (1/7/20 - 30/6/21)

David Wells (1/7/20 - 30/6/21)

As elected at by-election on 18 February 2020

Peter Oskam

Not re-elected on 12 October 2019

Chairperson David Matthews

Total

	Council		WGL/WDCHL	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Elected representatives				
Mayor Hamish McDouall (includes car) (1/7/20 - 30/6/21)	137	138	-	-
Councillor Charlie Anderson (1/7/20 - 30/6/21)	38	37	-	-
Councillor Philippa Baker-Hogan (1/7/20 - 30/6/21)	42	40	-	-
Councillor James Barron (1/7/20 - 30/6/21)	42	29	-	-
Councillor Josh Chandulal-Mackay (1/7/20 - 30/6/21)	42	40	-	-
Councillor Helen Craig (1/7/20 - 30/6/21)	48	45	-	-
Councillor Brent Crossan (1/7/20 - 30/6/21)	38	27	-	-
Councillor Jenny Duncan (1/7/20 - 30/6/21)	50	47	-	-
Councillor Kate Joblin (1/7/20 - 30/6/21)	46	43	-	-
Councillor Hadleigh Reid (1/7/20 - 30/6/21)	42	40	-	-
Councillor Alan Taylor (1/7/20 - 30/6/21)	46	44	-	-
Councillor Rob Vinsen (1/7/20 - 30/6/21)	42	39	-	-
Councillor Graeme Young (1/7/20 - 30/6/21)	38	37	-	-
Not re-elected on 12 October 2019				
Councillor David Bennett	-	10	-	-
Councillor Murray Cleveland	-	10	-	-
	651	627	-	-
Whanganui Rural Community Board as elected on 12 October 2019				
Chairperson Grant Skilton (Board member 1/7/20 - 30/6/21)	11	9	-	-
Bill Ashworth (1/7/20 - 30/6/21)	6	6	-	-
Michael Dick (1/7/20 - 30/6/21)	6	6	-	-
Alistair Duff (1/7/20 - 30/6/21)	6	6	-	-
Sandra Falkner (1/7/20 - 30/6/21)	6	6	-	-
David Wells (1/7/20 - 30/6/21)	6	8	-	-
As elected at by-election on 18 February 2020				
Peter Oskam	5	2	-	-
Not re-elected on 12 October 2019				
Chairperson David Matthews	-	3	-	-
	46	45	-	-
Total	697	672	-	-

Notes to the financial statements

For the year ended 30 June 2021

Employee staffing levels and remuneration

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

	2021
	Number of employees
\$0 - \$59,999	142
\$60,000 - \$79,999	70
\$80,000 - \$99,999	43
\$100,000 - \$119,999	20
\$120,000 - \$139,999	8
\$140,000 - \$179,999	6
\$180,000 - \$379,999	4
Total number of employees as at 30 June 2021	<u>293</u>
	2020
	Number of employees
\$0 - \$59,999	160
\$60,000 - \$79,999	60
\$80,000 - \$99,999	42
\$100,000 - \$119,999	10
\$120,000 - \$139,999	12
\$140,000 - \$239,999	6
\$240,000 - \$399,999	1
Total number of employees as at 30 June 2020	<u>291</u>

At 30 June, WDC employed 197 (2020 189) full time employees, with the balance of staff representing 49 (2020 48) full-time equivalent employees. A full-time equivalent employee is determined on the basis of a 40 hour working week.

30. Severance payments

Severance payments were made to three employees during the year. The payments amount totalled \$51,982 (2020 five payments totalling \$69,911).

