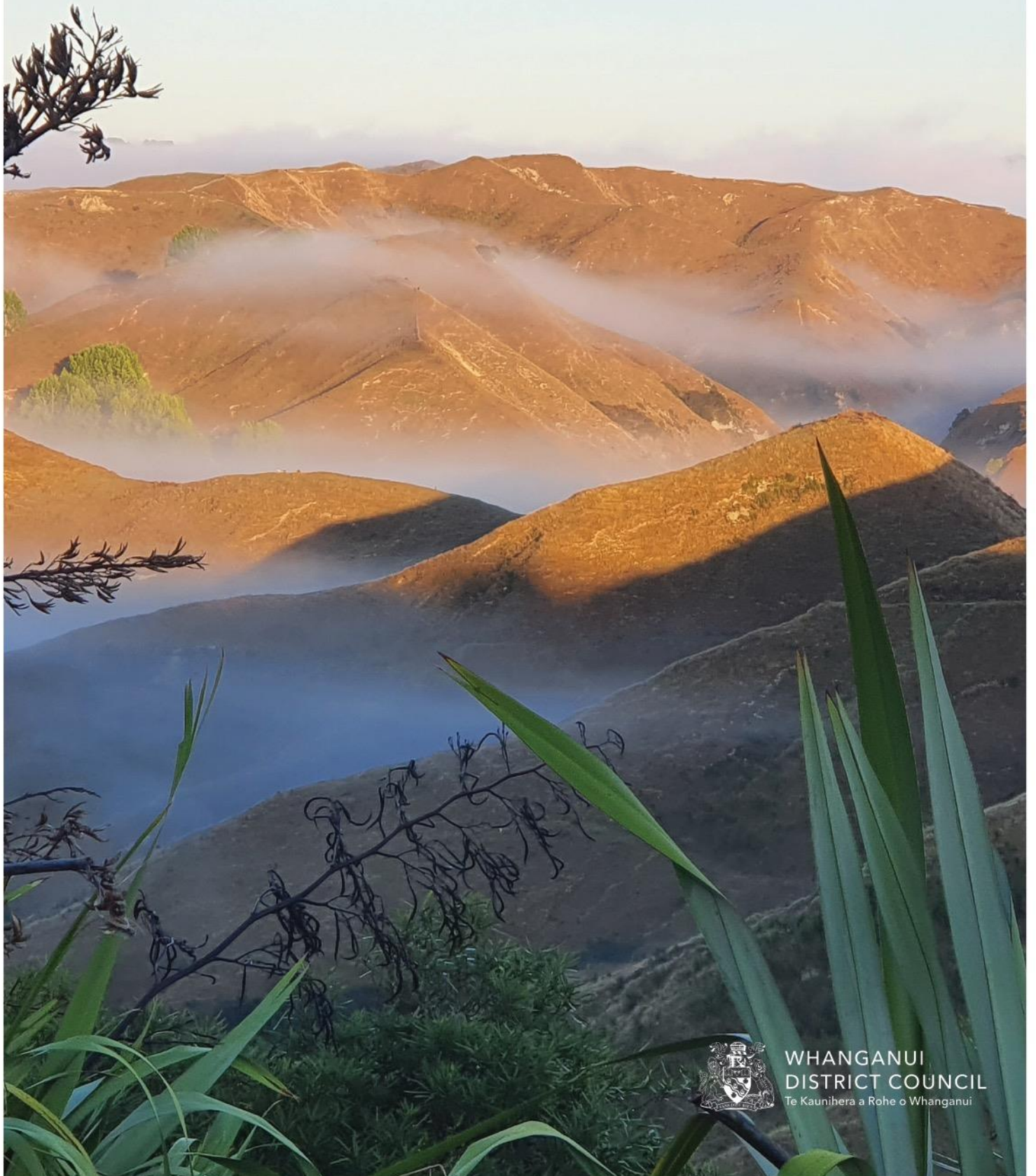


Annual Report

For the year ended 30 June 2020



WHANGANUI
DISTRICT COUNCIL
Te Kaunihera a Rohe o Whanganui

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Message from the Mayor

Tēnā koutou katoa,

Thank you for taking the time to read Whanganui District Council's Annual Report for 2019/20, which looks back at what the council achieved in that financial year.

This is an interesting foreword to write, in late 2020, as we recover from the impacts of the global COVID-19 pandemic in New Zealand and move forward into what is still an uncertain future.

Whanganui was in a period of positive growth in the second half of 2019. Our population was steadily rising; real estate was in high demand. Our town centre and suburbs were rejuvenating with strong community engagement and commitment. A second library hub opened in Castlecliff.

In August, we celebrated the 100th anniversaries of the Durie Hill Elevator and the Sarjeant Gallery Te Whare o Rehua Whanganui as part of an inaugural Heritage Month. In October, Whanganui was crowned New Zealand's *Most Beautiful City* and won the award for *Most Beautiful Street* at the Keep New Zealand Beautiful Awards.

Local body elections were held and the position of Mayor was not contested. Councillors David Bennett and Murray Cleveland decided not to stand for re-election and I thank them for their contributions. The remaining 10 sitting councillors were re-elected.

This meant we entered a new term, with an experienced and cohesive council, armed with a mandate from the community to keep up the momentum built up in the previous three years.

The New Zealand Labour Party's 2019 conference was held in Whanganui in November, at the Whanganui War Memorial Centre, with Prime Minister Jacinda Ardern's leadership speech delivered from the stage of the historic Royal Wanganui Opera House – televised nationally and livestreamed to the world.

As we moved into summer, events filled our calendar. Whanganui was making its mark as a place of beauty, creativity and innovation; a place of opportunity. There was interest in and discussion about the unprecedented numbers of tourists arriving to stay in Whanganui and the urgent necessity for affordable housing solutions.

As we moved into autumn, we looked forward to the iconic Artists Open Studios weekends and the second Whanganui Walls Street Art Festival, this time with a free Walls of Sound music festival in the town centre.

And then New Zealand went into lockdown.

Whanganui went very quiet. Events were cancelled. Council facilities closed to the public. All Committee and Council meetings were postponed until further notice.

We worked alongside multiple agencies throughout the emergency in support of the health-led response, dealing with potentially frightening scenarios. However, as the weeks passed, we began to see that Whanganui's urban spaciousness and relative isolation was our advantage. There were only four confirmed cases within the Whanganui District Council boundaries.

Both the operational and governance arms of the Council continued to work during the lockdown period, to the extent that it was possible. We tested our digital capability and capacity to work remotely and discovered new and more open ways to work together.

Now, in recovery, we are faring comparatively well in the Whanganui District. We do not yet know what the full social and economic impacts of COVID-19 will be, but post lockdown, early indicators showed the effect on Whanganui was softer than it was nationwide.

In 2019/20 we have worked hard to connect with central government funding initiatives and succeeded in attracting significant PGF investment in a major project to redevelop the historic and culturally significant Sarjeant Gallery Te Whare o Rehua Whanganui. The project itself is now well underway.

The vision, confidence and ambition we have for Whanganui – our belief in this incredible district – has meant that we have moved ahead in many areas. In 2020's strange new normal, our investment in economic development, beautification, town centre regeneration, environmental and heritage initiatives, our strategies for housing, land development and climate change and our relationships with central government and with iwi have all begun to attract the right kind of attention and set us up to thrive.

This document records those initiatives. It also demonstrates our performance against our targets for the 2019/20 financial year, confirming that we have maintained our Standards & Poors' AA credit rating and our financial management has been sound.

I would like to recognise the way our community responded to the surreal events that disrupted our lives so severely in the last third of the 2019/20 financial year. Whanganui people have experienced adversity before and we know how to stay calm and be kind. We're resourceful and generous. Sometimes it takes a crisis to remind us. Thank you for responding so well: for showing up when you were called upon, and staying home when it mattered.

Equally I would like to thank the Chief Executive, the Executive Leadership Team, and staff for their commitment throughout the year to building a resilient environment, community and economy and for their contributions in emergency management and the provision of essential services during the COVID-19 crisis. The welfare response, for example, was managed by a small, dedicated council team, who broke their bubbles and risked their own health to deliver for Whanganui. Our operational staff in local government do not often receive recognition, however they should feel proud, as I do, of their efforts and achievements over the past year.



Hamish McDouall
Mayor of Whanganui

GOVERNANCE STRUCTURE

as at 30 June 2020

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

† Crs David Bennett and Murray Cleveland did not seek re-election for the 2019-2022 term. Incoming elected members for the 2019/22 term included Crs James Barron and Brent Crossan.

Whanganui Rural Community Board



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



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



David Wells
david.wells@whanganui.govt.nz
Mangamahu
Whanganui 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

† Outgoing Chair, David Matthews, resigned at the end of the 2016-2019 term.



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 Louis Devine Yth Cr Charlotte Hardy	—
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

I am pleased to present Whanganui District Council's Annual Report for the 2019/20 year.

While the last third of the financial year was dramatically disrupted by COVID-19, there have been many achievements to celebrate.

This report reflects another extremely busy and productive year for the council. As I look back on our efforts and achievements I see that many of them have contributed to the community resilience we saw during lockdown and the ability of our district to recover economically in an uncertain world.

Our Leading Edge Strategy continues to serve us well. Across the areas of community, connectivity, creativity, environment and economy, it frames our goals using positive and energetic language. This is very much the culture of Whanganui District Council at this time. We are always seeking to be innovative, improve relationships, attract talent and deliver for our community professionally and responsibly.

When it comes to core council services, I believe we have already addressed many of the challenges faced by councils across New Zealand. Our new wastewater treatment plant has been fully operational and compliant throughout this year, protecting and enhancing our marine, river and city environments.

Our drinking water supply is 100% compliant with water safety standards and we consistently deliver an Aa grade water supply in the urban area. Work to improve our stormwater and roading infrastructure continues at pace. Our parks and civic amenities are some of the finest in the country, major earthquake-strengthening projects have been tackled and, as a result, we have a portfolio of restored heritage venues and facilities that are enjoyed by residents and visitors alike.

Our building and planning teams are working extremely hard to keep ahead of demand as Whanganui continues to grow and attract new residents, investors and developers.

We recognise that central government sees a bright future for the provinces and we leave no stone unturned when it comes to applying for government investment in Whanganui. We will see the results of this work in 2020/21 as key projects continue to move ahead, providing jobs and attracting people to our district.

I acknowledge the work of our council teams who work tirelessly supporting democracy and public engagement, social and cultural initiatives and our regulatory and corporate functions. Across Whanganui District Council we see a strong work ethic supported by genuine belief in this community.

Everything we do was put to the test in March 2020, when a global pandemic reached our shores and forced us into lockdown.

At this point there were many challenges and considerations to address immediately. Were we prepared? What resources could we share? How connected were we as a community? Could our agencies work together effectively? Were our people resilient? Could we continue to deliver essential services effectively?

I am proud to say that we were well prepared and ready to meet these challenges. I thank the community and my staff for their roles and outstanding contributions during the emergency.

I'd also like to acknowledge Mayor Hamish McDouall, Deputy Mayor Jenny Duncan and Elected Members who represent the community and set expectations accordingly.

2019/20 has shown us that our efforts on behalf of the Whanganui District make all the difference when it counts. We look forward to another busy and productive year.



Kym Fell
Chief Executive

Performance Snapshots



We received full funding for the Sarjeant Gallery Redevelopment Project



Another section of the Te Tuaiwi shared pathway has been completed



The YES digital platform was launched (with 100% SWEET)



Work commenced on the new animal pound



We adopted a housing strategy for the district



The Springvale Structure Plan to extend the city's urban boundary was approved



We collected and recycled over 80,000m³ of waste product from Council-associated buildings and complexes



We won the destination marketing award for digital performance



We were accepted into the League of Historical Cities



PGF funding was awarded towards the Port's rejuvenation

Statement of compliance and responsibility

For the year ended 30 June 2020

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 2020 fairly reflect the financial position, results of operations and service performance achievements of Whanganui District Council.

Signatures



Mayor
Hamish McDouall



Chief Executive
Kym Fell

8 December 2020

Impact of the COVID-19 pandemic

Overview

The COVID-19 pandemic in New Zealand has been part of an ongoing pandemic of coronavirus disease being experienced across the world and has had unprecedented impacts upon all sectors of New Zealand.

Whanganui District Council, as an organisation, has not been immune to the COVID-19 crisis, and has had its operations significantly disrupted and impacted. With approximately seven weeks of enforced lockdown and its resultant slowing of the economy's recovery in the following months, there has been challenges to meeting output performance, financial targets and key deliverables set for the reporting year. This has been particularly evident in Council's activities that are customer-facing, however can also be evidenced, to varying degrees, across all areas of Council.

Council officers throughout, and following, the lockdown restrictions have undertaken considerable work to adapt their business programmes and plans to effectively address the particular challenges facing the organisation as it heads into the next financial reporting period.

Response

What we did

Having tracked the speed, and extent, to which the coronavirus was evolving overseas, significant planning had been undertaken by the Council prior to the Prime Minister's announcement to the nation introducing measures to manage the spread of COVID-19 in our communities. This ensured that we were well prepared as we entered the four-week lockdown across New Zealand to try to limit the impacts of the pandemic.

Following the national announcement, a number of Council facilities were closed to the public from Monday, 23 March 2020. These included:

- The Davis, Alexander and Gonville libraries
- The Sarjeant Gallery
- The Whanganui War Memorial Centre, Royal Wanganui Opera House and Cooks Gardens
- Whanganui iSITE Visitor Information Centre
- The Innovation Quarter
- The Durie Hill Elevator closed on Saturday, 21 March 2020
- Whanganui Airport was closed to the public, except for passengers. The café was also closed.
- The Infrastructure Building.
- Customer Services
- All parks and playgrounds
- All Committee and Council meetings were postponed until further notice.

The provision of essential services: drinking and waste water; solid waste; waste management, essential roading services; and crematorium and cemetery services, animal management, was maintained.

Members of our Civil Defence and Emergency Management (CDEM) team formally joined with the health-led emergency response on 29 March 2020 in order to provide a collaborative and community-wide response alongside the Ministry of Health, partners in the health and social services sector, and iwi. Council's Emergency Management welfare team also established its call centre to co-ordinate local requests for assistance during the lockdown period.

During the period of lockdown of Alert Levels 4 and 3, staff continued to work remotely wherever possible, with many proactive initiatives being developed and implemented to provide a service to our community.

Restrictions eased as we moved into Alert Level 2 with Council services largely resuming on Thursday, 14 May 2020. New Zealand moved to Alert Level 1 at 11.59pm on Monday, 8 June 2020 and all remaining restrictions were removed except border controls.

Recovery

What we are planning

New Zealand formally entered into Recovery at 12.21pm on Wednesday, 13 May 2020 and the state of national emergency expired. Council has operated the recovery activity under the CDEM structure but has included a wider partnership group and operated as an Integrated Recovery Team. This team is a collective group of public service organisations across the Whanganui DHB rohe that includes Whanganui District Council and Civil Defence, the Whanganui District Health Board (WDHB), Iwi (Te Runga Tupua iwi collective), Ruapehu District Council and Rangitikei District Council. These organisations are supported by other key stakeholders including Whanganui and Partners (Economic Development Agency), Red Cross and Ministry of Social Development.

Three key elements of Recovery have been identified – Economic, Social and Health. Our cultural and environmental foundations are also considered as part of a holistic approach to Recovery.

A key part of Recovery activity has been providing welfare, psychosocial and business support, aiming to maximise uptake of central government funding opportunities, and developing intelligence from the collection and monitoring of data. The Integrated Recovery Team is also mindful of a possible resurgence and the need for further lockdowns and changes to alert levels so is taking steps to ensure we are prepared.

A central element of the recovery strategy is that it is community-led. A comprehensive engagement plan has provided a road map for engagement activity that included interviews with strategic leaders, an organisational survey, a community survey, focus groups with community organisations and groups and one-to-one discussions with individuals. Feedback analysis will help us understand the needs, strengths and vulnerabilities in the community, facilitate working together and resourcing to support recovery action. An action plan is to be developed which will identify opportunities to address community needs and to enhance well-being and equity.

The Redesign phase of the Recovery Strategy is about identifying opportunities to deliver services and systems differently. It is about working closely with our communities to identify their social,

economic and health/wellness goals and aspirations, and supporting and enabling us to thrive together.

Financial

The impact of COVID-19 has been varied, with some activities being significantly more affected than others.

As expected, those activities that were required to shut to the public during the lockdown, such as Venues & Events, the Sarjeant Gallery and the New Zealand Glassworks, experienced reductions in income. Council also experienced a reduction in rental income from its commercial properties due to tenants being unable to access these properties during lock-down. In addition to a drop in income, Council also incurred additional information technology costs to enable staff to continue working remotely.

Council's infrastructure (Roading and 3xWaters) physical works programme was largely unaffected as lockdown occurred at the end of the construction season. In addition, some other activities, such as Building Control and Planning, experienced a surge in demand, with significant numbers of applications received at the start of the lockdown.

Council has provided a rates relief package for those property owners significantly affected by COVID-19. This package enables property owners to either postpone rates, or seek rates remission where they have been severely impacted from the pandemic. To-date there has not been a significant number of property owners applying for rates relief under this package.

Significant variations to budget caused from the pandemic are contained within Note 39 of the 'Notes to the financial statements' section of this report.

Council's vision, outcomes and objectives

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

Whanganui: Leading Edge



COMMUNITY

A deeply united community

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



CONNECTIVITY

Connected

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



CREATIVITY

Innovative and creative

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



ENVIRONMENT

Safeguarding our place

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







ECONOMY


Works for everyone

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

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

Community Outcomes	Strategic objectives – We will...
 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 Negotiations Settlement Trust in a mutually

	<p>appropriate partnership process with mana whenua [whanau, hapu and iwi]</p> <ul style="list-style-type: none"> • Pursue initiatives that secure our health, our safety and instill a sense of belonging and wellbeing for all • Celebrate and champion the diversity in our district by educating, sharing and storytelling • Demonstrate strong, positive and empowering leadership to support unity and drive our district forward • Be transparent and inclusive in all our democratic processes • Deliver sport and recreation facilities to meet the needs of our community
 <p>CONNECTIVITY</p>	<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
 <p>CREATIVITY</p>	<ul style="list-style-type: none"> • Protect and promote our culture and heritage as a key point of difference • Facilitate the use of digital technologies and smart approaches to drive innovation and productivity • Sustain and nurture our arts reputation • Use our compactness, agility and pioneering attitude to our advantage by attracting niche manufacturing opportunities, microbusinesses, start-ups, creative industries and points of difference • Develop a dynamic knowledge economy and workforce • Become a district renowned for talent and creativity • Generate a buzz through events and downtown vibrancy
 <p>ENVIRONMENT</p>	<ul style="list-style-type: none"> • Capitalise and build on the value of our coastal location • Ensure our built environment reflects 21st century needs while preserving our distinctive heritage

	<ul style="list-style-type: none"> • 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 • 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

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 second 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.• Describe 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.
<p>A report on each Council-Controlled Organisation including:</p>	<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.
<p>Audited financial statements for core and consolidated Council.</p>	
<p>An audited funding impact statement for the financial year to which the report relates.</p>	
<p>Identification and detail regarding each reserve fund set aside by the Council.</p>	
<p>Rating base information, including the number of rating units, the capital and land values of these rating units.</p>	
<p>The insurance cover in place for Council assets.</p>	
<p>Remuneration paid to Elected Representatives and the Chief Executive.</p>	
<p>A report on employee staffing levels and remuneration.</p>	
<p>Information relating to severance payments to the Chief Executive and any other staff.</p>	
<p>A statement that the requirements of the Act in relation to the Annual Report have been complied with.</p>	
<p>A report on the activities the Council has undertaken to establish and maintain processes to provide opportunities for Maori to contribute to the decision-making process of Council.</p>	

Building community with iwi

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

Strategic engagement

Current relationship activity is with:

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

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

Operational engagement

Support has been provided for Waitangi Day commemorations, Pakaitore 25th birthday celebrations, and Pūanga.

A Cultural Competency Programme for the organisation has been developed and will be progressively rolled out to staff in the 2020/21 reporting year. The programme includes te reo and tikanga, and cultural activities. The purpose of this is to build culturally competent Council staff with effective community engagement strategies and increased understanding of Whanganuitanga, Te Tiriti o Waitangi and local whānau, hapū and iwi.

Recycling bins, bags and trailers have proven popular with marae located along the Whanganui River, due to the partnership of Tamaūpoko Charitable Trust and Council. Future projects will be investigated.







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

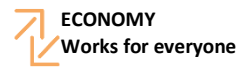
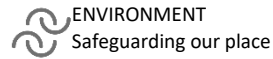
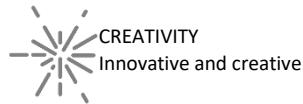
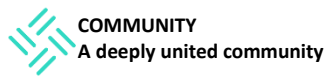
Representatives of Tūpoho and Council have formed an operational engagement team that advises, enables and supports key projects within infrastructure and policy i.e. roading changes and Town Regeneration.

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

What we did

We replaced a section of water-main on Peakes Road: having being assessed as a critical asset, a section of water-main had been identified to be of poor condition and had failed the test for ongoing serviceability with regard to fire-fighting capability in the area. A total of 500 metres of water-main was replaced to provide higher levels of service.

We submitted on the first stage of our Global Water Take consent: A decision to move forward with our proposed Global consent for Whanganui's water supply led to the provision of further information to Horizons Regional Council for clarification on existing and future water takes.

We provided connectivity through the Mill Road Water Main Growth project: this project was identified as a requirement for the future growth of Whanganui, with work being focussed specifically in the Mill Road, Mosston Road and Clarkson Avenue area.

We installed new hydrant filling stations: Two automated sites on Peat Street and Ridgway Street have been set up to distribute water to fill water tankers, with relevant information being linked back to our remote view or SCADA network. Two further sites are being planned for installation in the coming months.

We integrated remote meter reading of the urban and rural network: the introduction of remote metering on rural and industrial meters has enabled efficiencies in time and collection of real data.

We updated and calibrated our water model: this will ensure that we receive sufficient information on the availability of supply for the urban network and can also be used to provide higher levels of service for criticality prioritisation.

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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
WATER SUPPLY					
A continuous supply of water is provided at the right quantity, quality and pressure so that residents and industry can do what they need to (for example: irrigation, showering and recreation).	The total number of complaints received about the water (per 1000 connections to the networked reticulation system) ¹	60	60	LTP ² - <45	62.99
				AP ³ - <85	62.99
	<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: Veolia)</i>				
	The percentage of time Horizons Regional Council consent conditions are complied with (or mitigation undertaken if issues occur).	100%	100%	100%	100%
	<i>Comment: The target was met. All discharge and take consents 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	0	0	95%	95%



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 2 Target

³ Annual Plan 2019/20 Target

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
	Fire Service's code of practice for water supply and pressure.				
	<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	24 mins 
	<i>Comment: The target was met. (Source: Veolia)</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).	2 hrs 26 mins	10 hrs 30 mins	22 hours	1 hrs 14 mins 
	<i>Comment: The target was met. (Source: Veolia)</i>				
	Median response time for attending non-urgent call-outs (measure from the time that notification is received to the time that the service personnel reach the site).	15 hrs 20 mins	9 hrs 8 mins	24 hours	1 hrs 32 mins 
	<i>Comment: The target was met. (Source: Veolia)</i>				
	Median response time for resolution of non-urgent call-outs (measured from the time that notification is received to the time that the service personnel confirm resolution of the fault or interruption).	2 days 16 hrs	12 hrs 45 mins	4 days	1 hrs 18 mins 
	<i>Comment: The target was met. (Source: Veolia)</i>				
	The percentage of real water loss from the network reticulation system ⁴ .	28%	38%	<40%	35% 
	<i>Comment: The target was met. This is an estimation based on average minimum nightly flows to the average water consumption. (Source: WDC Infrastructure)</i>				
	The average amount of water consumed per resident per day.	257.5 litres	287 litres	350 litres	330 litres 
	<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). It is noted that there was an out of time recorded on the 31st December 2019 when a sample didn't arrive at the lab until the 3rd January 2020 due to a Courier issue. The sample was classed as an administrative error not a Non-Compliance. (Source: Ministry of Health)</i>				

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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
	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 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 meet additional demand :					
<i>Water Supply</i>					
Mill Road industrial area	-	610	610	373	-
Fitzherbert Ave extension	165	-	165	9	-
Zone remote metering	50	-	50	-	-
	215	610	825	382	-
Capital expenditure to improve the level of service :					
<i>Water Supply</i>					
Zone remote metering	50	-	50	10	-
Meters, valves, hydrants, mains, etc	302	-	302	335	-
Rural Scheme Fordell Link	65	60	125	-	-
Westmere reservoirs	25	-	25	54	-
Kai Iwi Bore & Pumps	30	-	30	1	-
Sundry Projects	40	-	40	52	-
	512	60	572	453	-
Capital expenditure to replace existing assets :					
<i>Water Supply</i>					
Meters, valves, connections, mains	757	180	937	962	-
Fordell Rural Scheme	27	-	27	-	-
Aramaho Bore & Pumps	160	-	160	71	-
Kai Iwi Bore & Pumps	70	697	767	90	674
Westmere Rural Scheme	170	380	550	10	445
Castlecliff Road	150	-	150	21	130
Symes Road	-	145	145	26	102
Ikitara Road	-	-	-	2	-
Spiral welded replacement	150	-	150	72	-
Sundry Projects	75	-	75	70	-
	1,559	1,402	2,961	1,325	1,351
Total Capital Expenditure for the Group	2,285	2,072	4,357	2,160	1,351

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

Water supply

The capital growth budget of \$825k was largely unspent while awaiting the completion of the Mill Road project.