The value of each of the severance payments were \$5,864, \$5,782 and \$40,335 (2020 \$7,773, \$9,593, \$10,408, \$10,752 and \$31,385)

31. Events after the balance date

On the 17th of August 2021 all of New Zealand moved to Covid Delta Alert Level 4. On the 31st of August 2021 all of New Zealand south of Auckland moved to Alert Level 3. On the 7th of September 2021 New Zealand except Auckland moved to Alert Level 2 on which the Whanganui District still complies with. No significant impact of these changes are anticipated

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024

(2020 Council is in the process of establishing Whanganui Port Limited Partnership, with Council as the Limited Partner and Whanganui Port General Partner Limited as the General Partner. The Limited Partnership will own both Port and Harbour Endowment assets and be responsible for developing and maintaining the port operations)

Notes to the financial statements

For the year ended 30 June 2021

32. Financial instruments

Financial instrument categories

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

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	5,386	6,560	8,761	8,767
Receivables	6,339	9,129	10,503	13,956
Loans to related parties	9,016	8,585	214	478
Community loans	803	-	803	-
Term Deposits	11,277	9,650	17,568	11,678
Fair value through other comprehensive revenue and expense				
Other financial assets:				
- unlisted shares	700	641	700	641
Fair value through surplus or deficit				
LGFA borrower notes	1,712	1,631	1,712	1,631
	-	-	-	-
Financial liabilities				
Fair value through surplus or deficit				
Derivative financial instrument liabilities	7,446	12,808	7,611	13,136
Financial liabilities at amortised cost				
Payables	14,177	11,677	18,642	16,805
Borrowings:				
- secured loans	102,250	102,250	115,862	116,152

33. Fair value hierarchy disclosures

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

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

Notes to the financial statements

For the year ended 30 June 2021

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

	Valuation technique			Significant non-observable inputs
	Total market price	Quoted	Observable	
	\$000	\$000	\$000	\$000
30 June 2021 - Council				
Financial assets				
Unlisted shares	700		700	
LGFA borrower notes	1,712		1,712	
Government indexed bonds	-	-		
Financial liabilities				
Derivatives	7,446		7,446	
30 June 2021 - Group				
Financial assets				
Shares unlisted	700		700	
LGFA borrower notes	1,712		1,712	
Government indexed bonds	-	-		
Financial liabilities				
Derivatives	7,611		7,611	
30 June 2020 - Council				
Financial assets				
Shares unlisted	641		641	
LGFA borrower notes	1,631		1,631	
Government indexed bonds	-	-		
Financial liabilities				
Derivatives	12,808		12,808	
30 June 2020 - Group				
Financial assets				
Shares unlisted	641		641	
LGFA borrower notes	1,631		1,631	
Government indexed bonds	-	-		
Financial liabilities				
Derivatives	13,136		13,136	

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

Notes to the financial statements

For the year ended 30 June 2021

34. Financial instrument risks

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

Market risk

Price risk

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

Currency risk

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

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at floating rates exposes WDC to fair value interest rate risk. WDC's Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Floating to fixed interest rate swaps are entered into to hedge the fair value interest rate risk arising where WDC has borrowed at floating rates. In addition, investments at fixed interest rates expose the WDC to fair value interest rate risk. If interest rates on investments at 30 June 2021 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus by \$Nil (2020 Nil). If interest rates on borrowings at 30 June 2021 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$416,250 (2020 \$416,250) as a result of higher/lower interest expense on floating-rate borrowings.

Cash flow interest rate risk

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

Credit risk

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

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

Notes to the financial statements

For the year ended 30 June 2021

Maximum exposure to credit risk

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash at bank and term deposits	16,663	16,210	26,330	20,445
Receivables	6,339	9,129	10,503	13,956
LGFA borrower notes	1,712	1,631	1,712	1,631
Related party and community loans	9,819	8,585	1,017	478
Total credit risk	34,533	35,555	39,562	36,032