The total capital acquisitions budget was underspent for the year, with most items below budget. The focus was on meters, watermains, valves, hydrants, and connections.

The capital replacements budget was also underspent for the year. Similar to capitals acquisitions, the focus was on meters, watermains, valves, hydrants and connections. Other projects had minor spends as planned works were delayed by lockdown over the 4th quarter.

The Kai Iwi no1 bore development continues to be underway, with significant works planned for 1st quarter of 2020/21. Funds of \$674k will be carried over to complete the project.

The Westmere reservoir scheme project made minor progress during the year, with most works planned for early to mid 2020/21. Funds of \$445k will be carried over to continue with the planned works.

The Castlecliff Road and Symes Road projects were initially held up due to the difficulty in sourcing pipe supplies and resources. Funds of \$130k and \$102k respectively will be carried over to 2020/21.

Internal borrowings

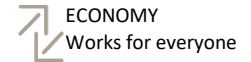
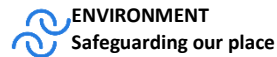
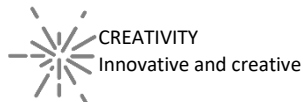
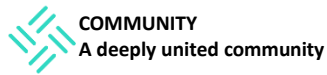
	2020	2019
	\$	\$
Brought forward	653,823	725,225
Borrowings raised	234,198	0
Borrowings repaid	0	(95,281)
Interest paid	6,518	23,879
Carried forward	894,539	653,823

Water supply group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	7,123	7,200	7,065	7,377
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	64	98	51	46
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	4
Total operating funding (A)	7,187	7,298	7,116	7,426
Application of operating funding				
Payments to staff and suppliers	3,195	3,239	3,188	3,401
Finance costs	781	779	744	638
Internal charges and overheads applied	664	695	650	611
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	4,640	4,713	4,582	4,650
Surplus (deficit) of operating funding (A - B)	2,547	2,585	2,534	2,776
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	5	5	6
Increase (decrease) in debt	110	(281)	(281)	(644)
Gross proceeds from asset sales	-	-	-	20
Lump sum contributions	-	-	-	-
Other dedicated capital funding	27	27	27	1
Total sources of capital funding (C)	137	(249)	(249)	(617)
Application of capital funding				
Capital expenditure				
-to meet additional demand	686	220	215	382
-to improve the level of service	518	523	512	453
-to replace existing assets	1,480	1,593	1,558	1,325
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	2,684	2,336	2,285	2,160
Surplus (deficit) of capital funding (C - D)	(2,547)	(2,585)	(2,534)	(2,776)
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 the construction of the Mill Road stormwater upgrade: this enables the development of about 30 hectares of greenfield in the Westbourne industrial zone. It also enabled the sealing of the section between Rakau Road and Manuka Street.

We have secured land for the future stormwater attenuation of Mill Road: this gives resiliency against unusually large rain events, and also helps us deal with any water quality issues that may arise.

We commenced 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.

We finalised the design work of underground services: this was in anticipation of the construction of Fitzherbert Avenue Extension, as part of the Springvale Structure Plan.

We commenced construction work for the Wilson Street stormwater renewal (Stage 2): this work is being integrated with the streetscape enhancement work planned by the Whanganui Rooding Alliance.

We completed the installation of the Wikitoria Road culvert: as part of a wider programme to improve the Awarua Stream, we installed a new box-culvert over the stream on Wikitoria Road in Putiki. Further enhancement work to the Awarua Stream such as riparian planting and fencing will be completed as part of the Healthy Streams initiative.






Waterways and natural drainage

We continue to work closely with Horizons Regional Council: Horizons Regional Council (Horizons) are responsible for the Lower Whanganui River Control structures downstream of the Cobham Bridge. We are supporting the repair works by meeting 25% of the budgeted cost. The total estimated project cost to repair the north and south mole is \$15M. Horizons and Council has allocated \$7.5M towards this project, with the balance of \$7.5M coming from the Provincial Growth Fund. Work is scheduled to commence during the 2020/21 year.

We continue to work with local Iwi 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.

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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
STORMWATER DRAINAGE					
Stormwater: Monitor flood warnings and respond promptly during emergency management flooding events	The median response time to attend a flooding event (measured from the time notification is received to the time that the service personnel reach the site).	0	0	4 hours	0 
	<i>Comment: The target was met. No flood events occurred during the reporting period. (Source: WDC CRM system)</i>				
Ensure a safe and operational stormwater drainage network for design events.	Number of flooding events ⁶ .	0	0	<5	0 
	<i>Comment: The target was met – no flood events occurred. (Source: WDC CRM system)</i>				
	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system). ⁷	2.05	1	LTP ⁸ : 0.25	2.40 
				AP ⁹ : 10	2.40 
	<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: WDC CRM system)</i>				
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to stormwater system).	0	0	0.5	0 
	<i>Comment: The target was met – no flood events occurred. (Source: WDC CRM system)</i>				
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of abatement notices received by Council in relation to those resource consents.	0	0	0	0 
<i>Comment: The target was met. (Source: WDC CRM system)</i>					
Compliance with all resource consents for discharge from the stormwater system. Measured by the number of infringement notices received by Council in relation to those resource consents.	0	0	0	0 	
<i>Comment: The target was met. (Source: WDC CRM system)</i>					

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 2 Target

⁹ Annual Plan 2019/20 Target

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of enforcement orders received by Council in relation to those resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: WDC CRM system)</i>				
	Compliance with all resource consents for discharge from the stormwater system. Measured by the number of convictions received by Council in relation to those resource consents.	0	0	0	0 
	<i>Comment: The target was met. (Source: WDC CRM system)</i>				
Network System Performance.	Number of urban floor-levels at risk, during the flood design-event ¹⁰ .	--	2,395	2,250	2,250 
	<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: WDC Infrastructure)</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 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 meet additional demand :					
Stormwater					
Otamatea Structure Plan	330	-	330	-	330
Springvale Structure Plan	200	-	200	-	200
Wetland Development	400	-	400	39	358
Swale Construction	250	-	250	10	242
	1,180	-	1,180	49	1,130
Capital expenditure to improve the level of service :					
Stormwater					
Separation Completion	500	-	500	1,396	-
Mill Road Manufacturing zone	-	1,328	1,328	1,313	-
City wide hotspots	100	57	157	-	-
Integrated catchment management	150	-	150	98	-
Stormwater attenuation project	500	496	996	386	-
Inflow & Infiltration Investigations	100	-	100	-	-
Sundry Projects	72	-	72	-	67
	1,422	1,881	3,303	3,192	67
Capital expenditure to replace existing assets :					
Stormwater					
Network replacements	350	820	1,170	310	814
Non critical assets replacement	50	-	50	66	-
Sundry Projects	10	-	10	19	-
	410	820	1,230	396	814
Total Capital Expenditure for the Group	3,012	2,701	5,713	3,638	2,011

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

Stormwater and waterways & natural drainage

The capital growth budget of \$1.18M was largely unspent due to focus on capital acquisitions programme. Funds of \$1.13M will be carried over to 2020/21 to continue with the growth work programme.

The capital acquisitions budget was close to fully spent for the year. The Mill Road project is functionally complete. The stormwater separation project made significant progress, with overspend funded from other like projects. Funds of \$67k will be carried over to 2020/21 to complete minor watercourse developments.

The capital replacements budget was well underspent for network replacements, due to the focus being on capital acquisition projects. Network replacements made some progress, however \$814k will be carried over to 2020/21 for completion.

Internal borrowings

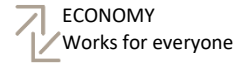
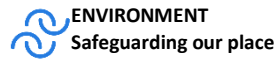
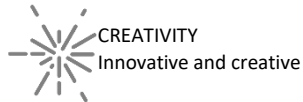
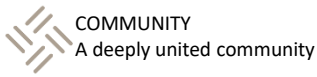
	2020	2019
	\$	\$
Brought forward	1,649,619	2,050,108
Borrowings raised	784,370	0
Borrowings repaid	0	(460,737)
Interest paid	17,865	60,247
Carried forward	<u>2,451,853</u>	<u>1,649,619</u>

Stormwater drainage group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	441	450	438	438
Targeted rates	5,683	6,202	5,915	5,911
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	2	-	-
Total operating funding (A)	6,124	6,654	6,353	6,349
Application of operating funding				
Payments to staff and suppliers	1,376	1,394	1,373	1,395
Finance costs	1,902	1,889	1,719	1,514
Internal charges and overheads applied	333	346	327	307
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	3,611	3,629	3,419	3,216
Surplus (deficit) of operating funding (A - B)	2,513	3,025	2,934	3,133
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	12	69	69	22
Increase (decrease) in debt	(631)	(18)	7	483
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	2	2	2	-
Total sources of capital funding (C)	(617)	53	78	505
Application of capital funding				
Capital expenditure				
-to meet additional demand	64	1,206	1,180	49
-to improve the level of service	1,422	1,453	1,422	3,193
-to replace existing assets	410	419	410	396
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	1,896	3,078	3,012	3,638
Surplus (deficit) of capital funding (C - D)	(2,513)	(3,025)	(2,934)	(3,133)
Funding balance ((A - B) + (C - D))	-	-	-	-



4 Sewerage and the treatment and disposal of sewage

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

What we did




The city's Wastewater Treatment Plant has been running in its entirety throughout the 2019/20 year: planned maintenance was the focus for this year in ensuring, moving forward, that all equipment is maintained to manufacturer's specifications. The sludge processing was also ramped up as the year progressed.

Upgrade works on Beach Road Pump Station and minor upgrades to small pump stations: This year we began getting through the significant renewals for Beach Road that have been held over for the last few years, this will continue into next year. Our routine maintenance programme has triggered the replacement of key pieces of the small pump stations including electrical controls, pumps, guides and other fittings.

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

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –

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

Effects on community well-beings

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



Maintaining public health and safety as well as 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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
SEWERAGE AND THE TREATMENT AND DISPOSAL OF SEWAGE					
The sewerage system is convenient, safe and reliable.	The number of dry weather sewerage overflows ¹¹ from the system (expressed per 1000 sewerage connections).	3.08	3.98	<4	0.83
	<i>Comment: The target was met. (Source: Veolia)</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).	26 mins	10 mins	6 hours	0 hrs 22 mins
<i>Comment: The target was met. (Source: Veolia)</i>					
The environment (including waterways and beaches) is protected from the adverse	Median response time for resolution of blockages or other faults (measured from the time that notification is received to the time that the service personnel confirm resolution of the blockage or fault).	1 hour 31 mins	12 hrs 22 mins	5 days	18hrs 15 mins
	<i>Comment: The target was met. (Source: Veolia)</i>				
The environment (including waterways and beaches) is protected from the adverse	Compliance with all resource consents for discharge from the wastewater system measured by abatement notices in relation to the resource consents.	0	0	0	0
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>				

¹¹ This relates to all overflows as we are unable to isolate only those relating to dry weather. We intend to improve our systems to enable better reporting in the future.

effects of wastewater.	Compliance with all resource consents for discharge from the wastewater system measured by infringement notices in relation to the resource consents.	0	0	0	0	
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>					
	Compliance with all resource consents for discharge from the wastewater system measured by enforcement orders in relation to the resource consents.	0	0	0	0	
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>					
	Compliance with all resource consents for discharge from the wastewater system measured by convictions in relation to the resource consents.	0	1	0	0	
	<i>Comment: The target was met. (Source: Horizons Regional Council)</i>					
	The total number of complaints received (expressed per 1000 connections) ¹² .	14.49	13.15	LTP ¹³ - <5	16.2	
AP ¹⁴ - <29				16.2		
<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 254 complaints (15,671 connections) during the period. (Source: WDC CRM system)</i>						

¹² Complaints may include sewage odour; sewerage system faults; sewerage system blockages and Council's response to any of these issues. Complaints also includes all requests for service. The target for this measure was set prior to receiving this clarification. As a result the target was updated as part of the 2019/20 Annual Plan.

¹³ LTP 2018-2028 - Year 2 Target

¹⁴ Annual Plan 2019/20 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 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 meet additional demand :					
Wastewater					
Mill Road industrial area	410	-	410	17	392
	410	-	410	17	392
Capital expenditure to improve the level of service :					
Wastewater					
New standby generator	250	237	487	-	487
CCTV condition assessments	60	-	60	46	-
Inflow & Infiltration Investigations	50	-	50	-	-
	360	237	597	46	487
Capital expenditure to replace existing assets :					
Wastewater					
Urban reticulation	675	-	675	455	194
Beach Road Station screen replacement	-	920	920	-	920
Beach Road Station control systems	300	500	800	-	800
Beach Road Station flood repairs	-	98	98	-	98
Hydraulic gate replacement	-	300	300	-	300
Pre-treatment area refurbishment	-	200	200	69	130
Non-critical assets replacement	150	69	219	51	-
Sundry Projects	40	-	40	22	-
	1,165	2,087	3,252	598	2,442
Total Capital Expenditure for the Group	1,935	2,324	4,259	661	3,321

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

Wastewater

The capital growth budget of \$410k was largely not required with the delay awaiting the completion of the Mill Road project. Funds of \$392k will be carried over to 2020/21 to continue with the project.

The new Treatment Plant became operational in 2018/19. The focus in 2019/20 has been in optimising the plant, hence progress on capital acquisitions has been slow. The new standby generator is still being planned, with \$487k being carried over to 2020/21 to fund the work.

The total capital replacements expenditure of \$598k is well under budget. The refurbishment of the master control cabinet at the Beach Road pumping station (\$800k), the hydraulic gate replacement (\$300k), and screen replacement (\$920k) projects have both been further delayed awaiting new designs, specifications, and contract documents. These funds will be carried over to 2020/21.

The urban renewal programme and pre-treatment refurbishment made good progress over the year, with remaining budget carried over to 2020/21 to continue works.

Internal borrowings

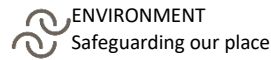
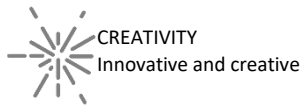
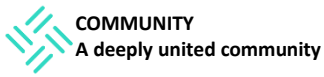
	2020	2019
	\$	\$
Brought forward	2,190,649	2,760,769
Borrowings raised	982,969	0
Borrowings repaid	0	(650,127)
Interest paid	23,294	80,006
Carried forward	<u>3,196,912</u>	<u>2,190,649</u>

Sewerage and the treatment and disposal of sewage group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	8,426	9,099	8,917	8,958
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,250	1,259	1,250	982
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	600	604	600	224
Total operating funding (A)	10,276	10,962	10,767	10,164
Application of operating funding				
Payments to staff and suppliers	6,393	6,672	6,599	7,368
Finance costs	1,415	1,422	1,389	1,561
Internal charges and overheads applied	783	845	799	750
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	8,591	8,939	8,787	9,680
Surplus (deficit) of operating funding (A - B)	1,685	2,023	1,980	484
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	4	19	19	11
Increase (decrease) in debt	166	(64)	(64)	164
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	2
Total sources of capital funding (C)	170	(45)	(45)	177
Application of capital funding				
Capital expenditure				
-to meet additional demand	160	419	410	17
-to improve the level of service	755	368	360	46
-to replace existing assets	940	1,191	1,165	598
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	1,855	1,978	1,935	661
Surplus (deficit) of capital funding (C - D)	(1,685)	(2,023)	(1,980)	(484)
Funding balance ((A - B) + (C - D))	-	-	-	-



5 Provision of roads and footpaths

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

What we did

Roading

We completed the Mill Road Extension to Manuka Street.

We completed the traffic signals upgrade to the Victoria Avenue to Ingestre Street and Glasgow Street intersections.

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.

- *Te Tuaiwi shared pathway.* The sections between Dublin Street and Glasgow Street, and Glasgow Street and London Street, were completed. An official opening by Minister of Transport, Hon. Phil Twyford, marked the completion of this crucial link of the 2.3 kilometre long shared pathway network.
- *London Street Shared Pathway.* Stage 1 between Splash Centre and Fergusson Street is complete. Stage 2 between Fergusson Street and Rail corridor is partially complete with the remainder being undertaken in the 2020/21 financial year.
- *Whanganui East Shared Pathway.* Design work is complete - construction is earmarked for completion between Georgetti Road and Kowhai Park in the 2020/21 financial year.
- *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.

Fitzherbert Avenue to Mosston Road extension: land acquisition and draft design plans for roading and 3 water services are complete. We are accommodating GasNet and Ultrafast fibre futureproofing into our design. Construction is to take place over the 2020/21 summer.

We undertook safety improvements around high risk Whanganui Schools including Tawhero School and Castlecliff 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 undertake these safety improvements over the next few years.

Wakefield Street Bridge: a pre-implementation phase was approved by the New Zealand Transport Agency (NZTA) to begin consultation with KiwiRail towards the planned renewal of the Wakefield Street Bridge.

We installed a raised platform on Somme Parade to improve safety: the raised platform is part of the Whanganui Urban Transportation Strategy and aims to enhance the experience of pedestrians and provide a safer and more visible crossing point.

Footpaths and berms

We continued to carry out maintenance and replacements on footpaths: sections of footpath renewals included Alexander Street, Argyle Street, Harper Street, Liverpool Street, Nelson Street, Pitt Street, Plymouth Street, Niblett Street, Swiss Avenue, and Victoria Avenue.

\$2 million for Whanganui roading projects

We were allocated \$2,040,000 from the Provincial Growth Fund intended to create employment for local workers. The allocation will fund three of Council's Long Term Plan roading projects – the Rapanui Road Underpass project, the Whanganui River Road Guardrail project, and the Fitzherbert Avenue extension.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Community connectedness

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



Enhance roading and pathway connections

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



Contributing to our local growth aspirations

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

Effects on community well-beings

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




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










How did we perform?

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

PERFORMANCE INDICATOR

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

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
ROADS AND FOOTPATHS					
Roads: The provision of a safe and secure local road network.	The change from the previous financial year in the number of fatalities or serious injury crashes on the local road network.	15	16	-1	20 
	<i>Comment: The target was not met. During the 2019/20 period, there were 20 fatal or serious injury crashes on the local road network. Of this figure, there were three fatalities and 17 serious injuries. (Source: NZ Transport Agency Crash Analysis System)</i>				
A local road network that provides a smooth travel experience.	The average quality ride on a sealed local road network, measured by smooth traffic exposure.	86%	89%	88-92%	79.9% 
	<i>Comment: The target was not met. This result is partly attributable the increased impact of logging trucks on the local road network.</i>				
	The percentage of the sealed road network that is resurfaced.	5.9%	6.73%	>4%	4.49% 
<i>Comment: The target was met. 26.3km of the 585.3km sealed road network was resurfaced¹⁵. (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.	95%	98%	>90%	83.9% 
	<i>Comment: The target was not met. There were 846 customer service requests and 710 were actioned within 5 working days. These results were adversely affected by COVID-19 with only urgent requests being actioned and a changeover of the CRM system in the second quarter. (Source: WDC 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 ¹⁶ .	94%	98%	>90%	74% 
	<i>Comment: The target was not met. There were 137 requests received and 101 were actioned within 5 working days. These results were adversely affected by COVID-19 with a combination of higher numbers of complaints from increased usage of footpaths and only urgent requests being actioned; and a changeover of the CRM system in the second quarter. (Source: WDC CRM System)</i>				
	The percentage of footpaths that meet Council's standard of a defect ¹⁷ score of <50	98%	99%	>90%	99% 
	<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).	15,916	26,945	<20,000	26,945 
	<i>Comment: The target was not met. The 2019 Footpath Condition Rating Survey identified 26,945 faults. The increase in overall faults is largely due to a requirement to record tree root damage as a new footpath fault type. (Source: Footpath condition rating survey undertaken every 5 years)</i>				

¹⁵ NZTA RAMM report

¹⁶ This includes any requests relating to the footpath and berms activity, for example, trip hazards and breakages.

¹⁷ This is calculated by the number of bumps, depressions, cracks and scabs on footpaths.

Roads, footpaths and pathways group

Capital expenditure

The following table shows the expenditure on capital works for the Roads, footpaths and pathways Group. Significant variations to the 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 :					
Roading					
Low Cost/Low Risk projects	1,160	1,700	2,860	3,343	274
Pathways Construction	1,550	-	1,550	2	-
Streetlights to LED	-	-	-	38	-
Bridge replacement	650	1,880	2,530	-	2,502
Heads Road roundabout	1,398	-	1,398	-	1,397
Worker Redeployment project (externally fu	-	-	-	223	1,125
Other projects	5	-	5	-	13
	4,763	3,580	8,343	3,605	5,311
	4,763	3,580	8,343	3,605	5,311
Capital expenditure to replace existing assets :					
Roading					
Emergency Management	900	1,300	2,200	460	840
Environmental maintenance	350	-	350	58	-
Sealed road resurfacing	2,050	-	2,050	1,759	-
Drainage renewals	953	-	953	901	-
Unsealed road metalling	505	-	505	456	-
Pavement rehabilitation	976	-	976	695	-
Structures component replacement	227	-	227	212	-
Traffic services renewals	402	-	402	475	-
Sundry Projects	-	-	-	37	-
	6,362	1,300	7,662	5,053	840
Footpaths and Berms					
Renewals	341	-	341	532	-
	6,703	1,300	8,003	5,585	840
Total Capital Expenditure for the Group	11,466	4,880	16,346	9,190	6,151

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

Roading

Low Cost/Low Risk projects (previously Minor Safety projects) made significant progress, with costs slightly higher than budget. Additional work has been committed and a portion carried over to 2020/21 to reflect this. NZTA is the majority funder of these works.

Pathways construction budget of \$1.55M and Heads Road Roundabout budget of \$1.4M was reallocated to align with the unplanned Worker Redevelopment programme. This programme is an unplanned stimulus grant in response to COVID-19, fully funded by Ministry of Business, Innovation and Employment. Minor progress was made in 2019/20, with the balance of funds being carried over to 2020/21.

The LED streetlights project was completed at an approved 85% NZTA subsidy rate.

The bridge replacement budget of \$2.53M relates to the Wakefield Street bridge replacement, and has been carried over again to 2020/21 awaiting NZTA approval.

The Emergency Management budget of \$2.2M made some progress in work left from 2015 flood. However, there remains a significant portion of work to do which is delayed by consenting and negotiations with affected parties.

Excluding Emergency Management costs, the balance of Roading replacement expenditure was budgeted to be \$5.46M. Actual expenditure for the year was \$4.59M, with no carry overs required. Resources were concentrated on Low Cost/Low Risk and Sealed road resurfacing projects, with some delays 4th quarter from COVID-19.

Footpaths and berms

Footpath renewals expenditure for the year was higher than budget by \$191k. However this was matched by NZTA subsidy received for footpaths renewals/replacements.