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

Credit quality of financial assets

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Counterparties with credit ratings				
Cash at bank, term deposits and sinking funds:				
AA	-	-	-	-
AA-	16,663	16,210	26,330	8,767
<i>Total cash at bank, term deposits and sinking fund</i>	<i>16,663</i>	<i>16,210</i>	<i>26,330</i>	<i>8,767</i>
LGFA borrower notes:				
AA+	1,712	1,631	1,712	1,631
AA-	-	-	-	-
<i>Total LGFA borrower notes:</i>	<i>1,712</i>	<i>1,631</i>	<i>1,712</i>	<i>1,631</i>
Counterparties without credit ratings				
Community and related party loans:				
Existing counterparty with no defaults in the past	9,819	8,585	1,017	11,678
Existing counterparty with defaults in the past	-	-	-	-
<i>Total long term receivables and related party loans</i>	<i>9,819</i>	<i>8,585</i>	<i>1,017</i>	<i>11,678</i>

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

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes a liability Management Policy. These policies have been adopted as part of the Council's 10-Year Plan. The maturity profiles of the Council's interest bearing investments and borrowings are disclosed in notes 11 and 22 respectively.

Contractual maturity analysis of financial liabilities

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

Notes to the financial statements

For the year ended 30 June 2021

	Carrying amount cash flows	contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Council 2021						
Payables	14,177	14,177	14,177	-	-	-
Secured loans	102,250	111,327	14,883	11,322	45,313	39,810
Total	116,427	125,504	29,060	11,322	45,313	39,810
Group 2021						
Payables	18,642	18,642	18,642	-	-	-
Secured loans	115,861	129,830	27,283	11,322	51,415	39,810
Total	134,504	148,472	45,925	11,322	51,415	39,810
Council 2020						
Payables	11,677	11,677	11,677	-	-	-
Secured loans	102,250	112,741	18,977	8,096	40,708	44,960
Total	113,927	124,418	30,654	8,096	40,708	44,960
Group 2020						
Payables	16,805	16,805	16,805	-	-	-
Secured loans	116,152	131,243	31,377	8,096	46,810	44,960
Total	132,957	148,048	48,182	8,096	46,810	44,960

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

	Liability carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6 months to 2 years \$000	More than 2 years \$000
Council and group 2021					
Contracts:					
Council	7,445	7,445	48	542	6,855
Group	7,611	7,611	48	631	6,932
Council and group 2020					
Contracts:					
Council	12,808	12,808	48	542	12,218
Group	13,136	13,136	48	631	12,457

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

Notes to the financial statements

For the year ended 30 June 2021

Contractual maturity analysis of financial assets

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

	Carrying amount and contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	More than 2 years \$000
Council 2021				
Cash and cash equivalents	5,386	5,386		
Receivables	6,339	6,339		
Other financial assets:				
- term deposits	11,277	11,277		
- related party loans	9,016	9,016		-
- community loans	803	803		
Total	32,822	32,822	-	-
Group 2021				
Cash and cash equivalents	8,761	8,761		
Receivables	10,503	10,503		
Other financial assets:				
- term deposits	17,568	17,568		
- related party loans	214	214		
- community loans	803	803		
Total	37,849	37,849	-	-
Council 2020				
Cash and cash equivalents	6,560	6,560		
Receivables	9,129	9,129		
Other financial assets:				
- term deposits	9,650	9,650		
- related party loans	8,585	8,585		
- community loans	-	-		
Total	33,924	33,924	-	-
Group 2020				
Cash and cash equivalents	8,767	8,767		
Receivables	13,956	13,956		
Other financial assets:				
- term deposits	11,678	11,678		
- related party loans	478	478		
- community loans	-	-		
Total	34,879	34,879	-	-

Notes to the financial statements

For the year ended 30 June 2021

Sensitivity analysis

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

Council

2021 \$'000

Interest rate risk

Financial assets

Cash and cash equivalents

Other financial assets:

Financial liabilities

Borrowings:

- bank overdraft

- term loans

- Derivatives

Total sensitivity to interest rate risk

	Surplus	- 50bps Other Equity	Surplus	+ 100bps Other Equity
Cash and cash equivalents	(27)		54	
Other financial assets:	(45)		90	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(416)		833	
- Derivatives	(320)		640	
Total sensitivity to interest rate risk	(808)	-	1,616	-