Internal borrowings

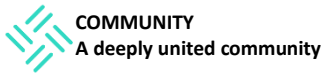
	2020	2019
	\$	\$
Brought forward	363,741	496,844
Borrowings raised	103,900	0
Borrowings repaid	0	(146,387)
Interest paid	3,432	13,284
Carried forward	471,073	363,741

Provision of roads and footpaths group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	9,271	9,724	9,239	9,244
Subsidies and grants for operating purposes	3,383	3,321	3,749	4,561
Fees and charges	24	24	24	27
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	400	409	540	711
Total operating funding (A)	13,078	13,478	13,552	14,543
Application of operating funding				
Payments to staff and suppliers	7,836	7,838	8,247	8,772
Finance costs	526	619	458	394
Internal charges and overheads applied	643	635	609	572
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	9,005	9,092	9,314	9,738
Surplus (deficit) of operating funding (A - B)	4,073	4,386	4,238	4,805
Sources of capital funding				
Subsidies and grants for capital expenditure	7,810	6,999	6,848	5,098
Development and financial contributions	-	25	25	20
Increase (decrease) in debt	1,241	308	355	(714)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	9,051	7,332	7,228	4,404
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	5,938	4,867	4,763	3,605
-to replace existing assets	7,186	6,851	6,703	5,585
Increase (decrease) in reserves	-	-	-	19
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	13,124	11,718	11,466	9,209
Surplus (deficit) of capital funding (C - D)	(4,073)	(4,386)	(4,238)	(4,805)
Funding balance ((A - B) + (C - D))	-	-	-	-



6 Parks and recreation

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

What we did

Parks and reserves

We installed a new public toilet: in response to public requests, a new toilet was installed outside 161 Victoria Avenue. A laser cut metal external cladding gives the toilet a unique look.

We continued to upgrade park facilities: the swings at Castlecliff Domain playground were replaced, and new synthetic safety surfacing was installed. Significant work was also undertaken on the skatebowl to improve the surface. The merry-go-round at Kowhai Park was completely refurbished. The cladding on the exterior of the Larsen House Conservatory at Bason Reserve was renewed.

We decommissioned the Mosquito Point swing: with public health and safety uppermost in our mind, the Mosquito Point swing was fully decommissioned and not replaced.

We enhanced our parks and facilities: a new glass art feature was installed in the outdoor section of the Winter Gardens at Rotokawau Virginia Lake.

We continued to install drinking fountains in new locations: new drinking fountains have been situated at Lorenzdale Park and by the Durie Hill lookout.

Our historical telescope was refurbished: restoration work on the 161-year-old refractor telescope at Whanganui's historic Ward Observatory was undertaken.

We launched the Upokongaro Cycle bridge: finalisation of a variation to the resource consent, and easement, provided the green light to launch the 130 metre long suspension bridge across the Whanganui River at Upokongaro. The bridge is designed for foot and cycle traffic and will be opened once further work on the bridge and its entrances has been completed.

We have a Garden of Significance

Bason Botanic Gardens regained its status as a New Zealand Gardens Trust 'Garden of Significance' with a four-star rating.

Swimming Pools

We took advantage of an enforced closure to the Splash Centre: the pools were not accessible to the public during the COVID-19 lockdown and impacted upon the overall numbers for users for the 2019/20 year with a decrease of 42,092 from the previous reporting year. However, we used the time of enforced closure during Level 2 of the lockdown to complete planned maintenance works including the painting of both 25 metre pools, the Learn to Swim pool and the Hydrotherapy pool.

We continue to monitor our management practices: the current Pools Management arrangement with Sport Whanganui is proving successful and beneficial for swimming activities.

We are looking at improving our accessibility at the Splash Centre: work continues on improving accessibility for all people of all abilities, with the design work process being finalised.

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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 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.	77%	73%	85%	73% 
	<i>Comment: The target was not met. Community satisfaction with the maintenance and presentation of open spaces remained unchanged from the previous period. (Source: Community Views Survey 2020)</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.	83%	73%	90%	67% 
	<i>Comment: The target was not met. Reported use of the walkways reduced by 6% compared with the previous period. We are undertaking work to improve the conditions of some walkways. (Source: Community Views Survey 2020)</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. This work will be undertaken following a review of Council's strategic framework in 2020/21. (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%	70%	50% 
	<i>Comment: The target was not met. (Source: Community Views Survey 2020)</i>				
	The percentage of people who are satisfied or very satisfied with the standard of toilet facilities.	--	50%	70%	54% 
	<i>Comment: The target was not met. Satisfaction with the standard of toilet facilities increased by 4% over the last period. (Source: Community Views Survey 2020)</i>				
Sportsgrounds within the district meet community need.	The percentage of the community satisfied or very satisfied with the district's sportsgrounds.	56%	71%	85%	63% 
	<i>Comment: The target was not met. Satisfaction with the district's sportsgrounds decreased by 8%. (Source: Community Views Survey 2020)</i>				
Cooks Gardens: Cooks Gardens is recognised as a premier sporting and event facility,	The number of days each year that Cooks Gardens hosts events.	--	88 days	62 days	72 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	31 days	61 days 

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
available for use or hire.	<i>Comment: The target was met. (Source: WDC records)</i>				
	The number of locally produced, community events at Cooks Gardens.	--	37	40	23 
	<i>Comment: The target was not met. This was partly attributable to the cancellation of events by the hirer for various reasons not linked with the venue, including Vibe and Christmas Markets, and the cancellation of events associated with Covid-19. (Source: WDC records)</i>				
	The percentage of the community who have used, visited, or attended an event at Cooks Gardens.	--	37%	46%	30% 
	<i>Comment: The target was not met. (Source: Community Views Survey 2020)</i>				
Swimming Pools: Aquatic facilities provide a good visitor experience.	The percentage of users satisfied or very satisfied with the Splash Centre	85%	95%	90%	87% 
	<i>Comment: The target was not met. 35 of the 40 users surveyed were either satisfied or very satisfied with the Splash Centre. (Source: Splash Centre)</i>				
	The percentage of users satisfied or very satisfied with the Whanganui East Pool.	--	--	90%	87 
	<i>Comment: The target was not met. 20 of the 23 users surveyed were either satisfied or very satisfied with the Whanganui East Pool. (Source: Whanganui East Pool- Customer Satisfaction Survey)</i>				
	The percentage of users satisfied or very satisfied that aquatic facilities provide value for money.	--	92%	80%	87% 
<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 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 :					
<i>Parks and Reserves</i>					
Upokongaro Cycleway & Toilet	150	-	150	403	150
Sundry Projects	10	-	10	13	27
	160	-	160	416	177
<i>Swimming Pools</i>					
Splash Centre	-	-	-	19	-
	160	-	160	435	177
Capital expenditure to replace existing assets :					
<i>Parks and Reserves</i>					
Kowhai Park	20	12	32	7	25
Bason Reserve	67	36	103	17	26
Victoria Park	27	-	27	-	16
Hipango Park	30	-	30	-	30
Queens Park	50	-	50	-	50
Matapo Park	65	-	65	-	65
Virginia Lake	21	14	35	-	35
Velodrome Roof project	-	1,000	1,000	22	1,000
Playgrounds	12	-	12	5	-
Upokongaro Cycleway & Toilet	102	-	102	58	45
Sundry Projects	38	35	73	-	73
	431	1,097	1,528	109	1,365
<i>Swimming Pools</i>					
Hydroslide upgrade	160	-	160	-	120
Splash Centre sundry projects	20	88	108	46	-
	180	88	268	46	120
	611	1,185	1,796	155	1,485
Total Capital Expenditure for the Group	771	1,185	1,956	590	1,662

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 made progress this year, with \$460k spent. This project has been financed by Ministry of Business Innovation & Employment (MBIE) grants, NZTA

subsidy and the balance from Council loans. The Upokongaro toilet has no spend to date, with the balance of \$150k budget carried over to 2020/21 to fund works.

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

Various minor works at Bason Reserve have been completed, with budget allocated in Victoria Park, Hipango Park, Queens Park, Matapo Park, Virginia Lake and Kowhai Park all being 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 next year, including some projects being reprioritised.

Swimming Pools

Work budgeted at \$160k to replace the hydroslide stairs at the Splash Centre was delayed and will be carried over to 2020/21 for completion

Other sundry replacement work budgeted at \$108k at the Splash Centre included water pumps, piping, and aquatic equipment were either not fully required, or transferred to operating expenditure.

Internal borrowings

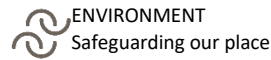
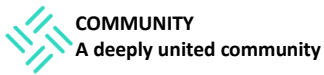
	2020	2019
	\$	\$
Brought forward	269,062	318,957
Borrowings raised	108,880	0
Borrowings repaid	0	(59,722)
Interest paid	2,774	9,827
Carried forward	<u>380,716</u>	<u>269,062</u>

Parks and recreation group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	7,919	7,748	7,910	7,909
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	160	205	205	149
Fees and charges	232	307	341	239
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	167	131	173	177
Total operating funding (A)	8,478	8,391	8,629	8,474
Application of operating funding				
Payments to staff and suppliers	6,007	5,818	6,084	6,479
Finance costs	360	331	316	259
Internal charges and overheads applied	1,133	1,129	1,128	1,059
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	7,500	7,278	7,528	7,797
Surplus (deficit) of operating funding (A - B)	978	1,113	1,101	677
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	12
Development and financial contributions	-	2	2	-
Increase (decrease) in debt	(580)	(512)	(377)	(130)
Gross proceeds from asset sales	-	-	-	30
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(580)	(510)	(375)	(88)
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	10	153	160	435
-to replace existing assets	388	495	611	155
Increase (decrease) in reserves	-	(45)	(45)	(1)
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	398	603	726	589
Surplus (deficit) of capital funding (C - D)	(978)	(1,113)	(1,101)	(677)
Funding balance ((A - B) + (C - D))	-	-	-	-



7 Community and cultural

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

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

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

What we did

Community

We adopted our Housing Strategy: this sets out how housing is to be planned for Whanganui's long-term future, as well as ways of addressing the current housing shortage.

We continued to build on community resilience: this included funding for community contracts and the work of Safer Whanganui's 'Safe as Houses' project with key partners across the community.

We celebrated our cultural diversity: Festival of Cultures celebrated its 9th year with its annual event and attracted strong attendance numbers. Festival events ranged over three weeks and continued to grow in a sustainable way. We also supported a number of Multicultural March events held around Aotearoa New Zealand's Race Relations Day.

Libraries

We hosted the Pākaitore Aki Aki project: Pākaitore Aki Aki rōpū worked in the Alexander Library creating blankets with messages in support of the 25th anniversary celebrations for Pākaitore.

We continued to foster literacy: supported by funding from Whanganui Community Foundation, we had strong uptake for our Summer Reading Programme with capacity numbers and nearly 70 children completing the full programme.

Our library doors were closed but our digital library was open!

The COVID-19 lockdown presented some challenges however we applied additional resource to eBooks, eAudio, and the Kanopy streaming service for our library users – all of which saw significant increases in uptake. As a further consequence of the lockdown, refurbishment of the Davis Library shelving to extend its useful life, and the launch of our mobile library vans, was deferred to the 20/21 financial year.

Sarjeant Gallery

We achieved full funding for the Sarjeant Gallery Redevelopment Project: the Provincial Growth Fund provided two significant tranches of \$12M each to complete funding for the Redevelopment Project. This coincided in part with the Sarjeant Gallery's centennial celebrations on 6 September 2019.

We've begun the build

After a tendering process, Council awarded McMillan Lockwood the contract to strengthen the original Sarjeant Gallery building and to construct its new wing honouring Sir Archie Tairaroa. The build is expected to take 32 months.

Royal Wanganui Opera House

We focussed on maximising use of our theatre: the Royal Wanganui Opera House (RWOH) was selected as the final venue for the Labour Party's annual conference leadership speech by New Zealand's Prime Minister Jacinda Adern. This was televised nationally and streamed to the world.

We fostered our aim to be a key cultural tourism destination: following Whanganui being chosen as a winner as part of a 'Hometown Visit' tour, the RWOH hosted two free concerts by kiwi band Six60. Event generation of new events to the theatre increased 14% compared to the previous period.

Whanganui War Memorial Centre

We focussed on growing our business: we held the New Zealand Labour Party annual conference, attended by 500 delegates, over a three-day weekend.

Whanganui Regional Museum

We focussed on bringing the local community through the Museum doors: 'Here Comes the Brides', a temporary show, alongside longer-term Whanganui-based exhibitions, provided strong visitation impetus over the spring and summer seasons, as did a range of community based events such as Vintage Weekend and the Whanganui Summer Programme.

We continued to tell our stories: the Spring Lecture series and the annual Samuel Drew Lecture provided platforms for more formal learning connected to its collection and history.

New Zealand Glassworks (NZG)

We continued to foster established and emerging glass artists: NZG was successful in gaining funding from Creative New Zealand for its first Artist in Residence. The residency has been re-scheduled due to COVID-19 and will now commence in September 2020 with its associated exhibition and workshop to run in January 2021.

We were exhibition hosts

NZG hosted the 40th anniversary exhibition of the New Zealand Society of Artists in Glass – the 2020 Members Show. In conjunction with the exhibition, NZG installed the Collaborative Chandelier from the 2019 glass conference held in Whanganui. It now hangs in pride of place above the hot shop floor at NZG.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Committed to a partnership approach

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



Lifting our profile

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



Using our talent and creativity to attract interest

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



Making a positive impact

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

Effects on community well-beings

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




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







How did we perform?

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

PERFORMANCE INDICATOR

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








LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
COMMUNITY AND CULTURAL					
Effective relationships are developed in a mutually appropriate way to support Maori participation in the decision-making process	The percentage of resource consent applications received by Council are provided to mana whenua within seven working days.	--	100%	100%	100% 
	<i>Comment: The target was met. Council provides a weekly email to mana whenua of all resource consent applications received. (Source: WDC records)</i>				
New Zealand Glassworks 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.	--	80.62	80%	97% 
	<i>Comment: The target was met. Visitors have been impressed by new works on display in the gallery and glass blowing demonstrations are delivered throughout the week and weekend. (Source: New Zealand Glassworks Visitor Experience Survey 2020)</i>				
	The percentage of Glassworks users satisfied or very satisfied with the services and facilities provided.	--	88.75%	90%	87% 
	<i>Comment: The target was not met. (Source: Glassworks NZ)</i>				
	Number of hours booked by working glass artists per annum.	--	920 hrs	1288 hrs	1167 hrs 
	<i>Comment: The target was not met. It is noted that, notwithstanding the closure of Glassworks during the fourth quarter due to COVID-19, the number of hours booked by working glass artists has increased over the previous period. (Source: Glassworks NZ)</i>				
Whanganui is a fun, creative and vibrant place to be.	The percentage of residents' that are satisfied with Public Art in Whanganui.	64%	67%	65%	66% 
	<i>Comment: The target was met. The satisfaction with public art has decreased by 1% over the previous period. (Source: Community Views Survey 2020)</i>				
	The percentage of residents participating ¹⁸ in creative activities.	--	38%	75%	34% 
<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>					
Provide a national centre for community glass in Whanganui, benefitting the	The number of visitors to NZ Glassworks.	--	26,448	22,061	27,592 
<i>Comment: The target was met. It is noted that, notwithstanding the closure of Glassworks during the fourth quarter due to COVID-19, the numbers of visitors to the NZ Glassworks has increased over the previous period. (Source: Glassworks NZ Visitor Counter)</i>					

¹⁸ 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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
community through reducing reliance on ratepayers.					
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	558,000	476,592
	<i>Comment: The target was not met. This result was impacted by the library closures during COVID-19 from 23 March until 14 May. Excluding the period of library closures, the number of items issued was tracking just below the target. (Source: WDC Library Management System database)</i>				
	The rate of collection 'turn over' each year ¹⁹	6	5.7	5.5	5.125
	<i>Comment: The target was not met. This result was impacted by the library closures during COVID-19 from 23 March until 14 May. (Source: WDC Library Management System database)</i>				
	The number of people visiting our libraries, measured by physical visits.	359,721	356,689	Physical visits: 390,000	290,689
	<i>Comment: The target was not met. This result was impacted by the library closures during COVID-19 from 23 March until 14 May. (Source: WDC Libraries)</i>				
	The percentage of library user satisfied with the service provided.	88%	89%	90%	84%
<i>Comment: The target was not met. (Source: Community Views Survey 2020)</i>					
The community's digital capability and access is supported and improved.	The percentage of the Whanganui population that uses the library.	59%	51%	70%	52%
	<i>Comment: The target was not met. Reported usage of the library remained consistent with the previous period. 78% used the library physically, 21% used the library online and physically, and 3% used the library online only. (Source: Community Views Survey 2020)</i>				
Sarjeant Gallery: The Gallery is used, supported and valued by diverse communities.	The number of public internet sessions.	--	101,202	103,000	76,547
	<i>Comment: The target was not met. This result was impacted by the library closures during COVID-19 from 23 March until 14 May. (Source: WDC Library Management System)</i>				
	The Number of users of the Gallery ²⁰ .	--	61,794	59,000	54,348
	<i>Comment: The target was not met. This result was impacted by the gallery closures during COVID-19 from 23 March until 14 May. Excluding the period of gallery closures, the number of users of the gallery was on track to meet or exceed the target. (Source: Sarjeant Gallery door counter device)</i>				
	The percentage of the Whanganui population that uses the Gallery.	31%	31%	38%	26%
<i>Comment: The target was not met. The percentage of the Whanganui population utilising the gallery has decreased by 5% from the previous period. (Source: Community Views Survey 2020)</i>					
The percentage of visitors satisfied or very satisfied with the Gallery's exhibitions.	--	95.18	90%	96%	
<i>Comment: The target was met. (Source: Sarjeant Gallery visitor survey)</i>					
The percentage of visitors satisfied or very satisfied with their Gallery experience.	--	99.08	90%	96.08%	

¹⁹ 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.

²⁰ Number of users of Sarjeant Gallery, inclusive of visitors to the Gallery's website and events.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
	<i>Comment: This is a new measure. 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.	2413	3101	3000	3460 
	<i>Comment: The target was met. (Source: WDC Vernon Database)</i>				
Royal Wanganui Opera House: The Royal Wanganui Opera House is recognised as a special and unique cultural facility, available for community and professional hire.	The number of days each year that the Royal Wanganui Opera House hosts events.	66	90	75	50 
	<i>Comment: The target was not met. This result was partly impacted by the COVID-19 lockdown with no events held in the fourth quarter. Shows included Tutus on Tour, RNZ Air Force Band, Bee Gees, Russian Ballet, Labour Party Conference, Whanganui Girls College, Whanganui Intermediate and St Annes School Prize Giving. (Source: Royal Wanganui Opera House)</i>				
	The number of locally produced, community events at the Royal Wanganui Opera House.	27	39	22	20 
	<i>Comment: The target was not met. This result was impacted by the opera house closures during COVID-19 with no events held in the fourth quarter. Excluding the period that the opera house was closed, the number of locally produced community events was on track to meet or exceed the target. Local shows include DanceNZ Made, Heritage Month tours, St Marys School Concert and Shirley McDouall Ballet Concert. (Source: Royal Wanganui Opera House)</i>				
	The percentage of the Whanganui population that attends one or more events at the Royal Wanganui Opera House.	35%	34%	33%	30% 
	<i>Comment: The target was not met. Reported attendance is down by 4% compared with the previous period. (Source: Community Views Survey 2020)</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	118 days	92 
	<i>Comment: The target was not met. This result was impacted by the Whanganui War Memorial Centre closures during COVID-19 from 23 March until 14 May. (Source: War Memorial Centre)</i>				
	The number of locally produced, community events at the Whanganui War Memorial Centre.	--	20	53	29 
	<i>Comment: The target was not met. This result was impacted by the Whanganui War Memorial Centre closures during COVID-19 from 23 March until 14 May. (Source: War Memorial Centre)</i>				
	The percentage of the community satisfied with the Whanganui War Memorial Centre.	--	61%	66%	53% 
	<i>Comment: This is a new measure. The target was not met. Community satisfaction with the Whanganui War Memorial Centre reduced by 8% from the previous period. (Source: Community Views Survey 2020)</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 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 :					
Libraries					
Community Library Hubs	50	-	50	-	48
Davis Library	-	112	112	-	-
Office furniture and equipment	40	-	40	11	-
	90	112	202	11	48
War Memorial Centre					
Sundry projects	40	60	100	60	40
Opera House					
Instal fire exit	-	15	15	-	15
Sound and lighting	-	10	10	-	10
	-	25	25	-	25
Sarjeant Gallery					
Redevelopment project costs	-	12,662	12,662	2,474	10,195
	130	12,859	12,989	2,545	10,308
Capital expenditure to replace existing assets :					
Libraries					
Book Vote	320	-	320	251	-
Mobile vans	-	266	266	232	33
Davis Library	124	-	124	9	227
Library sundry projects	20	-	20	-	19
	464	266	730	492	279
Regional Museum					
Regional Museum sundry projects	-	78	78	11	60
War Memorial Centre					
Building enhancements	-	194	194	79	145
War Memorial sundry projects	17	-	17	17	-
	17	194	211	96	145
Opera House					
Opera House sundry projects	18	23	41	25	15
Sarjeant Gallery					
Tylee Cottage	7	-	7	-	-
Earthquake Strengthening					
Cooks Garden	150	-	150	-	124
Council Chambers	120	-	120	-	120
Kowhai Park	75	75	150	-	150
War Memorial Centre	100	-	100	118	-
Kai Iwi	50	-	50	-	50
	495	75	570	118	444
	1,001	636	1,637	741	943
Total Capital Expenditure for the Group	1,131	13,495	14,626	3,285	11,251

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 were received late 2019 and are currently undergoing fit-out. These have been financed from a carryover of \$266k, which includes a significant grant portion. The remaining balance is carried over to 2020/21 to complete works.

Community library hubs funding is unspent this year, and being carried over to 2020/21.

The Book Vote of \$320k was maintained at 2019/20 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 2020/21 to fund this work.

War Memorial Centre

Building enhancement work is underway, with various safety upgrades being prioritised. This work will continue in 2020/21 with the remaining budget carried over to fund this. Various other plant and equipment has also been purchased, such as new seating.

Sarjeant Gallery

The Gallery Redevelopment project has secured external funding, receiving the bulk of it in 2019/20. Physical works are underway, however there was some delay over the lockdown period. Work will continue over 2020/21 and 2021/22, with the remaining budget carried over to fund this.

Royal Wanganui Opera House

Sundry work such as change room redecoration and minor safety upgrades have been completed. Further work on the fire exit and sound and lighting will be carried over to 2020/21.

Regional Museum

Some progress has been made on the heating and ducting project, however delays due to supplier problems mean the balance will be carried over to 2020/21.

Internal borrowings

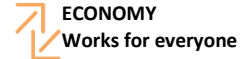
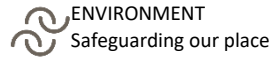
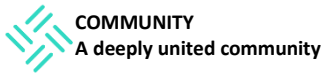
	2020	2019
	\$	\$
Brought forward	550,019	502,883
Borrowings raised	169,255	27,048
Borrowings repaid	0	0
Interest paid	5,279	20,088
Carried forward	<u>724,554</u>	<u>550,019</u>

Community and cultural group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	8,264	8,573	8,634	8,633
Targeted rates	971	1,206	930	930
Subsidies and grants for operating purposes	406	150	198	340
Fees and charges	747	850	850	630
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	35	39	108	203
Total operating funding (A)	10,423	10,818	10,720	10,736
Application of operating funding				
Payments to staff and suppliers	6,939	6,975	7,199	6,923
Finance costs	604	777	583	557
Internal charges and overheads applied	1,388	1,426	1,398	1,313
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	8,931	9,178	9,180	8,793
Surplus (deficit) of operating funding (A - B)	1,492	1,640	1,540	1,943
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	12,000
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,519	3,591	(409)	(928)
Gross proceeds from asset sales	50	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	12,500	8,176	-	1,300
Total sources of capital funding (C)	15,069	11,767	(409)	12,372
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	12,632	8,309	130	2,545
-to replace existing assets	3,929	5,098	1,001	740
Increase (decrease) in reserves	-	-	-	11,030
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	16,561	13,407	1,131	14,315
Surplus (deficit) of capital funding (C - D)	(1,492)	(1,640)	(1,540)	(1,943)
Funding balance ((A - B) + (C - D))	-	-	-	-



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Economic development

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

What we did

Economic development

We received the Whanganui & Partners Statement of Intent (Sol) for 2020/21: in acknowledging that the national COVID pandemic will have an ongoing and significant impact on the district's economy, the overall focus of the Sol has been on business resilience in the short, medium and long terms. The Sol also aims to identify and capitalise on opportunities in education and training, branding, marketing, and creative industries.