Council

2020 \$'000

Interest rate risk

Financial assets

Cash and cash equivalents

Other financial assets:

Financial liabilities

Borrowings:

- bank overdraft

- term loans

- derivatives

Total sensitivity to interest rate risk

	Surplus	- 50bps Other Equity	Surplus	+ 100bps Other Equity
Cash and cash equivalents	(33)		66	
Other financial assets:	(43)		86	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(416)		833	
- derivatives	(358)		715	
Total sensitivity to interest rate risk	(849)	-	1,698	-

Notes to the financial statements

For the year ended 30 June 2021

Group

2021 \$000

	Surplus	- 50bps Other Equity	Surplus	+ 100bps Other Equity
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(44)		88	
Other financial assets:	(45)		2	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(428)		857	
- derivatives	(320)		640	
Total sensitivity to interest rate risk	(837)	-	1,586	-

Group

2020 \$000

	Surplus	- 50bps Other Equity	Surplus	+ 100bps Other Equity
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(44)		88	
Other financial assets:	(43)		5	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(425)		850	
- derivatives	(358)		715	
Total sensitivity to interest rate risk	(869)	-	1,658	-

Explanation of interest rate sensitivity

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

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50bps/+100bps (2020 -50bps/+100bps).

Notes to the financial statements

For the year ended 30 June 2021

35. Insurance Contracts

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

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

Material Damage - full replacement value \$305,966,215

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

Fine Arts - full replacement value \$31,277,688

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

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

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

Infrastructure (3 Waters) -full replacement value \$1,259,200,449

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

Infrastructure (Roading) -full replacement value \$682,906,390

WDC currently receives a minimum subsidy of 62% from the NZTA for any roading works with this % increasing in the event of a disaster. In the event of a disaster the shortfall between repair costs and subsidy received is loan funded.

The Council carries a self insurance fund, currently valued at \$2,403,000. This fund covers excesses for the Material Damage and Commercial Motor Vehicle policies.

Notes to the financial statements

For the year ended 30 June 2021

36. Investments in CCOs and similar entities

Section 5(3) of the Local Government (Financial Reporting and Prudence) Regulations 2014 requires the Council to present a single Council Controlled Organisation (CCO) investment figure in the Statement of Financial Position. As Council is also required to comply with IAS 1, Presentation of Financial Statements, Council has decided to disclose the total CCO investment amount as a footnote to the Statement of Financial Position

	Council	
	2021 \$000	2020 \$000
Shares in subsidiary (at cost - WDCHL)	7,846	7,846
Unlisted shares in NZ Local Government Funding Agency Limited	421	371
Unlisted shares in NZ Local Government Insurance Corporation Limited	279	270
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	37	38
	<u>8,582</u>	<u>8,524</u>

37. Capital management

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

Council has the following Council created reserves:

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

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

Notes to the financial statements

For the year ended 30 June 2021

38. Explanation of major variances to budget

Statement of comprehensive revenue and expense

Revenue

Total rates revenue of \$63.85M is marginally lower than budget (0.17%), the main driver being higher rates penalties written off.

Finance revenue is \$717k lower than budget (60%), driven by lower interest rates and no dividend being received from Whanganui District Council Holdings Limited.

Development contributions are \$80k higher than budget (42%), as outstanding development projects have been completed.

Subsidies and grants are \$8.8M lower than planned (30%), driven by timing of Sarjeant Gallery Redevelopment grants. These grants were originally budgeted to coincide with progress of the physical works, so delays to the physical works have delayed the associated subsidies. This is partially offset by significant unplanned subsidy revenue for 3 water stimulus projects, Economic Development and Central Business District development.

Other revenue is \$708k higher than budget (6%), driven by higher Building Control consent revenue and unplanned Wastewater revenue for tankered waste disposal.

Gains are \$12.8M higher than originally budgeted, driven by significant valuation increase in derivative financial instruments (swaps) and investment properties held by Council.

Expenditure

Personnel costs are \$133k lower than budget (0.7%), as various roles throughout the organisation were vacant while candidates were sought. This was especially prevalent in Environmental Policy activity.

Depreciation is \$758k lower than planned (3.4%), driven lower depreciation on infrastructure assets after the infrastructure revaluation in late 2019/20.

Finance costs are \$1.1m lower than budgeted (19%), driven by significantly lower interest rates and holding less debt than planned.

Other expenses are \$2.5M higher than budget (6.1%). This is driven by:

- higher maintenance costs in pensioner housing portfolio (\$640k) to meet legislative requirements.
- higher than planned insurance premiums (\$344k) across Council activities.
- higher maintenance and upgrades (\$340k) at Council administration buildings, namely 101 and 125 Guyton St.
- writing off \$339k of sunk costs for the Velodrome Roof investigation and assessments.
- higher environmental and drainage maintenance (\$338k) in the Roading activity.
- unplanned expenditure on the Economic Development STAPP project (\$328k), fully funded by external subsidies.
- unplanned expenditure for the Let's Go cycling project (\$270k), fully funded by external subsidies.
- unplanned insurance excess (\$77k) for vandalism at Lorendale Park and Library equipment.

This is partially offset by savings in energy costs and transport and disposal costs.

Statement of financial position

Assets

Cash and cash equivalents are \$2.04M higher than budget (61%), driven by higher trade payables at year end.

Receivables is \$1.1M lower than planned, however fluctuates regularly due to timing of invoicing and workloads.

The current portion of other financial assets (\$20.3M) is made up of loans to subsidiaries and cash from subsidies held on term deposit.

Port investment assets worth \$31.8M have been reclassified as non-current assets held for sale, in preparation for transfer to the Port Special Purpose Vehicle.

Total non-current assets is \$43.7M higher than budget (4%), mainly due to a significant valuation increase (\$74.4M) for land & buildings held by Council. This is partially offset by \$31.8M of Port assets that have been deemed as held for sale and transferred to non-current assets held for sale.

Notes to the financial statements

For the year ended 30 June 2021

Liabilities

Payables is \$4.2M higher than planned, however fluctuates regularly due to the timing of invoicing and workloads.

Total borrowings are \$20.2M lower than budget (17%), mainly due to lower capital expenditure and unplanned subsidy funding. This is partially offset higher loans to subsidiaries.

The favourable variance to budget of \$4.1M (36%) in derivative financial instruments is due to changing market conditions affecting the revaluation of these instruments, driven by growing interest rates.

Statement of cash flows

Operating activities

Cash flows from operating activities is an indication of whether an entity is able to finance its normal operations from short-term funds. Council generated a \$36.2M cash surplus from operating activities. This is an unfavourable variance to budget of \$4.9M (12%), mainly due to timing of the Sarjeant Gallery redevelopment subsidies. See Subsidies and Grants above.

Investing activities

Cash flows from investing activities show net asset purchases to be \$37.4M, which is \$1.48M (3.8%) less than budget. The main reason for this relates to lower than planned Capital Expenditure. Capital variances to budget are discussed in detail in the 'Groups of Activities' section of this Annual Report.

Financing activities

Cash flows from financing activities shows net zero movement, with debt repayments matching new borrowings. This is favourable variance of \$2.16M as less borrowing was required, driven by significant cash subsidies funding various capital projects. Borrowings are made on the basis of projected capital spending, some of which did not happen as detailed in the 'Groups of Activities' section.

Mayor's Relief Fund

	Actual	
	2021	2020
	\$000	\$000
Balance at 1 July	4	4
Money Received	-	-
Interest received	-	-
Payments made	-	-
Balance at 30 June	4	4

WDC administers the Mayor's Relief Fund which is held in a separate bank account from the Council's normal banking facilities. Transactions and balances are not recognised in the Group financial statements.