We saw continued growth: improvements across all metrics – job growth, NEETs – were evident in the reporting period up until the impact of the COVID-19 lockdown became apparent. Regardless, the district's workforce has since shown resiliency with the number of Jobseeker benefit recipients less impacted than the majority of New Zealand.

We provided greater opportunities for training offerings and capability: in collaboration with 100% SWEET, we were the first North Island location to adopt the 'Youth Employment Success' digital platform that connects young talent with employment opportunities. Our well-established relationship with 100% SWEET saw 97 students go into work or tertiary pathways via the service. We set up a Skills & Talent Working Group for the Whanganui-Rangitikei region. We reinforced a connection between Massey University and Whanganui with the return of the Executive MBA programme to Whanganui in February 2020.

We strengthened strategic relationships: we partnered with the Central Economic Development Agency (CEDA) to better support business growth in the local area and establish a role that provides Regional Business Partner (RBP) services. Over 100 businesses engaged with the Whanganui-based business growth advisor in its first year – this was particularly important during the COVID-19 lockdown with Whanganui businesses receiving over \$100,000 in RBP funding to assist with such things as business continuity planning and cashflow management.

We continued to work collaboratively: Whanganui & Partners was closely involved with the Provincial Growth Fund application for the Port Revitalisation Project, in particular, supporting the Whanganui and District Employment and Training Trust (WDETT) in its Port Employment Precinct application.

Tourism and visitor services

We contributed to visitor growth via several digital marketing campaigns: a summer advertising campaign push coincided with strong visitor and consumer spend figures. A 'Winter 2020' campaign was launched to help boost the local economy and saw good initial results reaching over 300,000 people. Campaigns were predominantly focussed on the lower North Island, with

tactical advertising around Auckland airport to support Air Chathams' air link to Whanganui, and new outdoor advertising gave the region greater visibility.

Regional winners...

We were awarded the digital performance destination marketing award 2019/20 by Regional Tourism New Zealand. The prize focused on improvement in digital performance over the last three years.

Our event offerings boosted the economy: alongside being a major backer for iconic local events such as Cemetery Circuit, Vintage Weekend, and Opera Week, we took an integral role in the successful Labour Party Conference as well as attracting the 'Spring Challenge' – an endurance event for women with over 500 participants from across New Zealand.

We added to our tourism footprint: 2019/20 saw the i-SITE visitor centre being added to the Whanganui & Partners organisation. The strategic advantages in connecting the Regional Tourism Organisation to its i-SITE are already being realised and plans are in place to progress this relationship further. Visitors to the i-SITE gave an overall customer satisfaction rating of 4.53 (target was 4.5) during the period. Visitation numbers to the i-SITE post-COVID19 lockdown have rebounded well.

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 – LONG TERM PLAN 2018-2028


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

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
ECONOMIC DEVELOPMENT					
Whanganui & Partners: Whanganui is supported to grow and prosper through Whanganui and Partners.	Increase in total number of available jobs.	--	359	Increase on previous year	401
	<i>Comment: Target was met. There was a net increase of 401 jobs available between 2018 (19,767) and 2019 (20,168). (Source: Infometrics)</i>				
	Number of net businesses established in region increased.	--	42	Increase on previous year	30
	<i>Comment: Target was met. There was a net increase of 30 business between 2018 (4,122) and 2019 (4,152). (Source: Infometrics)</i>				
	Increase in total funding for the education sector.	--	\$112.8m	Increase from previous year	\$111.9m
	<i>Comment: Target was met. Funding for the education sector increased by \$16.3m from \$112.8m (6.3% of GDP) in 2018 to \$111.9m (6.1% of GDP) in 2019. (Source: Infometrics)</i>				
	The number of students registered for tertiary and trades training in Whanganui.	--	4,243	Maintain or increase from previous year	No data available
<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>					
The number of students ²¹ choosing ²² Whanganui as a study destination.	--	306	Increase from	350	




²¹ Boarders, tertiary and trades training, international students.



²² Defined as students that live outside Whanganui (domestic and international) that pick Whanganui as a study destination.




				previous year	
	<i>Comment: Target was met. Formal data from Education NZ is only captured every 2 years. (Source: Whanganui Education Providers)</i>				
	The percentage of businesses satisfied or very satisfied with their relationship with Whanganui and Partners.	--	53%	60%	--%
	<i>Comment: The target is deemed not to have been met as no data is available. A business survey measuring both economic conditions and satisfaction with Whanganui & Partners was developed, and intended to be launched on 5 March, however the growing influence of COVID-19 led to concerns about the usefulness of data collected during an unusually dynamic time in the economy. The survey was put on hold. (Source: Whanganui and Partners)</i>				
Whanganui is promoted as a great place to live and visit	The number of visitors to Whanganui, will track in line with national trends.	0.49%	0.52%	0.55%	--%
	<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. The replacement, the Accommodation Data Programme (ADP), is currently signing up accommodation providers to the new programme. We are encouraging Whanganui accommodation to get involved.</i>				
	Whanganui will have the same growth rate of tourism spend as the NZ total average.	--	(2.45)	In line with NZ average	(7%) Whanganui (12%) New Zealand
	<i>Comment: Target was met. MBIE Monthly Regional Tourism Estimates (MRTE) show Whanganui's 'growth' at -7% for the year to June 2020. This placed Whanganui 2nd of the 31 Regional Tourism Organisations around New Zealand. The New Zealand average is -12%. It is noted that over the summer months (Dec-Feb) Whanganui's tourism spend increased by 11.6% on the previous period. (Source: MBIE Monthly Regional Tourism Estimates)</i>				
	There will be an increase in positive media locally and nationally.	--	--	Establish ratio of positive to negative stories from year 1 and look to improve this ratio by 2% Establish the quantity of positive stories and look to improve these by 2%	24 unfavourable, 18 favourable and 55 neutral
<i>Comment: This is a new measure. The monthly average favourability of coverage up to February 2020 is 24 unfavourable, 18 favourable and 55 neutral. This period included a number of high profile murders that featured nationally. This resulted in a high portion of unfavourable coverage. Monitoring between March – June was not carried out due to closures associated with COVID-19. (Source: Whanganui and Partners)</i>					
i-Site:	The number of visitors served by the i-Site	131,403	24,217	27,380	20,536



<p>The i-Site provides an attractive and engaging space for locals and visitors – encouraging people to visit, spend time and do business with us.</p>	<p><i>Comment: The target was not met. This result was partly attributable to COVID-19 with the i-Site being closed from 23 March through to 18 May. In addition, there is also an increased trend of booking directly with tour operators. (Source: Whanganui i-Site)</i></p>				
<p>The i-Site provides excellent customer service with the right information delivered to locals and visitors.</p>	<p>Customer satisfaction with service received at the i-Site.</p>	<p>--</p>	<p>4.68</p>	<p>4.5</p>	<p>4.53 </p>
<p><i>Comment: The target was met. (Source: Trip Advisor ratings: Aggregate score)</i></p>					

PERFORMANCE INDICATOR – ANNUAL PLAN 2019/20

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

OBJECTIVE	PERFORMANCE MEASURE AND 2019/20 TARGET	RESULT
<p>Whanganui & Partners: Business Development</p>		
<p>Objective One - We aim to retain our local businesses and grow their capabilities</p>	<ul style="list-style-type: none"> • Maintain effective relationships • Enable effective mentoring • Actively supporting existing business network events. • Leading two distinguished meetings, training opportunities and events that support professional development for business growth. • Supporting one targeted project between industry/business and education to build on pathways into employment opportunities <p><i>Comment: During and post COVID-19 Whanganui & Partners has actively worked with its partners to deliver on immediate support to businesses. There has been regular attendance at BA5s, Breakfasts and workshops held by Chamber of Commerce and Te Manu Atātū.</i></p> <p><i>During the period Whanganui & Partners participated in Business Innovation Training Strategy collaboration, and the partnership meetings with Chamber of Commerce, Te Manu Atātū and Thrive. Workshops on 'Business Identity', 'Establishing Your Business', and 'Business Planning', were also conducted.</i></p> <p><i>Mentoring of businesses has been effectively carried out by Business Mentors NZ throughout the business community, with 22 businesses registering for support. Whanganui & Partners has supported three targeted projects between industry/business and education to build on pathways into employment opportunities.</i></p>	
<p>Objective Two - We will attract investors, business and grow employment/self-employment in Whanganui</p>	<ul style="list-style-type: none"> • Helping 12 new businesses complete the Business Friendly Group process after approaching or being referred to Whanganui & Partners. • Seeking out two new businesses that address gaps in our business community and improve our economy and completing their Business Friendly Group process. • Assisting and coaching 35 entrepreneurs. • Mentoring 10 start-ups. • Supporting one targeted project or seminars aiming to facilitate investment or raise capital • Developing and running two targeted marketing campaigns, both nationally and internationally to attract new business to Whanganui. • Supporting one targeted project with the WDC to identify opportunities in land development, town planning and infrastructure. 	

	<p><i>Comment: Twelve new businesses completed the Business Friendly Group process in the period and 48 entrepreneurs and start-up businesses were mentored and coached. Two projects were undertaken to identify opportunities in land development, town planning and infrastructure and one targeted project was held to facilitate investment. Expansion of existing industry business and completion of two major projects into the development stage has kept the Business Friendly Group focussed. A national-level campaign highlighting Whanganui as a business destination has been hugely positive. This has been conducted in three tranches and reviewed after each tranche. The marketing support for business opportunity around the Mill Road development had a direct impact on business attraction. The development has substantially sold. (Source: Whanganui and Partners)</i></p>	
<p>Whanganui & Partners: Destination Marketing</p>		
<p>Objective One - We will retain our point of difference and attract new events to Whanganui</p>	<ul style="list-style-type: none"> • Attracting one new event and one new conference to Whanganui. • Supporting 10 events and five conferences in Whanganui. <p><i>Comment: Whanganui & Partners was involved in attracting one new event and one new conference to Whanganui. Whanganui & Partners has been a significant backer (funding and marketing support) of 14 events this year. (Source: Whanganui and Partners)</i></p>	
<p>Objective Two - We will increase the attraction of residents and visitors to Whanganui</p>	<ul style="list-style-type: none"> • Increase dwell time and spend per visitor by developing 1 and 2-day programmes with existing suppliers. • Developing and running three targeted destination marketing campaigns to attract more visitors and new residents in Whanganui. • Increasing online media reach by 15%. • Placing five articles into relevant magazines/newspapers. • Attracting two media stories from national TV programmes. • Distributing marketing collateral into all key regions of New Zealand that represent are market. • Supporting through one targeted project the development of tourism products/offerings in particular the concept of a cultural/tourism hub. • Supporting through one targeted project, promoting Whanganui to increase guest nights and tourist spend by 3% and 3% respectively. <p><i>Comment: Packages are being developed in conjunction with the 'My Home Town – Whanganui' app and this is due in October 2020. The delivery of tourism packages were delayed by the COVID-19 shutdown and will be continuing in the 2020/21 period. Four targeted destination marketing campaigns were developed to attract more visitors and new residents in Whanganui and marketing collateral was distributed to all key regions of New Zealand that represent our markets. During the period there was one media story from a national TV programme, eight magazine articles and 161 newspaper articles which resulted in online media reach increasing by 14.2%.</i></p> <p><i>While it is noted that full year tourism spend within Whanganui reduced by 7%, the New Zealand average was -12%. It is further noted that over the summer months (Dec-Feb) Whanganui's tourism spend increased by 11.6% on the previous period.</i></p> <p><i>(Source: Whanganui and Partners and MBIE Monthly Regional Tourism Estimates)</i></p>	
<p>Whanganui & Partners: Education</p>		
<p>Objective One - We will increase the number of students studying in Whanganui</p>	<ul style="list-style-type: none"> • Developing two targeted marketing projects to attract new students to Whanganui (national and international). • Developing and/or support three events that promote Whanganui and build on its reputation as a study destination. <p><i>Comment: Three targeted marketing projects to attract new students to Whanganui were developed with one event supported to promote Whanganui and build on its reputation as a study destination. Figures provided by suppliers indicate that there has been an increase of 46 domestic or international students choosing Whanganui as a destination for education. (Source: Whanganui and Partners)</i></p>	

<p>Objective Two - We will increase education and training offerings and capability in Whanganui</p>	<ul style="list-style-type: none"> • Increasing funding (government and private) for a minimum of one Whanganui Education Academy (Hub or Centres of Excellence). • Supporting one targeted project the development and expansion of the New Zealand International Commercial Pilot Academy (NZICPA). • Supporting one targeted project the expansion of creative arts education opportunities, in particular glass art. 	
<p>Objective Three - Increase the number of students transitioning into employment pathways in Whanganui</p>	<ul style="list-style-type: none"> • Supporting 100% SWEET to work with Whanganui students and businesses to successfully transition 50 students into employment pathways. • Supporting and/or developing two specific projects (business or industry) that identify and promote career pathways and identify opportunities to deliver appropriate skills and training in Whanganui. 	

Comment: During the period Whanganui & Partners worked in partnership with Whanganui District Employment Training Trust on an application for \$1.5m to the Te Ara Mahi Fund to establish the Port Employment Precinct. Whanganui & Partners also developed an application and pitch for Whanganui to be the Headquarters for the new “New Zealand Institution of Skills & Technology” however this was unsuccessful with Hamilton being selected.

Whanganui & Partners has supported the development of a joint programme/offering between New Zealand International Commercial Pilot Academy (NZICPA) and UCOL, which combined the Diploma of Aviation, Commercial Pilot Licence & a Bachelor of Applied Management. Marketing collateral has been developed and is ready to go in to market as soon as able to. (Source: Whanganui and Partners)

Comment: During the period, 97 students were successfully supported through 100% SWEET to transition from education to employment and four events were supported or developed to identify and promote career pathways and identify opportunities to deliver appropriate skills and training in Whanganui. (Source: Whanganui and Partners)

Economic development group

Capital expenditure

The following table shows the expenditure on capital works for the Economic Development 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 :					
<i>Economic Development</i>					
Website development	-	-	-	9	-
	-	-	-	9	-
Capital expenditure to replace existing assets :					
<i>Economic Development</i>					
Website development	-	-	-	35	-
	-	-	-	35	-
Total Capital Expenditure for the Group	-	-	-	44	-

Whanganui and Partners had no budget planned in the Annual Plan, however external funding for a website upgrade was secured. There was \$44k spent on developing the new website.

Internal borrowings

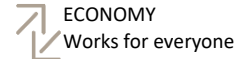
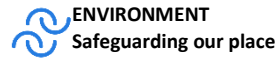
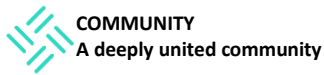
	2020 \$	2019 \$
Brought forward	0	0
Borrowings raised	0	0
Borrowings repaid	0	0
Interest paid	0	0
Carried forward	0	0

Economic development group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,817	2,832	2,803	2,802
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	154
Fees and charges	-	-	-	96
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	83	85	83	24
Total operating funding (A)	2,900	2,917	2,886	3,076
Application of operating funding				
Payments to staff and suppliers	2,377	2,377	2,378	2,492
Finance costs	(8)	(8)	(15)	(42)
Internal charges and overheads applied	531	548	523	491
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	2,900	2,917	2,886	2,941
Surplus (deficit) of operating funding (A - B)	-	-	-	135
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	(27)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	(27)
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	-	-	-	9
-to replace existing assets	-	-	-	35
Increase (decrease) in reserves	-	-	-	64
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	-	-	-	108
Surplus (deficit) of capital funding (C - D)	-	-	-	(135)
Funding balance ((A - B) + (C - D))	-	-	-	-



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Community facilities and services

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

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

What we did

Cemeteries

We are continuing to digitise our burial and cremation records: the digitisation project has seen the 100% completion of all burial records and approximately 95% of cremation records for Aramoho Cemetery. Work has also begun on digitising the Heads Road Cemetery records. This will enable online accessibility of records with search capability.

We upgraded our amenities: significant work was undertaken on the roof and external presentation of the Aramoho Cemetery chapel and crematorium building.

We undertook a rabbit control operation: a concentrated effort to control the rabbit population at Heads Road Cemetery was undertaken.

CBD maintenance

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

- **We have almost completed the installation of solar lighting** on the street art murals prepared as part of the Whanganui Walls Festival. Due to extremely unfortunate timing, the Whanganui Walls 2020 street art event had to be postponed due to the COVID-19 lockdown and with half of the artist line-up, who were international, being unable to enter the country.
- **We drew upon local artists** to design artwork for the new public toilet in Block 4 of the CBD, and in Drews Avenue.
- **We activated the Maria Pop Up** – a street space featuring New Zealand’s largest pool table that was locally made.

We lit up Victoria Avenue!

In a combined effort with Mainstreet Whanganui Incorporated, fairy lights were installed in the trees along Victoria Avenue. The project also provided for some bespoke wooden lanterns in the Avenue and Majestic Square that were locally designed and manufactured.

Our CBD maintenance is ongoing: we worked with Mainstreet to ensure that the town centre is well presented at all times with projects including the refurbishment of the Watt Fountain, gas lighting standards and lights, and ongoing upgrades of the under-verandah lighting to LED.

Waste minimisation

We continued to promote the Whanganui Resource Recovery Centre as the environmental hub for Whanganui: our collaborative efforts with the Centre in waste minimisation, recycling and anti-dumping initiatives were identified in our entry for the Keep New Zealand Beautiful award leading to winning the status as New Zealand’s Most Beautiful City. Through the Centre, we ran waste minimisation education programmes in 9 schools and involving 27 classes.

We supported Plastic Free Whanganui with its promotion of Plastic Free July: this global movement is aimed at reducing plastic pollution.

The Whanganui Waste Minimisation Fund approved...

\$204,000 of the waste levy fund was spent on waste minimisation initiatives, grants and projects in the 2019/20 year!

We ran two successful public hazardous substance drop off days: this resulted in 2.6 tonnes of hazardous waste being environmentally disposed of.

Our Council venues promoted zero waste recycling: we aimed to minimise waste and eliminate single-use plastics by running zero waste recycling at 10 major events in Whanganui.

Pensioner housing

We continued to support the social wellbeing of our residents: the benefits of the Pensioner Housing Welfare contract has been realised, particularly during levels 4 and 3 of the COVID-19 lockdown, with many pensioners benefitting through our hands-on approach to the wide range of wellbeing services being provided through Age Concern. We continue to provide day-to-day responses to our residents, and investment in the quality of the portfolio. We are working towards our Healthy Homes obligations and expect this to be completed in coming months.

Community buildings

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

Emergency management

We have been proactively rolling out training in Civil Defence Emergency Management (CDEM): Council has a responsibility to plan and provide for CDEM within the district. In 2019/20 there were multiple CDEM Integrated Training Framework courses for staff, partner organisations and 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 ensure effective use of the remote access and information technology capabilities. Our mobile coordination, and communication tools and equipment was proven 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 been investigating our backup broadcast capability: we continue to work with Brian FM to introduce the capability of conducting emergency broadcasting via the mobile Civil Defence vehicles, along with enhancing a wider repeater network.

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

We combined for COVID-19: we responded to the developing situation with the coronavirus COVID-19 outbreak, and when requested, joined with the health-led emergency operations centre for a co-ordinated response to the pandemic. We also provided logistics and technological support to the community based assessment centres, as well as welfare support to the community.

Animal management

We continued our focus on Animal Management Officer-Education: the focus has been to shift the animal management service from a reactive response to proactive engagement. The aim has been to promote community safety and responsible dog ownership through education and prevention.

We commenced work on the new Animal Pound building: Contractors were on site to commence construction work in early June 2020 with an expected completion of the build set for late November 2020.

Building control

Maintaining accreditation recognition: we successfully underwent our Building Control Authority accreditation audit in January 2020 and will maintain accreditation until the next assessment in 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. The GoBuild online inspection booking portal is delivering encouraging results with the uptake increasing. We have also introduced an online LIMs portal to the suite of online application processes. We are involved with the Simpli group to ensure ongoing and improved alignment of building regulatory functions.

We continue to initiate shared services with our neighbours: we supplied commercial inspection services for a complex community development in Rangitikei and supply building control services to Rangitikei and Ruapehu District Councils on an as-needed basis. We have initiated, and chair, a regional Team Leader/Senior Building Control Officer group to maintain and ensure consistency across the central New Zealand region. We continue to engage and foster relationships with the local building sector with staff attending Master Builders Association meetings on a regular basis.

Environmental health

We achieved the aim to be a recognised agency with the Ministry of Primary Industries in Food Control: we are an officially recognised agency with MPI to undertake Food Control verifications under the Act following the successful completion of an external audit. This will enable Council to continue to verify national programme registered food premises. In the same audit, we were recognised as having three out of the top five food verifiers in New Zealand.

We successfully implemented the Whanganui Local Alcohol Policy: the policy aims to reduce alcohol-related harm in the Whanganui District and includes the introduction of a one-way door condition and maximum trading hours for licenced premises.

Record dog registration numbers

Our dog registration compliance is the highest again at **98%**
of the **8,492** known dogs in the district.

Resource management

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

Environmental policy

The District Plan review programme continued: with the progression of the review of the district's industrial-zoned land: Council continues its work with the review programme: -

- **We progressed the review of the district's industrial-zoned land** with the aim of ensuring there is provision for suitable industrial land in locations and at scales appropriate to meet anticipated future demand in the district.
- **We approved** the Springvale Structure Plan, extending the city's urban boundary out to Mosston Road and releasing residential-zoned greenfield land for urban development.

- **We progressed a plan change:** that rezones land at, and around, the Castlecliff Golf Club and Golf Vue estate for residential development.

We continued to promote and protect our built heritage: the Heritage Grants Scheme approved \$143,291 in grants towards nine heritage initiatives in the 2019/20 year. Three projects have now been completed. Work on the Heritage Strategy commenced with iwi pre-engagement having been delayed until after the COVID-19 lockdown, and a community engagement survey about to be undertaken.

Whanganui has been accepted into the League of Historical Cities – a first for New Zealand!

Membership of the League provides opportunities to foster relationships with other historic cities, sharing principles and practices that will ultimately strengthen our cultural landscape.

Parking services

The introduction of our ParkMate parking app continues to prove very popular: over 2,500 transactions have been made in 2019/20 – this is despite a two-month hold during COVID-19 lockdown.

We are reviewing our parking meter requirements: the outcome of a community survey (of over 700 people) completed in September 2019 is being used to inform the next steps in the meter upgrade project. Procurement is expected to take place in 2020/21

Shaping our district

We approved **250** resource consents in the 2019/20 year – an increase upon resource consents issued in 2018/19. The Resource Management Act provides the legal parameters Council must work within to ensure we protect our local environment through sustainably managing our resources.

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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
COMMUNITY FACILITIES AND SERVICES					
Cemeteries:	The number of unsold plots available for burial or cremation.	2571	2499	700	2302 








LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
There is adequate capacity to meet future burial and cremation needs of the community.	<i>Comment: The target was met. The figure includes 1690 ash plots across all cemeteries and 612 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. <i>Comment: The target was not met. A Park Check survey was not undertaken this year as the surveyor was unavailable. There have been no CRMs regarding the cemetery facilities and the contractor has consistently met contract specifications for the period. (Source: WDC Parks Team)</i>	100%	--%	90%	--
Heritage records are maintained to help people to connect with the past.	The number of official cemetery records available on the Council website. <i>Comment: The target was not met. This includes 23,661 archive records and 7,222 Sexton Records. This information has recently been cleansed and work is being done to create a complete database for the public to access more easily. The historical cremation records are currently being entered into the database. (Source: WDC Cemetery Records Database)</i>	29,762	30,339	50,000	30,883
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 ²³ . <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 2020)</i>	71%	62%	70%	71%
	The percentage of residents that feel safe in the CBD during the evening. <i>Comment: The target was not met. The percentage of residents that feel safe in the CBD during the evening has remained consistent from the previous period. "People loitering" (30%) and Aggressive Youth (26%) were the two most frequently cited reasons for residents feeling unsafe in the CBD which decreased by 7% and 9% respectively from the previous period. (Source: Community Views Survey 2020)</i>	67%	58%	70%	58%
The CBD is safe, clean and attractive.	The percentage of residents satisfied with the standard of the presentation in the town centre ²⁴ . <i>Comment: The target was not met. Satisfaction with the standard of the presentation reduced by 3% from the previous period. The Property team are working with the cleaning contractor to address this. (Source: Community Views Survey 2020)</i>	85%	81%	90%	78%
	The number of complaints about the cleanliness or hygiene of public toilets reported to Council. <i>Comment: The target was met. There were three complaints regarding cleanliness of toilets recorded in the CRM system for this period. (Source: WDC CRM system)</i>	1	1	<12	3
Waste Minimisation: Waste minimisation and	The percentage of users of the Resource Recovery Centre that are satisfied with the overall service provided.	100%	100%	95%	99%

²³ The wording of this question has slightly altered from previous years.

²⁴ 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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
waste collection services are accessible and effective.	<i>Comment: The target was met. The only adverse comments received related to the closure of the centre during COVID-19 lockdown at levels 3 and 4. (Source: Resource Recovery Centre User Survey 2020)</i>				
	Iconic events ²⁵ 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.	3155	4057	Maintain or improve from previous year	4128 
	<i>Comment: The target was met. (Source: Resource Recovery Centre records)</i>				
	The number of educational visits to schools on waste minimisation.	31	17	≥5	9 
Pensioner Housing: Pensioner housing is healthy, safe, warm and well-maintained	Tenants' overall satisfaction with Council's Pensioner Housing service.	92%	92%	90%	93% 
	<i>Comment: The target was met. Results remain consistent with the previous period. (Source: WDC Pensioner Housing Survey 2020)</i>				
Tenant wellbeing is maintained through welfare and connectivity services.	The percentage of tenants who are very satisfied or satisfied with welfare services.	76%	80%	85%	66% 
	<i>Comment: The target was not met. It is noted that 27% of tenants were neutral, "neither satisfied nor dissatisfied". (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%	97% 
	<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.	84%	81%	>80%	86% 
	<i>Comment: The target was met. Overall preparedness increased by 3% from the previous period. (Source: Community Views Survey 2019)</i>				
A continuous 24-hour emergency management response service is provided.	The percentage of emergency management calls responded to within 15 minutes.	100%	100%	100%	100% 
	<i>Comment: The target was met. This includes after hours calls non-emergency management related. (Source: MCDEM records)</i>				
An Emergency Operations Centre (and trained volunteers) are available and	The percentage of Emergency Operations Centre activations managed with appropriate staffing, systems and processes in place within two hours.	100%	100%	100%	100% 

²⁵ 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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
ready to help our community respond to, and recover from, emergency situations ²⁶ .	<i>Comment: The target was met. This includes a prolonged activation during the COVID-19 response. (Source: WDC Emergency Management Team)</i>				
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.	91%	98%	100%	100% 
	<i>Comment: The target was met. During the fourth quarter two repairs were conducted, one urban and one rural. (Source: WDC Emergency Management Team)</i>				
Animal Control: A dog registration service and system is delivered.	The percentage of known dogs that are registered.	100%	98%	95%	98% 
	<i>Comment: The target was met. During the period there were 8492 known dogs of which 8266 were registered. Those not registered have received infringements for failing to register. (Source: WDC Property and Rating Database)</i>				
Excellent customer service is provided to our customers and the animal control activity minimises nuisance and makes Whanganui a safer place to live.	The percentage of the community satisfied with the animal control services provided.	58%	56%	52%	49% 
	<i>Comment: The target was not met. Satisfaction with animal management services decreased by 7% from the previous period. Concerns related to dangerous or roaming dogs, barking and non-compliance of dog owners. With a focus on animal management education, satisfaction is expected to increase. (Source: Community Views Survey 2020)</i>				
	The percentage of Priority 1 (Urgent) ²⁷ call outs that are responded to within 1 hours.	--%	20%	96%	96% 
	<i>Comment: The target was met. 881 of 918 Priority 1 call outs were responded to within 1 hour. The significant increase in the results is largely attributable to improvements in the reporting system and training of staff on the use of the reporting system. (Source: WDC CRM system)</i>				
Building Control: Whanganui's building integrity is protected so that buildings are safe and fit for use.	The maintenance of building consent authority accreditation status.	100%	Achieved	Achieve	Achieved 
	<i>Comment: The target was met. The next review is due in January 2020. (Source: WDC Building Control)</i>				
The building consent process is compliant, efficient and user friendly.	The percentage of building consents processed within 20 working days (the statutory timeframe).	100%	100%	100%	93% 
	<i>Comment: The target was not met. This result was heavily impacted by the COVID-19 shutdown within the 4th quarter. Results from the 1st, 2nd and 3rd quarters was 100%. (Source: WDC Property and Rating Database)</i>				
An exceptional customer service experience is delivered with customers helped through the building consent	The percentage of customers satisfied with the building consent services provided.	88%	96%	90%	87% 
	<i>Comment: The target was not met. (Source: WDC Building Consent Satisfaction Survey 2020)</i>				





²⁶ 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.

²⁷ 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	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
process and assisted with other building projects					
Environmental Health: Premises are assisted to improve hygiene standards and minimise risks to customers.	The percentage of food ²⁸ and other premises ²⁹ 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>				
	The percentage of Alcohol Licensing applications processed within 20 working days.	--	96	100%	90% 
	<i>Comment The target was not met. 280 of the 310 alcohol licences received in the year to date were processed within 20 working days. (Source: WDC Property and Rating Database)</i>				
Nuisances are managed or eliminated so that our community is a better place to live.	The percentage of excessive noise complaints investigated within 30 minutes.	93%	91%	92%	92% 
	<i>Comment: The target was met. During the period 1203 of the 1302 noise calls were attended within 30 minutes. (Source: WDC Property and Rating Database)</i>				
Exceptional customer service is delivered.	The percentage of customers satisfied or very satisfied with the environmental health services delivered.	55%	93%	90%	68% 
	<i>Comment: The target was not met. Customer satisfaction with the environmental health service decreased by 25%. This can be largely attributed to a change in methodology of how the feedback is collected, from a phone administered survey to an online survey. (Source: WDC Environmental Health Satisfaction Survey 2020)</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).	98%	96%	98%	65% 
	<i>Comment: The target was not met. This figure is partly due to a service provider failure during March, with an inability to issue infringements, and COVID-19 lockdown between 23 March and 13 May as parking was not considered to be an essential service. (Source: WDC Parking Team)</i>				
Parking is well connected and convenient to meet the needs of retailers, shoppers and visitors.	The percentage of the community satisfied with the availability of on-street parking.	64%	61%	80%	52% 
	<i>Comment: The target was not met. The percentage of the community satisfied with the availability of on-street parking reduced from by 9% to 52%. Concerns were varied and related to lack of availability, layout, cost of parking and methods of payment. Meters are being</i>				

²⁸ 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.

²⁹ Other health premises include Hair Salons, Camping Grounds, Offensive Trades, and Funeral Directors.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
	<p>upgraded in 2020/21, which is expected to improve usability and provide better payment options. In addition, changes have already been made to the layout in certain areas to better reflect demand such as the change to Motoua and Taupo Quay off-street areas. (Source: Community Views Survey 2020)</p>				
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 ³⁰ .	--	25%	Increase from the previous year	24% 
	<p><i>Comment: The target was not met. There were 109 WOF infringements issued of which 18 were waived due to compliance being achieved. There were 175 registration infringements issued, of which 50 were waived due to compliance being achieved. (Source: WDC Property and Rating Database)</i></p>				
Resource Management: Resource consents are processed within the statutory timeframes.	The percentage of resource consents (non-notified) issued within statutory timeframes.	97%	99%	100%	100% 
	<p><i>Comment: The target was met. A total of 250 resource consents were issued within the period. (Source: WDC Property and Rating Database)</i></p>				
Resource consent services are professional and meet the needs of customers.	The percentage of customers satisfied with the resource management services provided.	91%	100%	90%	100% 
	<p><i>Comment: The target was met. A total of 26 surveys were completed within the period; all responses were either satisfied or very satisfied with the resource management services. (Source: WDC Resource Consent Satisfaction Survey 2020)</i></p>				
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.	0%	100%	75%	0% 
	<p><i>Comment: The target was not met. (Source: WDC Property and Rating Database)</i></p>				

³⁰ 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 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 :					
Animal Control					
Animal Welfare Centre	-	854	854	202	651
CBD Maintenance					
Town Centre Regeneration	60	125	185	96	89
	60	979	1,039	298	740
Capital expenditure to replace existing assets :					
Cemeteries					
Aramaho Cemetery	5	-	5	3	-
Community Buildings					
Womens Resource Centre	-	20	20	-	20
Cooks Gardens	15	-	15	-	15
Upokongaro Hall	-	13	13	-	12
	15	33	48	-	47
CBD Maintenance					
Victoria Avenue upgrades	100	91	191	132	59
Emergency Management					
Emergency Management vehicle replacement	27	-	27	39	-
Pensioner Housing					
Building improvements	55	-	55	-	-
CBD Parking					
Parking meter replacements	857	-	857	19	837
	1,059	124	1,183	193	943
Total Capital Expenditure for the Group	1,119	1,103	2,222	491	1,683

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

Cemeteries

Minor work was completed at the Aramaho cemetery, funded from \$5k budget.

CBD Maintenance

The Town Centre Regeneration project continued this year, focusing on the Victoria Avenue upgrade. Remaining unspent funds will be carried over as more projects are planned for next year.

Animal Control

The Animal Welfare Centre is under construction, with completion scheduled for 2020/21. The remaining budget will be carried over to fund this work.

Emergency Management

A vehicle was replaced during the year.

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 facilitate the increased occupancy rates being achieved.

CBD Parking

Parking meter renewals and upgrade budget of \$857k had a minor spend while the project is being planned. The balance is carried over to 2020/21 to fund the works.

Internal borrowings

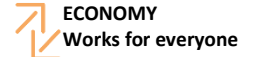
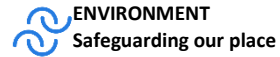
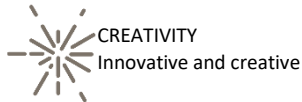
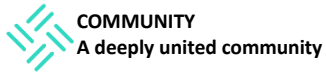
	2020	2019
	\$	\$
Brought forward	251,915	267,487
Borrowings raised	154,892	0
Borrowings repaid	0	(24,772)
Interest paid	2,986	9,200
Carried forward	409,793	251,915

Community facilities and services group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	4,406	4,213	4,959	4,959
Targeted rates	462	473	437	437
Subsidies and grants for operating purposes	-	-	-	36
Fees and charges	4,489	4,681	4,703	4,625
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	925	938	926	976
Total operating funding (A)	10,282	10,305	11,025	11,033
Application of operating funding				
Payments to staff and suppliers	7,718	7,586	8,339	9,013
Finance costs	306	324	297	287
Internal charges and overheads applied	1,733	1,754	1,813	1,703
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	9,757	9,664	10,449	11,003
Surplus (deficit) of operating funding (A - B)	525	641	576	30
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	506	122	178	537
Gross proceeds from asset sales	-	-	-	25
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	506	122	178	562
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	640	61	60	298
-to replace existing assets	346	1,067	1,059	193
Increase (decrease) in reserves	45	(365)	(365)	101
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	1,031	763	754	592
Surplus (deficit) of capital funding (C - D)	(525)	(641)	(576)	(30)
Funding balance ((A - B) + (C - D))	-	-	-	-



10 Transportation

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

Our transport activities are –

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

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

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

What we did

Airport

We continued to operate during the pandemic: airport operations continued through the COVID-19 lockdown period with air ambulance and agricultural aircraft maintaining essential services.

We fulfilled our compliance requirements: as well as receiving Civil Aviation Authority (CAA) certification of our Safety Management System, we renewed our CAA Part 139 certification to enable air logistics and transportation services.

Sea port

We supported the development of the successful application to the Provincial Growth Fund (PGF) for the Whanganui Port Revitalisation Project (Te Puwaha): This successful application saw significant government funding being allocated across four applicants for the port's rejuvenation and will enable us to reinstate our port infrastructure and build new port facilities to make our port viable.

Durie Hill elevator

We are about to upgrade and modernise the Durie Hill elevator: work was delayed due to COVID-19 but the project is back on track, a contract has been let, and the new entrance is expected to be in place in time for summer 2020/21.

Contribution to community outcomes

These activities contribute to our Leading Edge strategic aspirations by –



Delivering services to the community

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



Getting our district noticed

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



Building on the value of our coastal location

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



Capitalising on opportunities

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

Effects on community well-beings

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



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






How did we perform?

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

PERFORMANCE INDICATOR

Met or exceeded target	Target not met	Target neutral
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LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 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%

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
	<i>Comment: The target was met. Part 139 Certification for Whanganui Airport was renewed on 1 April 2020. (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 are working towards increasing the commercial revenue received. However, at this stage operational and capital costs exceed revenue. (Source: Whanganui Airport financial report)</i>				
The terminal and passenger services are attractive and functional – providing a welcoming gateway to and from Whanganui.	The percentage of users satisfied with the terminal facilities and other passenger services.	84%	93%	84%	95% 
	<i>Comment: The target was met. Results showed 62% were very satisfied and 33% satisfied with the terminal facilities and other passenger services provided by Whanganui Airport. (Source: Targeted Airport Users Survey)</i>				
Whanganui Port & River: The port is safe and well utilised.	The number of commercial vessel visits per year.	28	19	25	27 
	<i>Comment: The target was met. (Source: Whanganui Port records)</i>				
The port is a safe and healthy workplace.	The number of workplace accidents.	--	4	<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.	96%	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 2019/20 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	12,300	2,888	15,188	35	15,153
Seaport assets development	204	-	204	-	202
	12,504	2,888	15,392	35	15,355
Capital expenditure to replace existing assets :					
Port and River					
Building renewals	-	280	280	264	15
Durie Hill Elevator					
Entranceway	-	-	-	8	-
Airport (half-share)					
Runway resealing	-	65	65	-	-
Taxi- and accessways	-	41	41	-	-
Airport sundry projects	40	-	40	13	-
	40	106	146	13	-
	40	386	426	285	15
Total Capital Expenditure for the Group	12,544	3,274	15,818	320	15,370

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 commenced this year, with significant planning and minor site-works done. The remaining budget of \$15.15M will be carried over to 2020/21 as works proceed.

The Seaport asset development budget is unspent and on hold to align with the port redevelopment. This budget will be carried over to 2020/21.

There was a significant spend on port building renewals. The remaining unspent budget has been carried over to finish remaining items.

Airport

Council's half-share of \$65k for the airport runway reseal has been delayed while more economic solutions are being sought. Other work budgeted at \$41k (half-share) on the taxi- and accessways did not proceed as planned and has been carried over to 2020/21.

Internal Borrowings

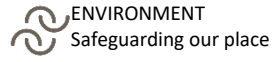
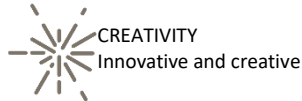
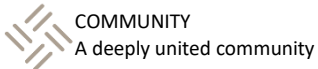
	2020	2019
	\$	\$
Brought forward	69,034	72,718
Borrowings raised	0	0
Borrowings repaid	(4,633)	(6,205)
Interest paid	473	2,521
Carried forward	<u>64,874</u>	<u>69,034</u>

Transportation group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,172	1,263	1,708	1,708
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	55	55	55	84
Fees and charges	209	215	418	394
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	16	16	87	98
Total operating funding (A)	1,452	1,549	2,268	2,284
Application of operating funding				
Payments to staff and suppliers	919	914	1,043	1,044
Finance costs	172	256	362	42
Internal charges and overheads applied	213	216	371	349
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	1,304	1,386	1,776	1,435
Surplus (deficit) of operating funding (A - B)	148	163	492	849
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	482	2,494	11,852	(529)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	482	2,494	11,852	(529)
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	500	2,657	12,504	35
-to replace existing assets	130	-	40	285
Increase (decrease) in reserves	-	-	(200)	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	630	2,657	12,344	320
Surplus (deficit) of capital funding (C - D)	(148)	(163)	(492)	(849)
Funding balance ((A - B) + (C - D))	-	-	-	-



11

Investments

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

- Whanganui District Council Holdings Limited
- 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): as part of the Port Revitalisation Project, PGF funding has been secured by Council and other parties for remedial works to the Port. The PGF funding provided to Council will go towards the repairs to the wharf infrastructure, and to support our future river dredging capabilities. PGF funding was also allocated to Horizons Regional Council for lower river infrastructure repairs; and to the private sector to support the development of a marine precinct.

We purchased accommodation and student facilities: Whanganui District Council Holdings Limited (WDCHL) purchased property at 125 Grey Street (St Georges) and 122 Liverpool Street (Quality Inn Collegiate) to accommodate aviation students training at the New Zealand International Commercial Pilot Academy Limited.

We are looking at an opportunity to build our business: Whanganui District Council Holdings Limited (WDCHL) has been involved in investigating the feasibility of an Advanced Aviation Hub that will complement their existing Flight School. This has recently been put on hold until the long-term impacts of COVID-19 on the aviation industry becomes clear.

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

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
--	--	--

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
INVESTMENTS					
Investments are effectively managed to enhance development, build prosperity, provide a financial return and repay debt as required.	The forecast return for Whanganui District Council Holdings Limited.	\$800,000	\$1M	\$800k dividend \$200k loan repayment	\$0 
	<i>Comment: The target was not met. (Source: WDC Holdings Ltd Annual Report)</i>				
	The forecast net income from Council's Harbour Endowment property portfolio ³¹ .	3.5%	5.6%	6.5%	5.55% 
	<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 ³² .	6.2%	6.35%	6.5%	5.75% 
<i>Comment: The target was not met. Results are in keeping with recent valuation advice. (Source: WDC Financial Reports)</i>					

³¹ Returns cover investment properties only and exclude Council overheads.

³² 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 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 replace existing assets :					
Investments					
Harbour Endowment Gas Building	18	88	106	-	100
Harbour Endowment Heads Road	173	-	173	-	90
City Endowment Ridgway Street	170	-	170	-	41
City Endowment Taupo Quay	12	-	12	-	21
	372	88	460	-	252
Total Capital Expenditure for the Group	372	88	460	-	252

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 or City Endowment planned budget was spent, as the costs have been reclassified as operating expenditure. The projects have been reviewed and only the required budget amounts have been carried over to 2020/21 to proceed with works.

Internal borrowings

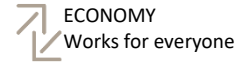
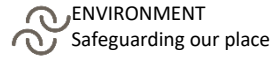
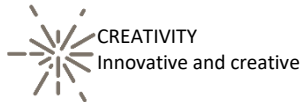
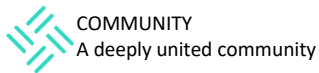
	2020 \$	2019 \$
Brought forward	43,257	287,045
Borrowings raised	3,214	0
Borrowings repaid	0	(245,368)
Interest paid	341	1,580
Carried forward	<u>46,812</u>	<u>43,257</u>

Investments group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	47	106	117	117
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,700	1,687	1,856	1,843
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	582	579	455	431
Total operating funding (A)	2,329	2,372	2,428	2,391
Application of operating funding				
Payments to staff and suppliers	1,838	1,742	1,886	1,754
Finance costs	141	139	57	83
Internal charges and overheads applied	375	376	378	355
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	2,354	2,257	2,321	2,192
Surplus (deficit) of operating funding (A - B)	(25)	115	107	199
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(80)	5	205	(199)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(80)	5	205	(199)
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	-	-	-	-
-to replace existing assets	155	380	372	-
Increase (decrease) in reserves	(60)	(60)	140	-
Increase (decrease) of investments	(200)	(200)	(200)	-
Total application of capital funding (D)	(105)	120	312	-
Surplus (deficit) of capital funding (C - D)	25	(115)	(107)	(199)
Funding balance ((A - B) + (C - D))	-	-	-	-



12 Corporate

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

Activities encompassed under Corporate include –

- Governance
- Corporate management
- Community and operational property

What we did

Governance

We implemented new technological solutions: the production and delivery of meeting documents to members, staff, and the community has been streamlined through the introduction of new meeting management software.

We provided a greater level of support to the triennial elections process: we trialled new ways to encourage democratic participation in the local body elections.

We sought increased representation for our youth: changes to the Youth Committee led to a recruiting drive that resulted in superb diversity.

We work collaboratively: Manawatū-Whanganui Mayors and Chief Executives took a regional approach to challenges and opportunities facing the area including the creation of a regional spatial plan, identifying and mitigating the effects of climate change and reviewing the Accelerate25 Strategy amongst others. All Mayors signed the Makoura Agreement demonstrating their commitment to the way forward.

We declared a Climate Emergency: in response to global climate change, and having received a clear message from the community to address climate change concerns, Council resolved to declare a climate emergency. Work is being undertaken on developing a Climate Change Strategy that will inform Council's strategic direction and influence other Council policies, processes and initiatives.

We welcomed 106 new citizens: we welcomed 106 new citizens who have migrated to Whanganui and enriched our community with new perspectives and cultures.

We continued to develop and support our Sister City relationships: Supporting our international relationships, being positive ambassadors and self-promoters of our district leverages opportunities in cultural, educational, economic and investment benefits for our community. This year we supported visiting students from Nagaizumi-Cho, and for the first time students from Rutherford Junior High visited Nagaizumi-Cho. A productive visit to Toowoomba by Councillor Taylor and Whanganui and Partners promoted discussions for strengthening economic development opportunities between our two cities. We remained in contact and offered support to all of our sister cities through the varying stages of COVID-19.

Corporate management

We continued to build on our National profile: we entered a number of National awards to celebrate our achievements and improve our image and reputation nationwide. Whanganui was crowned the Most Beautiful City in the Keep New Zealand Beautiful Awards. Ridgway Street also won the Most Beautiful Street category. Our digital innovation and new design of the Customer Services saw Whanganui District Council win the award for Best Digital Transformation at the ALGIM Annual Conference ICT Awards 2019.

We are committed to continuous improvement: we sought independent evaluation on how we were performing under Local Government New Zealand's CouncilMARK programme resulting in a BB rating for our first assessment. We scored particularly well in the delivery of core services and the report noted we have a robust foundation for effective financial transparency. Guidance was provided towards making improvements to build on our strengths and we will continue to address any perceived gaps or areas we can tighten up on.

We are customer-centric: we continually aim to be a customer-centric focused organisation. We introduced a digital 'smiley' touch screen to capture customers' satisfaction with the service received and made improvements to our Customer Request Management system.

We continue to streamline our processes: this included implementing a new online payment method (Real Time Direct Debit) as an alternative to credit card payments, and extending our range of online services available such as building, planning, and Land Information Memorandum (LIM) applications, and property file requests.

We introduced a new website...

The new Open Cities site has increased functionality, is more accessible and can be updated much faster. A new engagement platform has recently been added to the website.

We ensured we remained current by reviewing policies, strategies and bylaws: this included (among others) introducing a new Digital Strategy, Housing Strategy, the Earthquake Prone Buildings – Priority Thoroughfares and Routes Policy, and updating of the Keeping of Animals, Poultry and Bees Bylaw. Our Local Alcohol Policy fully came into force in December 2019 after the provisional policy had been adopted by the Alcohol Regulatory and Licensing Authority.



We applied waste minimisation and recycling practices to our Council buildings: over 80,000 cubic metres of waste product was collected and recycled from Council associated buildings and complexes. We also introduced recycling trial services to our Pensioner Housing units and public place bins.

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
--	--	--



LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 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.	56%	49%	60%	45% 
<i>Comment: The target was not met. 45% of Whanganui district residents surveyed considered that Council responded to community needs well (36%) or very well (9%). This has reduced from 49% in 2018/19. We will continue to identify new ways to engage with the community and respond to emerging needs. It is expected that a more engaging and interactive website will improve satisfaction with Council's responsiveness. (Source: Community Views Survey 2020)</i>					
The views of the community are successfully represented by the Mayor and Councillors.	The percentage of people who rate the performance of the Mayor and Councillors as good or very good.	59%	54%	60%	47% 
<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 7% from the previous period. (Source: Community Views Survey 2020)</i>					

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
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.	21%	29%	60%	24% 
	<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 reduced by 5%. The Rural Community Board is actively seeking to increase its profile and has seen a 25% increase in rural residents' awareness of the Rural Community Board. (Source: Community Views Survey 2020)</i>				
Meetings are held and agendas are made available to the public in advance.	The percentage of Council and committee agendas made available to the public two working days before the meeting.	100%	100%	100%	100% 
	<i>Comment: The target was met. All Council and Committee agendas were circulated at least two working days prior to the meetings. (Source: WDC Governance)</i>				
Corporate Management: Council issues and queries are resolved quickly and effectively and Council is recognised as a provider of consistently outstanding customer service.	Overall satisfaction with the initial contact and service received from the frontline team.	96%	96%	90%	92% 
	<i>Comment: The target was met. (Source: WDC Customer Service survey)</i>				
	The percentage of the community rating the performance of Council staff as good or very good.	77%	71%	70%	72% 
<i>Comment: The target was met. (Source: Community Views Survey 2020)</i>					
The Council is a safe and healthy workplace of choice.	The number of workplace accidents for Council employees.	23	19	<55	16 
	<i>Comment: The target was met. This is a continual decrease from previous years. (Source: WDC Accident and injury register)</i>				
Communications: Communication is informative, engaging, helpful and understandable.	The percentage of residents who are satisfied with ease of access to Council information.	56%	51%	60%	49% 
	<i>Comment: The target was not met. Resident satisfaction with ease of access to Council information reduced by 2% from the previous period. This percentage is expected to increase with the continued improvements to the new Council website and as users become more familiar with the site layout. (Source: Community Views Survey 2020)</i>				
	The percentage of users who agree that the Council website is easy to navigate and find what they are looking for.	57%	64%	75%	46% 
<i>Comment: The target was not met. The percentage of users who agree that the Council website is easy to navigate and find what they are looking for reduced by 18%. This percentage is expected to increase with the continued improvements to the new Council website and as users become more familiar with the site layout. (Source: Community Views Survey 2020)</i>					
Finance: Council's finances are prudently managed.	The documents we have audited receive an unmodified audit opinion	100%	100%	100%	100% 
	<i>Comment: The target was met. The documents audited during the 2019/20 year were the 2019 Annual Report and the Annual Plan 2020/21. (Source: WDC Finance)</i>				
Information Services: Council information is	The percentage of archives requests responded to within 24 hours.	100%	100%	100%	100% 
	<i>Comment: The target was met. All archive requests received by email, website, text or in person were acknowledged and responded to within 24 hours of receipt. (Source: WDC Archives)</i>				

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
looked after for future generations and is consistently available.					
Strategy and Policy: The people of Whanganui are empowered to have their say and we provide good quality long-term advice that articulates the vision of our district.	The percentage of people satisfied with their level of involvement in the decision-making process.	46%	77%	60%	--%
	<i>Comment: The target is deemed not to be met. The survey of people who had made a formal submission to Council was not carried out during this period. (Source: WDC Survey Monkey)</i>				
	The percentage of Annual Plan or Long Term Plan submission decisions provided within 10 working days of the adoption of the Plan.	100%	100%	100%	100%
	<i>Comment: The target was met. All submitters were responded to within 10 working days. (Source: WDC Corporate Team)</i>				
Bylaws are kept up-to-date to protect community safety, health and amenity.	The percentage of bylaws reviewed five years after they are made (and then 10 years after that).	100%	100%	100%	100%
	<i>Comment: The target was met. All 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.	--	--	< previous year	80,450 litres
	<i>Comment: This target was not met. (Source: WDC Waste Advisor)</i>				
Supply of power to Council property.	Council's electricity usage.	--	17,608,761	< previous year	18,877,553
	<i>Comment: The target was not met. The commissioning of the Waste Water Treatment Plant has increased electricity usage. (Source: Smart Power report)</i>				
	Council's gas usage.	--	3,736,463	< previous year	7,922,314
	<i>Comment: The target was not met. The commissioning of the Waste Water Treatment Plant's drying plant has significantly increased gas usage. (Source: Smart Power report)</i>				
Paper for printing is readily available.	The amount of A4 paper Council ³³ use. (Measured in 500 sheet reams).	--	2243	< previous year	1690
	<i>Comment: This target was met. (Source: WDC records)</i>				
	The amount of A3 paper Council use. (Measured in 500 sheet reams).	--	63	< previous year	59
	<i>Comment: This target was met. (Source: WDC records)</i>				
Fuel cards are available when fuelling Council vehicles.	Council's diesel consumption.	--	31664.50 litres	< previous year	31344.46 litres ³⁴

³³ This includes Council's municipal building, Infrastructure, Libraries, i-Site and Sarjeant Gallery.

³⁴ Fuel usage for June 2020 was estimated based on average monthly usage for the first three quarters, as fuel use data for June was unavailable.

LEVEL OF SERVICE	PERFORMANCE MEASURE	2017/18 RESULT	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT
	<i>Comment: The target was met. Council performance regarding fuel usage was positively impacted by COVID-19 with fourth quarter results being significantly better than the first three quarters in the period. (Source: E-Road fuel usage report)</i>				
	Council's petrol consumption.	--	18588.50 litres	< previous year	19439 litres ³⁵ 
	<i>Comment: The target was not met. Council performance regarding fuel usage was positively impacted by COVID-19 with fourth quarter results being significantly better than the first three quarters in the period. (Source: E-Road fuel usage report)</i>				
Community and Operational property: The Community and Operational portfolio is effectively managed meaning that it is efficient, offers economic benefits and supports community organisations.	The percentage of our community organisation tenants on the maximum subsidy (this means that the services they deliver provide maximum benefit to the community) ³⁶ .	76%	78%	70%	77% 
	<i>Comment: The target was met. 54 of the 70 Community Organisation leases are on the maximum subsidy. (Source: WDC Property Team)</i>				

³⁵ Fuel usage for June 2020 was estimated based on average monthly usage for the first three quarters, as fuel use data for June was unavailable.

³⁶ The maximum subsidy is 90%.

Corporate group

Capital expenditure

The following table shows the expenditure on capital works for the Corporate Group. Significant variations to the 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					
IT projects	50	-	50	13	-
Plant and equipment	5	-	5	30	-
	55	-	55	43	-
Governance					
Sundry Governance plant & equipment	-	4	4	11	-
	55	4	59	54	-
Capital expenditure to replace existing assets :					
Governance					
Sundry Governance plant & equipment	85	-	85	1	-
Corporate Management					
Computer equipment replacement	182	-	182	217	-
Sundry Information Services projects	15	-	15	12	-
	197	-	197	228	-
Community and Operational Buildings					
Council renovation project	273	656	929	299	393
	555	656	1,211	529	393
Total Capital Expenditure for the Group	610	660	1,270	583	393

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 progressed, however the bulk was reclassified as operational expenditure or rationalised. None of the unspent budget is carried over to 2020/21.

Corporate Management

The Information Technology (IT) capital expenditure during the year was higher than budget, in response to COVID-19. Council procured additional equipment to enable staff to work from home over lockdown, as well as upgrade Council systems to manage the additional traffic from working online.

Community and Operational Property

The Council continued with renovating the Council Building in Guyton Street. Fit-out and plant was renewed. This project is not complete and the unspent budget has been carried over to 2020/21 to fund outstanding work.

Internal borrowings

	2020	2019
	\$	\$
Brought forward	119,161	80,592
Borrowings raised	48,440	34,218
Borrowings repaid	0	0
Interest paid	1,230	4,352
Carried forward	<u>168,831</u>	<u>119,161</u>

Corporate group

Funding impact statement

For the year ended 30 June 2020

	Long Term Plan	Long Term Plan	Annual Plan	Actual
	2019	2020	2020	2020
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,230	3,468	3,778	3,836
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	102	103	67	57
Internal charges and overheads recovered	8,587	8,754	8,819	8,353
Local authorities fuel tax, fines, infringement fees and other receipts	448	525	480	803
Total operating funding (A)	12,367	12,850	13,144	13,049
Application of operating funding				
Payments to staff and suppliers	10,866	10,944	11,307	11,761
Finance costs	(100)	(80)	(152)	(206)
Internal charges and overheads applied	792	785	822	843
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	11,558	11,649	11,977	12,398
Surplus (deficit) of operating funding (A - B)	809	1,201	1,167	651
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,136	(398)	(377)	(169)
Gross proceeds from asset sales	-	-	-	36
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,136	(398)	(377)	(134)
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	99	56	55	54
-to replace existing assets	1,666	567	555	529
Increase (decrease) in reserves	180	180	180	(66)
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	1,945	803	790	517
Surplus (deficit) of capital funding (C - D)	(809)	(1,201)	(1,167)	(651)
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 ³⁷
We will maintain International Safe Community accreditation	Our accreditation as a safe community spans a five year period with reaccreditation application due in 2021/22. This accreditation demonstrates our capacity to take strategic and proactive steps to prevent injury and promote a culture of safety for everyone in our district. <i>(Source: Receipt of international accreditation)</i>	✓
We will demonstrate restorative city principles	Council is committed to restorative city principles. 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, 60% of residents indicated that they had a “very high” or “high” level of wellbeing, This is an increase of 2% compared to the previous reporting period. A further 33% of residents rated their current level of wellbeing as “moderate”. <i>(Source: Community Views Survey)</i>	✓
	When asked to consider their sense of belonging, or feeling part of a community, more than half (51%) of residents rated their sense of	✗

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

	<p>belonging as strong (34%). This was a significant decrease (7%) compared to the previous reporting period. A further 17% of residents rated their sense of belonging as very strong (an increase of 3%) and 38% 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>Council has supported Pūanga, Waitangi Day events and the Pakaitore 25th birthday celebrations. A Council partnership with Tamaūpoko Charitable Trust has led to waste minimisation projects with marae located along the Whanganui River.</p> <p><i>(Source: Council records)</i></p>	✓
The community will be more satisfied with Council leadership	<p>Satisfaction with the performance of the Mayor and Councillors reduced from 54% to 47% between 2018/19 and 2019/20.</p> <p><i>(Source: Community Views Survey)</i></p> <p>In a new question for 2020, residents were asked how they would rate the leadership provided by Council to the district over the last year. 47% rated the leadership as good (34%) or very good (13%).</p> <p><i>(Source: Community Views Survey)</i></p>	✗
There will be greater levels of community pride	<p>Two thirds of residents agreed (40%) or strongly agreed (27%) that they felt a sense of pride with how their neighbourhood looks and feels. This is a significant increase to those that strongly agreed (cf.2019, 15%), and a significant decrease to those residents that agreed (cf. 2019, 51%).</p> <p>67% of residents agreed (39%) or strongly agreed (28%) they felt a sense of pride with Whanganui as a whole. There was a significant increase in those that strongly agreed (cf.2019, 18%), and a decrease to those that agreed (cf.2019, 54%).</p> <p><i>(Source: Community Views Survey)</i></p>	✓
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</p>	✓

	<p>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.</p> <p><i>(LGNZ CouncilMARK assessment)</i></p>	
<p>Our district's performance in relation to national health targets will improve</p>	<p>Across the national health targets up to June 2020, Whanganui DHB has had mixed results compared to the national rate. Improvement has been recorded in-year for 2 out of 5 targets involving raising healthy kids and better help for smokers to quit. The local health system strives to provide a high quality, equitable service to the whole population and, where targets are not met, we take corrective action as soon as practically possible.</p> <p><i>(Source: Ministry of Health)</i></p>	<p>✘</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 ³⁸
We will achieve international benchmarks	Our accreditation as a Safe Community spans a five year period with the next reaccreditation application due in 2021/22. <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	Unfortunately the Commercial Accommodation Monitor (CAM) from which we gauge visitor numbers was no longer produced by Statistics NZ as of October 2019. The replacement Accommodation Data Programme (ADP) will release its first data in August 2020. <i>(Source: Accommodation Data Programme (ADP))</i>	—
Satisfaction with roading and connectivity will increase	More than half of residents (51%) were satisfied (42%) or very satisfied (9%) with the roads in the Whanganui district. The number of residents who were very satisfied in 2020 increased by 4%.	✓
	Data for 2019/20 is not available as this question was not asked as part of the Community Views Survey 2020. <i>(Source: Community Views Survey)</i>	—
More people will be using our walkways	Increases to walkway usage were indicated over the reporting period with 67% of people using the Whanganui Riverbank Walkway (cf. 63% in 2019); 65% using other walkways along the	✓

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

	<p>river; and 62% having used other walkways around the city (cf. 57% in 2019). <i>(Source: Community Views Survey)</i></p>	
We will have higher rates of tertiary qualifications	<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>	✓
We will gain a positive reputation as a destination of choice to live, work, study and do business	<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>	—
The Digital Strategy's indicators and objectives will be met	<p>Council adopted its Digital Strategy – Whanganui: Digital by Design – in 2019 and set new indicators and objectives. Progress towards these will begin to be tracked in the 2020/21 year. However, key achievements in the reporting period included :</p> <ul style="list-style-type: none"> • Extending our range of online services adding more building and planning applications, LIM applications and property file requests. • Creating a range of automated data transfers that allow users to share data with contractors and business partners and reduces staff time. • Creating two applications that allow staff and contractors to receive and resolve customer requests by working remotely. • Creating an automatic works order system. • Implementing a new online payment method (real time direct debit) as an alternative to credit card payments. • We were also awarded the digital performance destination marketing award 2019/20 by Regional Tourism New Zealand. The prize focused on improvement in digital performance over the last three years. <p><i>(Source: Council reporting)</i></p>	✓

 **CREATIVITY**

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

How will we know when we get there?

Indicators	Commentary	Result ³⁹
The types of jobs we offer in our district will increasingly support a knowledge economy	There were 1,058 filled jobs in information media, telecommunications services, professional, scientific and technical services in 2019. This is an increase of 2% from 2018. Knowledge economy job numbers from 2019 will be available in January 2020. <i>(Source: Infometrics)</i>	✓
The percentage of 15 to 24 year olds not in employment, education or training will decrease	The Whanganui NEETS rate for the 2019 year was 20.2% This is higher than the National Average of 12.1% and an increase from the previous reporting year (cf. 2018, 18.1%). <i>(Source for 2018 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 2020/21 year. Key achievements in 2019/20 include: <ul style="list-style-type: none"> • The establishment of a monthly Arts Hui, attended by arts representative of Whanganui & Partners, Council, Tupoho and Tamaupoko. • Use of social media to promote and disseminate opportunities and resources to the local community. NZG is the most followed arts facility in Whanganui with a Google listing averaging 60,000 people per month. • Support provided for an artist-led studio initiative to extend the SPACE gallery and studio complex. • Six funding clinics were held during the COVID-19 lockdown to raise awareness of funding opportunities and application processes. • Funding assistance from Creative New Zealand for NZGs first Artist-in-Residence programme. 	✓

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

	<ul style="list-style-type: none"> • Drew upon local artists to design artworks installed in Drews Avenue, the inner city, and at Rotokawau Virginia Lake's Winter Garden. <p><i>(Source: Council minutes and Whanganui & Partners)</i></p>	
We will have more people engaged in our district's arts and cultural events	<p>Although the number of residents reporting that they were involved in, or had attended an art event or activity had decreased slightly (34% cf 38% in 2018/19), there was an increased number of visitations to historic sites and the Regional Museum. There was a significant decrease in the number of residents who attended the theatre e.g. Amdram or Repertory, in 2020. (12% c.f 21% in 2018/19).</p> <p><i>(Source: Community Views Survey)</i></p>	✗
There will be more social infrastructure and place-making activities in our district	<p>Council delivered more social infrastructure and place-making activities in our district this year. This was despite having to postpone the scheduled Whanganui Walls Street Art Festival event. Work continued through the Town Centre Regeneration project with the lighting of trees and art work in the CBD; and an evolving Maria Pop Up space. Design work has commenced for a streetscape upgrade on Guyton Street, and we have secured funding to make innovative changes to Drews Avenue to make it a more people-friendly space. We are also about to trial an option for card entry into the Rangiora Street Library that will allow out-of-hours use by library patrons and reduce reliance on volunteers.</p> <p><i>(Source: Council minutes)</i></p>	✓
More people will perceive our district as an arts hub	<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>	—
The number of people registered in tertiary / trades training will be maintained or increase	<p>There is no data available for this indicator as the Ministry of Education no longer collects trades training numbers.</p>	—

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 ⁴⁰
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. 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. Work will be undertaken by Horizons to develop wellbeing indicators (economic, social, cultural and environmental) that will link to community outcomes.	✓
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	Work towards meeting the strategy's targets is an ongoing commitment but pleasing progress has been made. 17 of the 20 stated actions within the Strategy have either been completed or partially completed. This includes good progress with increased volumes and types of products being recycled through the Resource Recovery Centre and works towards assessing the community appetite for Council-led kerbside waste and recycling collection services. Of the three targets not met, one is considered an unrealistic target, one Council has consciously decided not to pursue at this stage and the other has not been met yet, despite good efforts to do so. The Strategy is currently being reviewed. <i>(Source: Waste Working Party Reports)</i>	✓
Our corporate environmental impact will reduce and will become a resource-efficient Council	Council's resource efficiency has also improved with less paper being used. The implementation of a recycling programme has seen a significant increase in waste being collected and recycled from Council buildings and complexes. Our Council venues promoted zero waste recycling at 10 major events in Whanganui during the year. The total CO2-e emissions for the	✓

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

	<p>corporate vehicle fleet decreased during the period with the decrease in emissions being only partially attributable to the COVID-19 lockdown. It is also noted that corporate electricity and gas usage has increased however these increases have largely been attributed to the commissioning of the wastewater treatment plant which has improved the quality of the water discharged from Whanganui's wastewater outfall.</p>	
<p>We will demonstrate a sustainable approach to resource management in line with the goals of the District Plan</p>	<p>The District Plan is delivering sustainable development across the district, consistent with the purpose and principles of the Resource Management Act. <i>(Source: Council records)</i></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 ⁴¹
There will be more jobs and businesses established in the district	There were 20,168 filled jobs in Whanganui in 2019. This is an increase of 2% from 2018. <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 47,300 residents in the Whanganui District in 2019. This is an increase of 1.3% from 2018. Population estimates for 2020 will be available in January 2021. <i>(Source: Infometrics)</i>	✓
We will have more people with NCEA Level 2	In 2018 (the latest figures available) 78.5% of students leavers achieved NCEA Level 2 or equivalent. This was a decrease of 5.9% from 84.4% (2017), however was comparable to the national figure of 79%. A formal school qualification is a measure of the extent to which young adults have completed a basic prerequisite for higher education and training, and many entry-level jobs. <i>(Source: Ministry of Education)</i>	✗
We will perform well on the Affordability Index	For 2019, the Whanganui District scored 3.16 on Infometric's Housing Affordability Index. This makes Whanganui significantly more affordable than New Zealand as a whole, which scored 6.16. 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	81% of residents surveyed reported being satisfied or very satisfied with living in Whanganui. The lifestyle benefits most frequently cited were “its size, easy to get around” and increasingly, “affordable living/a good place to raise a family as well as the river/lakes/beaches and services/facilities”. <i>(Source: Community Views Survey)</i>	✓
What is this measure?	A change of provider and differences in data collection has meant that results of a 2019 survey are not comparable to previous surveys	—

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

	<p>when measuring the perceptions for each of the lifestyle factors. However, its information will be used to direct the activities of Whanganui & Partners in its destination planning and marketing.</p> <p><i>(Source: National Perceptions Survey)</i></p>	
Our residents' satisfaction in relation to their standard of living will improve	<p>80% of residents rated their standard of living as good or extremely good. This was a decrease of 2% from the previous reporting period.</p> <p><i>(Source: Community Views Survey)</i></p>	✗
We will meet the targets in our Economic Development Strategy	<p>We adopted an Economic Development Strategy in 2018. Whanganui & Partners had a Statement of Intent (2019/20) that aligned to this strategy, and we have substantially met the goals and objectives outlined in this document.</p> <p><i>(Source: Whanganui & Partners)</i></p>	✓
Our schools will have more international students	<p>There has been an increase in international students with 350 students enrolled with Whanganui Education Providers in 2019/20 (306 in 2018/19). Formal data from Education NZ is only captured every two years. This data is sourced from providers directly for the 2019/20 year.</p> <p><i>(Source: Whanganui Education providers)</i></p>	✓
We will have the same rate of growth for tourism spend as the New Zealand total average	<p>Due to COVID-19 and lockdown the measurement is no longer about growth rates but lessening the impact of the economic lockdown. MBIE Monthly Regional Tourism Estimates (MRTE) show Whanganui's 'growth' at -8% for the year to May 2020. This placed Whanganui 4th equal of the 31 Regional Tourism Organisation's around New Zealand. The New Zealand average is – 11%.</p> <p>Note:</p> <p>1) The next results are released on 6 Aug 2020 and this will give the full year result.</p> <p>2) Whanganui's tourism spend over the summer months (Dec – Feb) was up by 11.6% on the previous year.</p> <p><i>(Source: MBIE Monthly Regional Tourism Estimates)</i></p>	✓

Council Controlled Organisations

Whanganui District Council Holdings Limited

Objectives

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

The directors have closely monitored the performance of both its own investments and those assigned to it by WDC. The Board has closely monitored the impact of COVID-19 on the operations of its subsidiaries and provided regular feedback on this to its shareholder.

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

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

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

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

1.2.2 Provide prudent management of investments and timely, constructive professional advice regarding its position as shareholder in Wanganui Gas Limited, and any other subsidiary companies or undertakings.

In 2018, as a result of the Council review and appointment of new Directors, it was decided to replicate the Directors of Whanganui District Council Holdings Limited within both Boards of its subsidiaries to provide for a more streamlined and co-ordinated governance model. In addition, WDCHL's directors investigated new commercial projects such as property development opportunities, and the expansion of flight school operations.

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

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

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

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

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

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

Performance targets

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

	Budget	Actual	Actual
	2019/20	2019/20	2018/19
Dividend paid	\$1,000,000	\$0	\$1,000,000

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

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

GasNet Limited

Statement of Intent

GasNet Limited (the Company) is a company formed in accordance with and registered under the Companies Act 1993. The Company is incorporated in New Zealand and is domiciled in Whanganui, New Zealand.

The Statement of Intent sets out the overall intentions and objectives of GasNet Limited for the year beginning 1 July 2019.

Objectives

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

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

Activities

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

Performance Targets

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

KPIs

	Target 2019/20	Actual 2019/20	Actual 2018/19
<u>Health and Safety</u>			
Incidents Reported (No)	5	7	4
Lost Time Incidents	0	0	2
Lost Time Rate	0	0	1
<u>Financial Performance</u>			
EBITDA (before Subvention payment)	\$3.54m	\$2.82m	\$3.46m
Capex Depreciation Ratio	1	0.59	0.78
Rate of Return (minimum)	6.43%	7.74%	9.5%
Accumulated profits and capital reserves distributed to shareholder	\$1.80m	\$1.46m	\$6.34m

Network Throughput

Total Throughput	1.4 PJ	1.31 PJ	1.28 PJ
UFG (Unaccounted For Gas)	1.0%	1.32%	0.68%
<u>Operational Financial Performance</u>			
Direct & Indirect Costs per consumer	\$209	\$273	\$208
Direct & Indirect Costs per GJ conveyed	\$1.54	\$2.11	\$1.64
<u>Network Reliability</u>			
<i>Planned Interruptions (Class B)</i>			
Consumer Hours Lost	370	395.92	162.90
SAIDI	1,690	1,803.86	745.14
	Target	Actual	Actual
	2018/19	2018/19	2018/19
SAIFI	9.2	8.13	6.86
CAIDI	184	222.01	108.60
<i>Unplanned Interruptions (Class C)</i>			
Consumer Hours Lost	80	132.35	91.97
SAIDI	380	603.01	420.68
SAIFI	5.4	5.77	5.11
CAIDI	70	104.49	82.36
<i>Unplanned Third Party Interruptions (Class I)</i>			
Consumer Hours Lost	40	46,879.6	135.93
SAIDI	190	213,590.71	621.79
SAIFI	1.9	22.78	2.97
CAIDI	100	9,375.92	209.13
<i>Total Interruptions</i>			
Consumer Hours Lost	490	47,407.87	390.80
SAIDI	2,260	215,997.57	1787.60
SAIFI	16.5	36.68	14.94
CAIDI	137	5,889.18	119.63
Third Party Interference Damage (No)	25	25	25
Public Reported Gas Escapes (No)	50	39	44

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

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

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

Assessment

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

The company advanced \$1.464M to the parent Whanganui District Council Holdings Ltd as a dividend. GasNet Limited made a subvention payment to New Zealand International Pilot Academy of \$336,351. Combined target of dividend and subvention payments is \$1.6M.

With its focus on ensuring the health and safety of its employees and the safe transportation and delivery of gas to consumers, the low number of incidents reflects the company's commitment to health and safety. There were five minor injuries caused by muscle strains and finger scrapes and cuts. Two more serious injuries occurred, one when a Technician slipped from a parked van as he was alighting and fell onto a shovel and another where a staff member reported an electric shock as he operated a light switch. A review audit of the Public Safety Management System (PSMS) was partially completed remotely by Telarc in April 2020 during COVID19 Alert level 4.

Throughput of gas through the network was higher than the previous year despite being slightly lower than target, and connection numbers reduced from 118 in 2018-19 to 81 new consumer connections made during the year.

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 19/20. Increasing flying hours from 7,015 to 9,265 and revenue from \$2,278,081 to \$3,278,879.

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

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

Account	2020	2020 SOI	2019
Description and Quantification of the Entity's Outputs			
EBITDA for the year before one off costs	324,045	100,000	(308,260)
One off Costs	0	0	19,850
EBITDA	324,045	100,000	(328,110)
Return %	667	15	(89)
Other Performance Objectives			
Donations	900	300	100
Flying hours available to community groups	52	50	55

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 -0.009% (2019:14.5%).

	2020	2020 SOI	2019
Consolidated Shareholder Funds	(\$48,604)	-	\$368,960
Total Assets	\$5,505,740	-	\$2,538,913
Ratio Shareholder Funds Divided by Total Assets	(0.009%)	< 50%	14.5%

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

	2020	2020 SOI	2019
Student Numbers	85	60	63
Flying Hours	9,265	7,700	7,015
Margin per Flying Hour	\$64	\$40	\$62
Holdings aircraft utilization percentage	68%	50%	64%

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
Net Profit/(Loss)	-253,000	266,000	-313,000	-347,000	-279,000

The airport was operated in a business-like manner. Cost control was a focus again this year, although costs did increase on the previous year. This was mainly due to an increase in consultancy costs, as there was a need for an air space risk assessment due to the increased activity by NZICPA. Revenue was lower than expected due to the airport having little to no activity during the level four (4) and level three (3) lockdowns enforced by the covid-19 outbreak.

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. Work was undertaken during the year on the viability of the café, with discussions being had with possible external parties to lease the space. Post covid level four (4) and level three (3) lock downs the café never reopened under the airports control and a new leasee took over the space 01 October 2020.

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 2020

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.

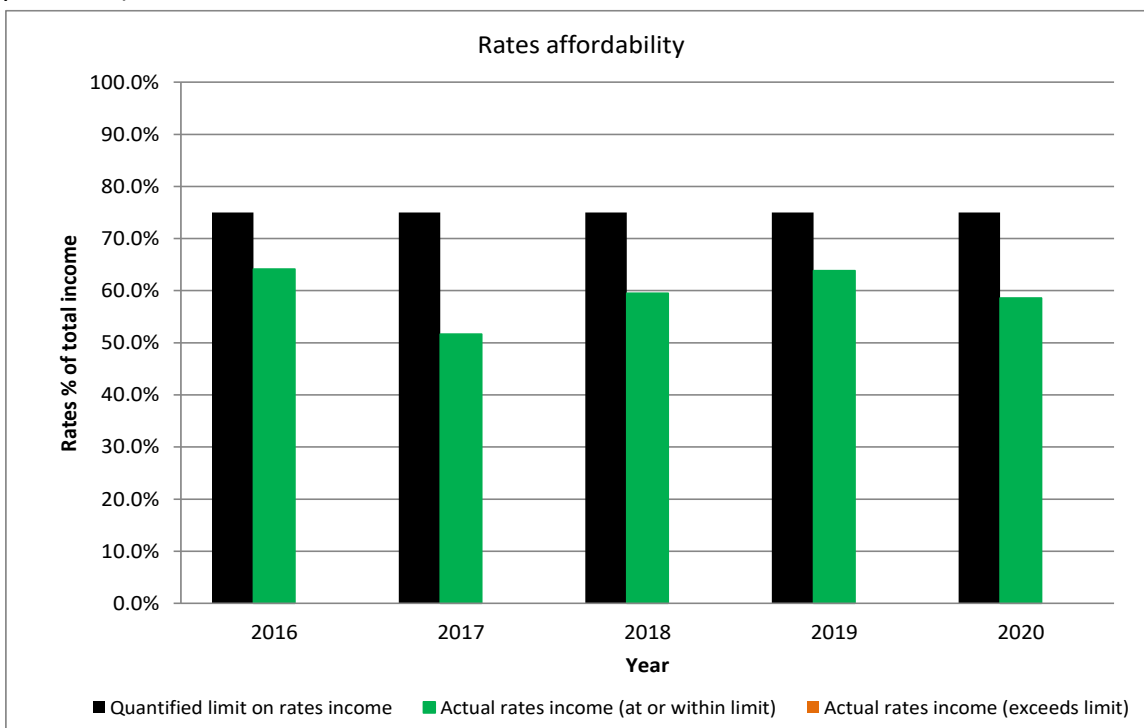
Rates affordability benchmark

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.

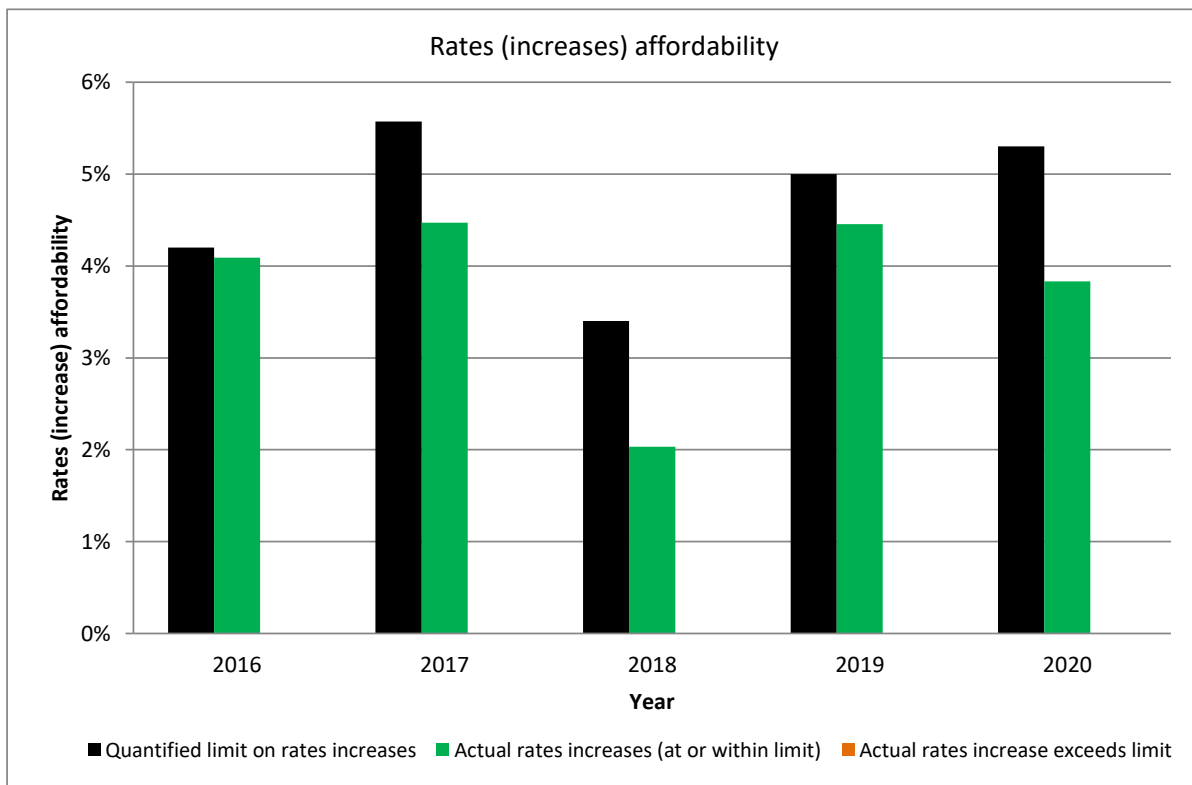
Rates (income) affordability

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).



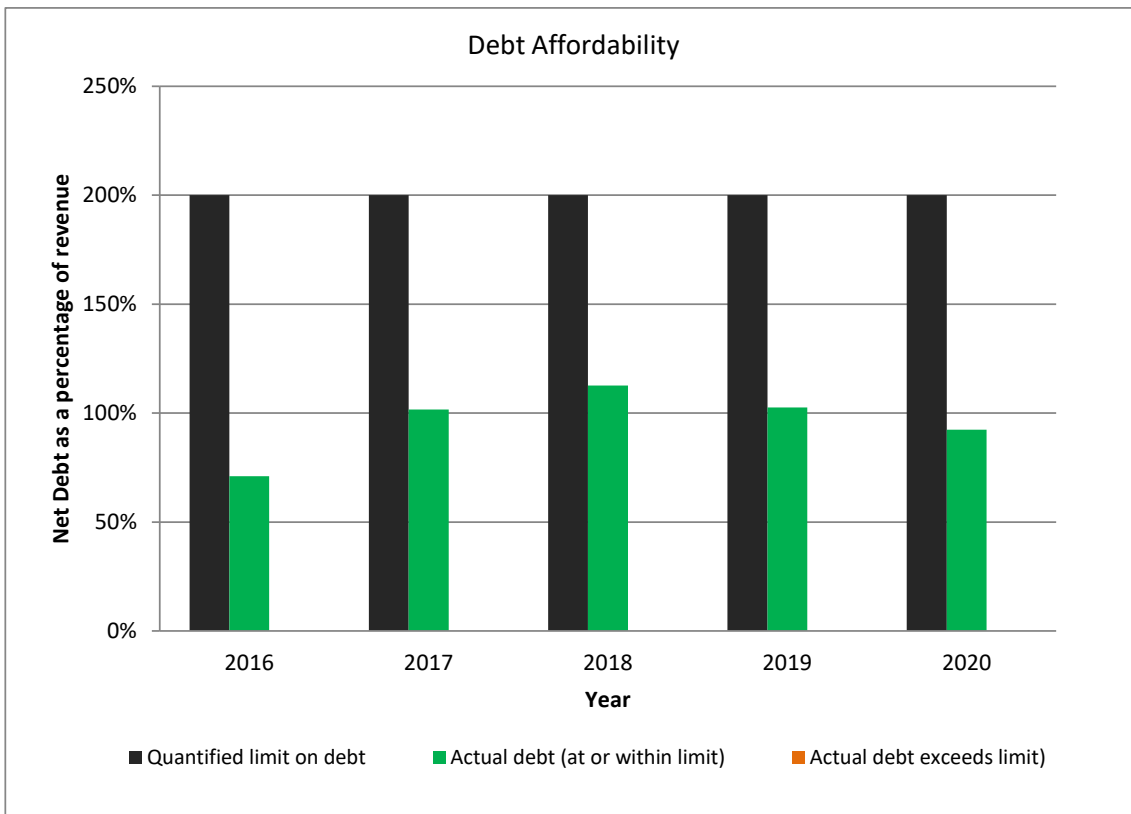
Debt affordability benchmark

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.

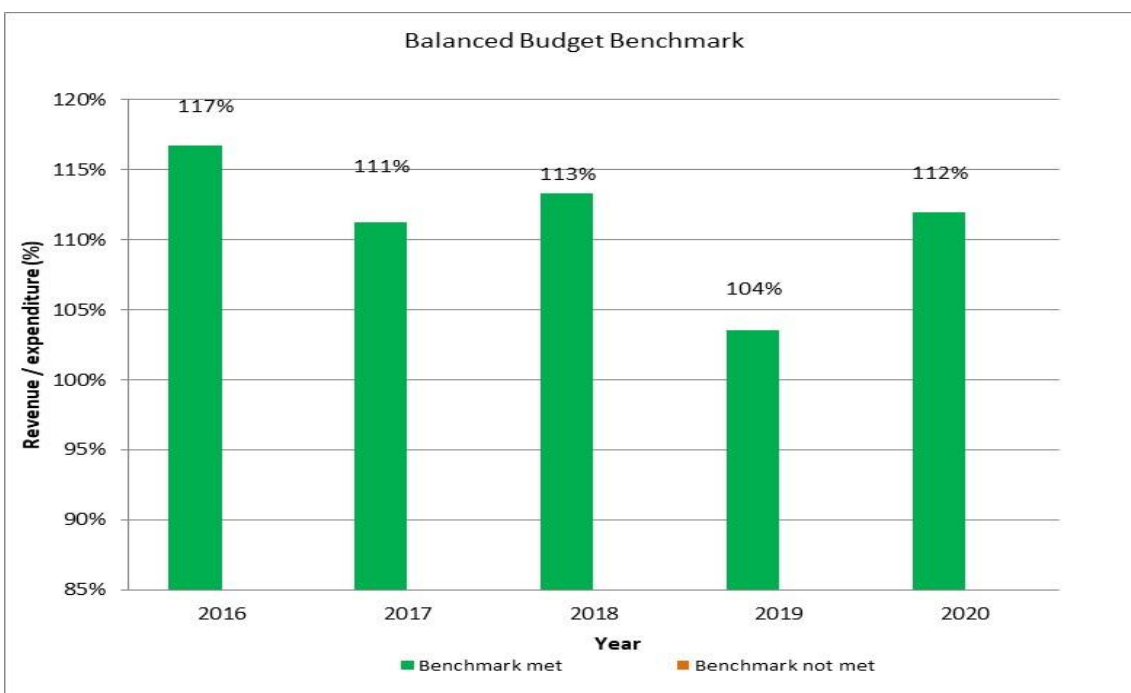


SUSTAINABILITY BENCHMARKS

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.

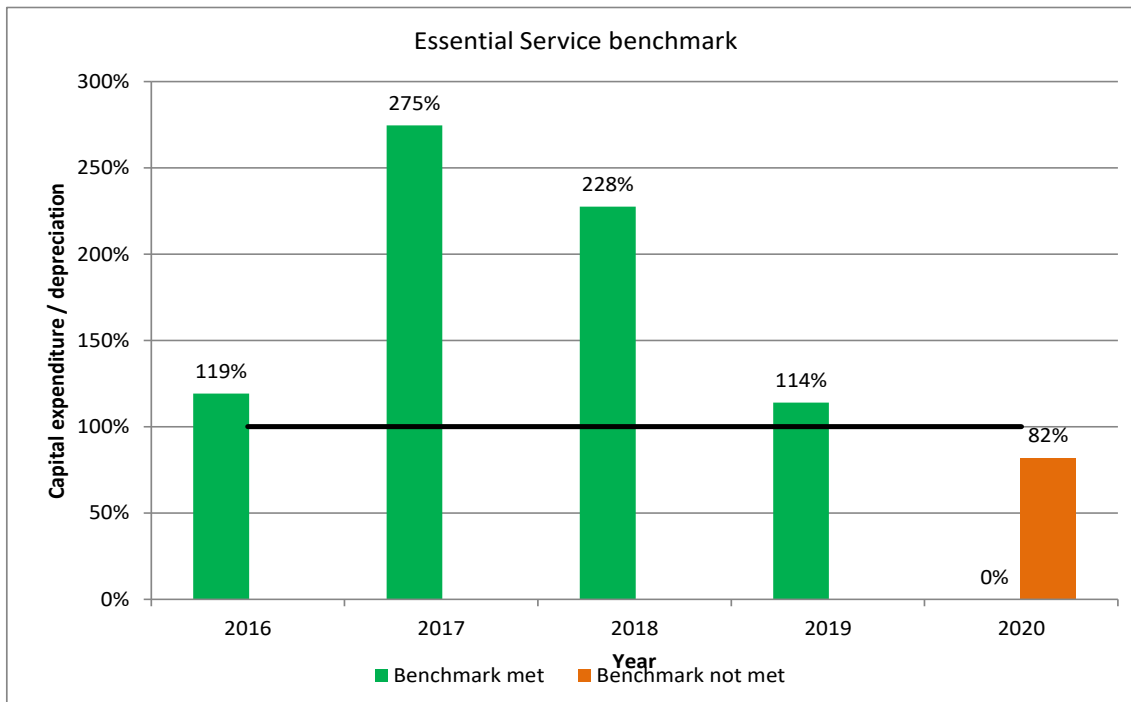


SUSTAINABILITY BENCHMARKS

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 does not meet the essential services benchmark for 2020. 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 over the first initial years of the life of the Plant.
- 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 plans 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.

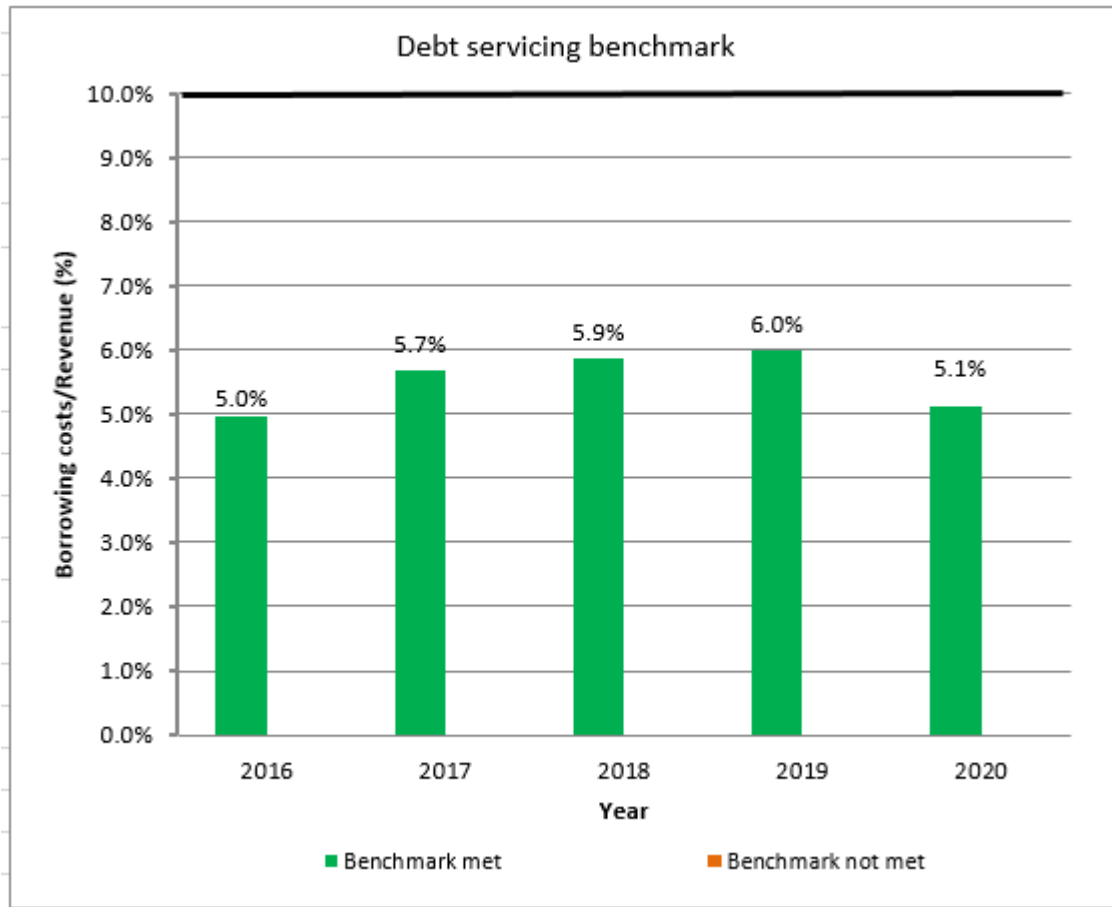
Our planned capital expenditure on network services is based on asset information, criticality and condition. Although we have not met the requirements of this benchmark for 2020, we believe that our capital expenditure is set at a sustainable and prudent level.

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.

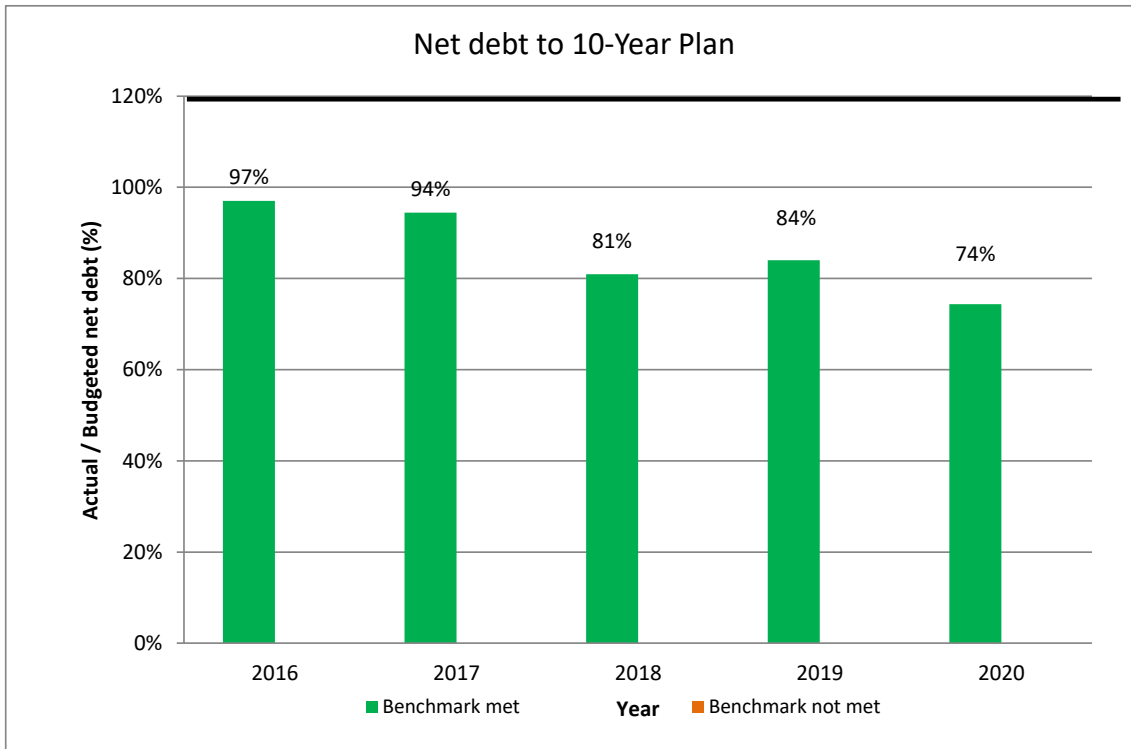


PREDICTABILITY BENCHMARKS

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.

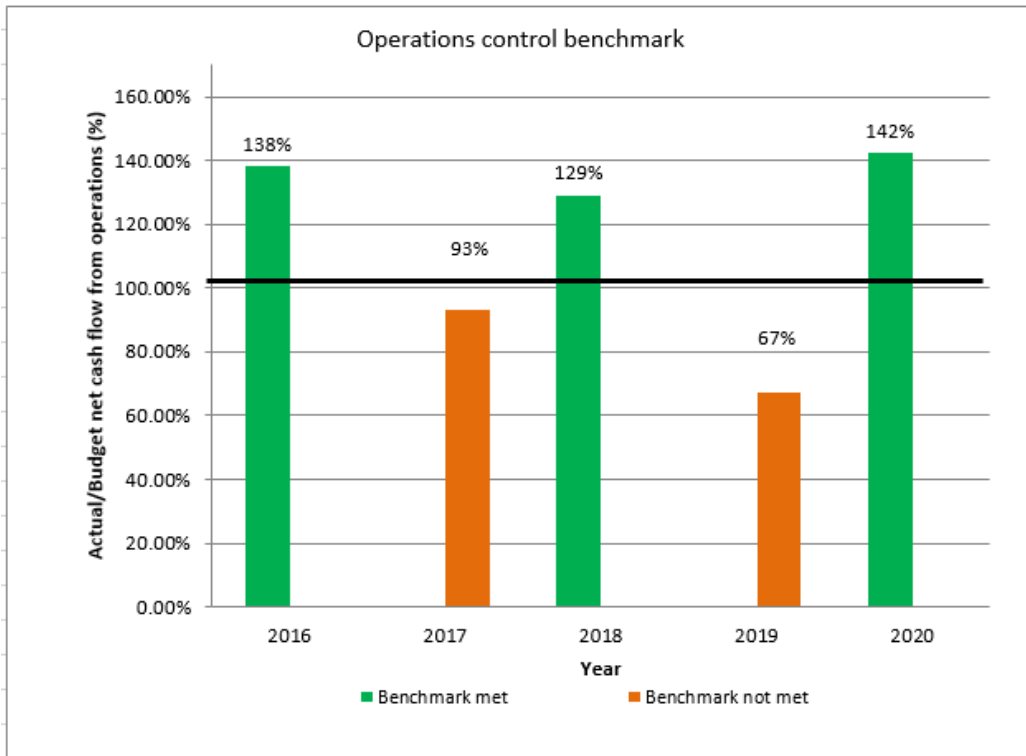


PREDICTABILITY BENCHMARKS

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.



Statement of comprehensive revenue and expense

For the year ended 30 June 2020

	Note	Council		Group		
		Budget 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Revenue						
Rates revenue (including metered water, trade waste and penalties) split as below:						
Rates (excluding water supply and trade waste)	1	60,006	60,079	57,444	60,079	57,444
Rates from metered water supply and trade waste	1	2,846	3,180	2,685	3,180	2,685
Total Rates		62,852	63,259	60,129	63,259	60,129
Finance revenue	2	980	805	2,650	982	1,740
Development and financial contributions		120	59	16	59	16
Other revenue:	3				-	
Subsidies and grants		11,055	22,655	12,767	23,822	13,188
User fees and other revenue		12,060	12,886	13,693	22,455	21,632
Gains	4	543	4,032	691	4,102	689
Total revenue		87,610	103,696	89,946	114,679	97,394
Expenses						
Personnel costs	5	18,402	18,395	17,747	20,985	19,683
Depreciation and amortisation expense	6	20,261	23,480	22,526	25,523	24,016
Finance costs	2	5,756	5,088	5,316	5,719	6,013
Other expenses	7	39,241	43,402	45,117	48,573	48,600
Total expenses		83,660	90,365	90,706	100,800	98,312
Share of associate surplus/(deficit)		-	9	(6)	9	(6)
Surplus/(deficit) before tax		3,950	13,341	(766)	13,888	(924)
Income tax expense	8	-	(54)	(30)	36	402
Surplus/(deficit) after tax		3,950	13,395	(736)	13,851	(1,326)
Surplus/deficit attributable to:						
Whanganui District Council		3,950	13,395	(736)	13,851	(1,326)
Other comprehensive revenue and expense						
Gain/(loss) on property plant & equipment revaluations		55,006	64,854	3,440	64,855	3,440
Gain/(loss) on carbon credits revaluation		-	314	70	314	70
Financial assets at fair value through other comprehensive revenue and expense		-	(150)	67	(150)	67
Adjustments from CCO through retained earnings		-	-	-	-	-
Income tax re components of other comprehensive income		-	-	-	139	-
Total other comprehensive revenue and expense		55,006	65,018	3,577	65,158	3,577
Total comprehensive revenue and expense		58,956	78,413	2,841	79,010	2,251
Total comprehensive revenue and expense attributable to:						
Whanganui District Council		58,956	78,413	2,841	79,010	2,251
		58,956	78,413	2,841	79,010	2,251

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 2020

	Note	Council			Group	
		Budget 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Balance at 1 July		858,642	855,313	852,472	881,749	879,498
Net surplus / (deficit)		3,950	13,395	(736)	13,851	(1,326)
Other comprehensive revenue and expense		55,006	65,018	3,577	65,158	3,577
Total comprehensive revenue and expense for the year		58,956	78,413	2,841	79,009	2,251
Balance at 30 June	25	917,597	933,724	855,313	960,757	881,749
<i>Total comprehensive revenue and expense attributable to:</i>						
Whanganui District Council		58,956	78,413	2,841	79,009	2,251

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 2020

	Note	Council		Group		
		Budget 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Assets						
Current assets						
Cash and cash equivalents	9	4,612	6,560	7,447	8,767	8,978
Receivables	10	7,226	9,129	4,999	13,956	7,745
Other financial assets	11	-	18,234	2,255	12,156	5,588
Inventories	12	-	1	1	458	298
Non-current assets held for sale	13	-	-	-	-	-
Taxation		-	-	-	5	7
Total current assets		11,838	33,925	14,702	35,341	22,616
Non-current assets						
Derivative financial instruments	14	-	-	-	-	-
Investments in associates	15	-	138	129	138	129
Other financial assets	11	9,960	10,118	9,906	6,343	3,996
Property, plant and equipment	16	1,014,883	988,861	926,340	1,037,875	966,546
Intangible assets	17	912	1,557	1,280	9,576	9,698
Forestry assets	18	-	-	-	-	-
Investment property	19	24,809	27,993	24,060	26,957	23,054
Total non-current assets		1,050,564	1,028,667	961,714	1,080,889	1,003,423
Total assets		1,062,402	1,062,592	976,417	1,116,230	1,026,039
Liabilities						
Current liabilities						
Payables and deferred revenue	21	9,994	11,677	8,180	16,805	11,505
Derivative financial instruments	14	-	128	69	166	69
Borrowings & other financial liabilities	22	9,000	17,500	26,000	17,500	26,000
Employee entitlements	23	1,331	1,911	1,620	2,217	1,796
Provisions	24	-	-	-	-	-
Total current liabilities		20,325	31,216	35,869	36,689	39,370
Non-current liabilities						
Payables and deferred revenue	21	-	-	-	-	-
Derivative financial instruments	14	8,979	12,681	11,349	12,970	11,777
Borrowings & other financial liabilities	22	115,328	84,750	73,750	98,652	86,121
Employee entitlements	23	123	137	136	137	136
Deferred tax liability	8	50	84	-	7,026	6,886
Total non-current liabilities		124,480	97,651	85,235	118,784	104,920
Total liabilities		144,805	128,868	121,104	155,473	144,290
Net assets		917,597	933,724	855,313	960,757	881,749
Equity						
Retained earnings	25	575,786	558,612	560,121	577,304	578,215
Restricted reserves		60,027	78,912	63,986	78,911	63,986
Revaluation reserves		281,518	295,004	230,172	303,345	238,514
Other reserves		267	1,197	1,034	1,196	1,034
Total equity attributable to WDC		917,597	933,724	855,313	960,757	881,749
Total equity		917,597	933,724	855,313	960,757	881,749
Investments in CCOs and similar entities	37		8,524	8,668		

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 2020

	Note	Council		Group		
		Budget 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Cash flows from operating activities						
Receipts from rates revenue		62,852	62,962	59,852	62,962	59,852
Interest received		175	554	3,995	736	4,097
Dividends received		805	247	1,005	247	5
Subvention receipt		-	-	-	-	-
Receipts from other revenue		23,090	32,253	26,677	42,326	34,941
Payments to suppliers		(39,555)	(38,854)	(44,486)	(42,511)	(47,761)
Payments to employees		(17,863)	(18,103)	(17,698)	(21,239)	(19,602)
Goods and services tax (net)		-	(150)	(287)	(374)	(85)
Interest paid		(5,756)	(5,081)	(5,310)	(5,795)	(6,106)
Income tax paid		-	138	-	(178)	(632)
Net cash from operating activities	26	23,748	33,967	23,749	36,175	24,709
Cash flows from investing activities						
Receipts from sale of property, plant and equipment		-	110	10,643	110	10,643
Purchase of property, plant and equipment		(35,196)	(21,245)	(29,462)	(32,167)	(31,168)
Acquisition of investments		-	(16,191)	(3,468)	(15,615)	(3,400)
Receipts for sale and maturity of investments		200	-	2,278	(1,446)	2,278
Purchase of intangible assets		(50)	(28)	(80)	(29)	(97)
Net cash from investing activities		(35,046)	(37,355)	(20,090)	(49,147)	(21,745)
Cash flows from financing activities						
Proceeds from borrowings		19,446	9,000	9,000	19,084	10,059
Dividends paid		-	-	-	-	-
Repayment of borrowings		(8,358)	(6,500)	(14,000)	(6,323)	(17,730)
Net cash from financing activities		11,088	2,500	(5,000)	12,761	(7,671)
Net (decrease)/increase in cash and cash equivalents		(210)	(888)	(1,341)	(212)	(4,707)
<i>Cash and cash equivalents at the beginning of the year</i>		4,822	7,447	8,788	8,978	13,685
Cash and cash equivalents at the end of the year	9	4,612	6,560	7,447	8,767	8,978

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 2020

	Annual Plan 2020 \$000	Annual Report 2020 \$000	Annual Plan 2019 \$000	Annual Report 2019 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	30,347	30,401	28,296	28,273
Targeted rates	32,505	32,858	31,936	31,856
	-	-	-	-
Subsidies and grants for operating purposes	4,207	5,323	4,004	4,871
Fees and charges	9,558	8,940	8,816	8,618
Interest and dividends from investments	980	805	1,110	1,698
Local authorities fuel tax, fines, infringement fees and other receipts	2,473	2,845	2,146	3,832
Total operating funding (A)	80,070	81,172	76,308	79,148
Application of operating funding				
Payments to staff and suppliers	57,643	60,402	55,464	57,819
Finance costs	5,756	5,088	6,100	5,316
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	63,399	65,490	61,564	63,135
Surplus (deficit) of operating funding (A - B)	16,671	15,682	14,744	16,013
Sources of capital funding				
Subsidies and grants for capital expenditure	6,848	17,109	7,811	7,896
Development and financial contributions	120	59	15	16
Increase (decrease) in debt	11,088	2,500	4,870	(5,000)
Gross proceeds from asset sales	-	110	50	10,643
Lump sum contributions	-	-	-	-
Other dedicated capital funding	29	1,303	12,529	979
Total sources of capital funding (C)	18,085	21,081	25,275	14,534
Application of capital funding				
Capital expenditure				
-to meet additional demand	1,805	449	910	111
-to improve the level of service	19,965	10,672	22,514	13,264
-to replace existing assets	13,476	9,841	16,630	18,960
Increase (decrease) in reserves	(290)	15,801	165	562
Increase (decrease) of investments	(200)	-	(200)	(2,350)
Total application of capital funding (D)	34,756	36,763	40,019	30,547
Surplus (deficit) of capital funding (C - D)	(16,671)	(15,682)	(14,744)	(16,013)
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 2020

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 Whanganui 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 2020. The financial statements were authorised for issue by Council on 8 December 2020.

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

Infrastructural assets

Roading network

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

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

Intangible assets

Goodwill

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

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

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

Carbon credits

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

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

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

Software acquisition and development

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

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

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

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

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

Amortisation

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

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

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

Impairment of property, plant and equipment and intangible assets

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

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

Value in use for non-cash generating assets

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

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

Value in use for cash-generating assets

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

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

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

Forestry assets

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

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

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

Investment property

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

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

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

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

Payables

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

Borrowings

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

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

Employee entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

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

Equity

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

The components of equity are:

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

Restricted reserves

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

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

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

Revaluation Reserves

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

Other Reserves

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

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

Goods and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 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 2020.

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 2020

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

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
CBD rate	437	461	437	461
General rate	30,153	28,083	30,153	28,083
Roading and footpath rates	8,158	8,198	8,158	8,198
Stormwater rate	5,384	5,118	5,384	5,118
Wastewater rate	7,515	7,124	7,515	7,124
Water charge (excluding metered water)	4,513	4,545	4,513	4,545
Storm damage rate	-	-	-	-
Roading Resilience rate	866	857	866	857
Fire capacity rate	1,124	1,135	1,124	1,135
Debt retirement rate	587	583	587	583
Earthquake strengthening rate	929	971	929	971
Exotic forestry rate	135	135	135	135
Rates Penalties	537	481	537	481
Rates discounts	(246)	(233)	(246)	(233)
Rates remissions	(15)	(14)	(15)	(14)
Total rates revenue (excluding metered water and trade waste)	60,079	57,444	60,079	57,444
Tradewaste fees	1,442	1,360	1,442	1,360
Metered water supply charges	1,738	1,325	1,738	1,325
Total rates revenue (including metered water and trade waste)	63,259	60,129	63,259	60,129

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$1.7M (2019 \$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 preceeding financial year (i.e. 30 June 2019)	21,566	6,959,872	2,680,955
Last year (i.e. 30 June 2018)	21,494	6,898,489	2,676,108

Notes to the financial statements

For the year ended 30 June 2020

2. Finance revenue and finance costs

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Finance revenue				
Interest revenue:				
- money market and term deposits	446	1,474	464	1,513
- related party loans	50	138	-	-
- other	62	34	271	222
Subvention receipt	-	-	-	-
Dividend revenue	247	1,005	247	5
Total finance revenue	805	2,651	982	1,740
Finance costs				
Interest expense:				
- interest on borrowings and swaps	5,088	5,316	5,719	6,014
- interest on finance leases	-	-	-	-
Total finance costs	5,088	5,316	5,719	6,014
Net finance costs	4,283	2,665	4,737	4,274

3. Other revenue

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Subsidies and Grants				
New Zealand Transport Agency Rooding subsidies	9,710	9,797	9,710	9,797
Lotteries Board Grant - Gallery Redevelopment project	3,000	-	3,000	-
War Memorial Hall seismic upgrade	-	-	-	-
Other government grants	9,945	2,970	11,112	3,391
Subsidies and grants Total	22,655	12,767	23,822	13,188
User fees and other revenue				
Other user charges	1,862	2,001	1,862	2,001
Regulatory revenue	2,168	2,206	2,168	2,206
Rental from investment properties	1,343	1,333	1,343	1,333
Rental from other properties	2,961	2,882	2,961	2,882
Infringements and fines	373	425	373	425
Rendering of services	249	322	249	322
Petrol tax	322	338	322	338
Trade waste user fees	982	713	982	713
Vested assets	-	158	-	158
Property, plant and equipment gain on disposal	21	171	21	171
Forestry revenue	-	90	-	90
Other (includes trading revenue from GasNet Limited)	2,604	3,054	12,173	10,993
Total User fees and other revenue	12,886	13,693	22,455	21,632
Total other revenue	35,541	26,460	46,277	34,820

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies or any government grant recognised (2019 nil).

Notes to the financial statements

For the year ended 30 June 2020

4. Gains

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Non-financial instruments				
Investment property revaluation gains/(losses) (note 19)	3,934	658	3,903	574
Investment property gains/(losses) on disposal	-	-	-	-
Gain on shares held in WDC Holdings Ltd	-	-	-	-
Gain/(loss) arising from physical change of forestry assets	-	-	-	-
Gain/(loss) arising from change in fair value of forest assets	-	-	-	-
Decreases due to harvest of forest assets	-	-	-	-
Change in fair value of property, plant and equipment (including reversal of previous year write-downs)	99	33	199	115
<i>Total non-financial instruments gains</i>	4,032	691	4,102	689
Financial instruments				
Fair value through other comprehensive revenue and expense gains/(losses) on disposal (note 25)	-	-	-	-
<i>Total financial instruments gains</i>	-	-	-	-
Total gains	4,032	691	4,102	689

5. Personnel costs

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Salaries and wages	17,656	17,220	20,213	19,123
Employer contributions to defined contribution plans	523	504	556	537
Increase/(decrease) in employee entitlements/liabilities	216	23	216	23
Total personnel costs	18,395	17,747	20,985	19,683

Council received employment subsidies of \$156,218 (2019 \$154,245)

Notes to the financial statements

For the year ended 30 June 2020

6. Depreciation and amortisation expense by group of activity

	Council	
	2020 \$000	2019 \$000
Water supply	2,412	2,311
Stormwater drainage	1,850	1,770
Waterways and natural drainage	50	50
Sewerage and the treatment and disposal of sewage	5,015	4,974
Provision of roads and footpaths	10,055	9,647
Parks and recreation	1,138	1,120
Community and cultural	1,232	1,099
Economic development	12	8
Community facilities and services	587	567
Transportation	199	133
Investments	86	86
Corporate	845	761
Total depreciation and amortisation expense	23,480	22,526

7. Other expenses

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Fees to auditors:				
- Audit New Zealand for financial statement audit	178	175	280	245
- Audit New Zealand for 10-Year Plan audit & Consultation Document	-	-	-	-
- Audit New Zealand for audit related fees for disclosure regulations	-	-	46	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	8	8
- Road Alliance Contract - Brian Smith Advisory Services	14	13	14	13
- Road Alliance Contract - McHale Group	-	-	-	-
Donations	3	1	3	1
General grants	916	1,301	2,076	2,345
Contractors	15,739	15,199	15,739	15,199
Maintenance	2,759	2,343	2,759	2,343
Electricity	2,316	2,236	2,316	2,236
Planned maintenance	2,567	2,380	2,567	2,380
Insurance premiums	1,741	1,414	1,741	1,414
Directors' fees	-	-	248	242
Consultancy	2,445	1,976	2,445	1,976
Legal fees	243	278	243	278
Rates Expense	1,935	1,943	1,935	1,943
Property, plant and equipment losses on disposal	-	-	-	-
Losses from derivative financial instruments	1,391	2,439	1,291	2,357
Loss on acquisition of port assets	-	482	-	482
Impairment of receivables (note 10)	56	58	56	58
Minimum lease payments under operating leases	51	47	330	314
Forestry expenditure	3	174	3	174
Loss on reclassification of forestry assets	-	1,950	-	1,950
Other operating expenses	11,032	10,696	14,473	12,596
Total other expenses	43,402	45,117	48,573	48,600

Notes to the financial statements

For the year ended 30 June 2020

8. Tax

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Components of tax expense				
Current tax expense	-	-	595	719
Deferred tax expense	(54)	(30)	(559)	268
Prior year adjustment	-	-	-	(585)
Income tax expense	(54)	(30)	36	402
impairment of receivables (note 10)				
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	13,341	(766)	13,888	(924)
Tax at 28%	3,735	(215)	3,889	(259)
Non-deductible expenditure	(3,791)	134	(5,135)	512
Loss not recognised	(2)	50	-	-
Prior year adjustment to deferred tax	-	-	(408)	(585)
Deferred tax adjustment	-	-	1,691	733
Total tax expense	(54)	(30)	36	402

Council

Council has not recognised a deferred tax liability in relation to tax income of \$6,690 (2019 -\$177,000). 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 1 July 2018	568	-	(472)	(66)	30
Charged to profit and loss	(15)	-	(15)	(1)	(31)
Charged to equity	-	-	-	-	-
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
Group					
Balance 1 July 2018	8,336	(164)	(1,362)	(192)	6,622
Charge/(credit) to revenue	(47)	9	302	(1)	264
Charge/(credit) to equity	-	-	-	-	-
Balance 30 June 2019	8,289	(155)	(1,060)	(192)	6,886
Charged to profit and loss	(118)	22	91	(1)	(6)
Charged to equity	139	-	7	-	146
Balance 30 June 2020	8,310	(133)	(962)	(193)	7,026

9. Cash and cash equivalents

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Cash at bank and on hand	6,560	7,447	8,767	8,978
Term deposits with maturities less than 3 months at acquisition	-	-	-	-
Total cash and cash equivalents	6,560	7,447	8,767	8,978

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 (2019 \$nil).

Notes to the financial statements

For the year ended 30 June 2020

10. Receivables

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Rates receivables	5,355	4,893	5,465	4,893
Other receivables:				
- related party receivables	-	-	-	-
- New Zealand Transport Agency subsidies	742	449	742	449
- interest receivable	4	-	4	-
- other	5,841	2,287	10,566	5,042
Gross Receivables	11,943	7,629	16,778	10,384
Less provision for impairment	(2,813)	(2,630)	(2,822)	(2,639)
Total Receivables	9,129	4,999	13,956	7,745
<i>Total receivables comprise:</i>				
Receivables from exchange transactions	442	717	5,082	3,277
Receivables from non exchange transactions	8,687	4,282	8,874	4,468
Gross Receivables	9,129	4,999	13,956	7,745

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 2020 and 2019 are detailed below:

	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
	2019		
	Gross \$000	Impairment \$000	Net \$000
Council			
Not past due	2,291	-	2,291
Past due 1-60 days	212	14	226
Past due 61-120 days	38	-	38
Past due > 120 days	5,088	(2,644)	2,444
Total	7,629	(2,630)	4,999

Notes to the financial statements

For the year ended 30 June 2020

	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

	2019		
	Gross \$000	Impairment \$000	Net \$000
Group			
Not past due	4,901	-	4,901
Past due 1-60 days	212	14	226
Past due 61-120 days	56	-	56
Past due > 120 days	5,215	(2,653)	2,562
Total	10,384	(2,639)	7,745

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	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Individual impairment	2,813	2,630	2,822	2,639
Collective impairment	-	-	-	-
Total provision for impairment	2,813	2,630	2,822	2,639

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	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Not past due	-	-	-	-
Past due 1-60 days	14	(14)	22	(14)
Past due 61-120 days	-	-	-	-
Past due > 120 days	2,799	2,644	2,799	2,653
Total individual impairment	2,813	2,630	2,822	2,639

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

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
At 1 July	2,630	2,352	2,639	2,370
Additional provisions made during the year	590	543	183	279
Provisions reversed during the year	-	-	-	-
Receivables written-off during period	(407)	(265)	()	(10)
At 30 June	2,813	2,630	2,822	2,639

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

Notes to the financial statements

For the year ended 30 June 2020

11. Other financial assets

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Current portion				
Loans to subsidiaries and associates	8,585	213	478	213
Term deposits with maturities greater than 3 months at acquisition	9,650	2,042	11,678	5,375
<i>Total current portion</i>	18,234	2,255	12,156	5,588
Non-current portion				
Community loans	-	-	-	-
Loans to subsidiaries and associates	-	-	-	-
Government Indexed Bonds	-	-	-	-
NZ Local Government Funding Agency borrower notes	1,631	1,269	1,631	1,269
Unlisted shares in NZ Local Government Insurance Corporation Limited	270	462	270	462
Unlisted shares in NZ Local Government Funding Agency Limited	371	329	371	329
Sarjeant Gallery (NJ Young Fund with Craigs Investment Partners & Term Depo	-	-	3,906	1,936
Shares in subsidiary (at cost - WDCHL)	7,846	7,846	-	-
Other financial assets	-	-	164	-
<i>Total non-current portion</i>	10,118	9,906	6,343	3,996
Total other financial assets	28,352	12,161	18,499	9,584

Fair value

Community loans

The fair value of community loans is their carrying value of \$0 (2019 \$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 \$8,584,567 (2019 \$212,959).

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 2020.

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 2020

12. Inventories

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
<i>Held for distribution/Commercial inventories</i>				
Inventory	1	1	1	1
Network	-	-	457	297
Total inventories	1	1	458	298

Network Inventories are pledged as security for liabilities 2020 \$457,000 (2019 \$289,000). There has been no write-down of commercial inventories to net realisable value (2019 \$nil).

13. Non-current assets held for sale

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Land	-	-	-	-
Buildings	-	-	-	-
Forestry Assets	-	-	-	-
Port Assets	-	-	-	-
Total non-current assets held for sale	-	-	-	-

14. Derivative financial instruments

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$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	128	69	166	69
Non-current liability portion				
Interest rate swaps - cash flow hedges	12,681	11,349	12,970	11,777
Total derivative financial instrument liabilities	12,809	11,418