Additional information

For the year ended 30 June 2021

Reconciliation of Prospective statement of comprehensive revenue and expense to the Funding impact statement (FIS)

The Funding impact statements are prepared in accordance to with the Local Government (Financial Reporting and Prudence) Regulations 2014. They do not comply with Generally accepted accounting practices (GAAP). However, the Statement of comprehensive revenue and expense is prepared in compliance with GAAP. The following is a reconciliation between the and expense shown on the statement of comprehensive revenue and expense and the funding impact statement for the whole of Council

	Annual Plan 2021 \$000	Annual Report 2021 \$000	Annual Plan 2020 \$000	Annual Report 2020 \$000
Operating funding in the FIS	82,270	83,745	80,070	81,172
Subsidies and grants for capital expenditure	5,231	13,436	6,848	17,109
Development and financial contributions	189	269	120	59
Vested Assets	-	324	-	-
Property, plant and equipment gain on disposal	-	40	-	21
Other dedicated capital funding	19,029	18	29	1,303
Net gains not included in the FIS	554	13,361	543	4,032
Total Revenue in the Statement of Comprehensive revenue and expense	107,273	111,194	87,610	103,697
Application of operating funding in the FIS	65,587	66,873	63,399	65,490
Depreciation not included in the FIS	22,537	21,778	20,261	23,480
Losses from derivative financial instruments	-	-	-	1,391
Forestry expenditure	-	-	-	3
Property, plant and equipment losses on disposal	-	-	-	-
Total expenditure in the statement of revenue and expense	88,124	88,651	83,660	90,365

Equal employment opportunities (EEO) report

Over the past year the attainment of EEO goals has been sought through:

- Making EEO information more readily available on the intranet, policies, and through discussions on matters that impact on our EEO policy and goals at senior management meetings and the union/employer working party meetings. A regular review of our EEO policy is undertaken to ensure we are modern in our thinking and can be adaptable and flexible in understanding how we can best support our diversity as a workplace and community.
- EEO principles are adhered to, and part of the Council's Recruitment and Selection Policy.
- Giving staff the opportunity to express their views through the annual staff survey and addressing issues that arose.
- Giving staff the opportunity to feed issues to senior management through operational leaders meetings and staff team meetings.
- We have undertaken a stocktake with Diversity Works NZ to progress the development of our Diversity and Inclusion Programme and any additional supporting strategies and policies.
- The recent changes and introduction of our Iwi Liaison Officers (Pou Herenga/Heritage & Community Services Manager Supporting the Area of Culture & Community, and the Operational Support Officer) ensures further education for all staff in relation to the Treaty of Waitangi and the Te Awa Tupua Act. This work sits alongside the implementation of our Collaborative Culture Programme that will also provide support in developing Council's Maori Language Strategy, new Cultural Toolkit and induction system, and the introduction of Te Reo courses supporting professional development for all staff. This will feed into our wider Diversity & Engagement initiatives in the future.
- Having in place an Employees Assistance Programme which includes:
 - Staff support procedures that were adopted to assist employees to resolve concerns and difficulties before they became costly in terms of personal distress or work efficiency.
 - Access to an independent counselling service.

Independent Auditor's Report

To the readers of Whanganui District Council's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of Whanganui District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 7 December 2021. This is the date at which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 160 to 163 and pages 165 to 224:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2021;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 164, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the Group of activities on pages 24 to 134:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 29 to 119, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 31 to 121, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 152 to 159, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of matter – The Government's three waters reform programme announcement

Without modifying our opinion, we draw attention to note 31 on page 211, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Basis for our opinion on the audited information

We carried out our audit 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. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We determine the appropriateness of the reported intended levels of service in the Group of activities, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 13, 15 to 23 and 225, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed and audited the District Council's 2021-2031 Long-term plan. The engagements 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.



Chris Webby
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand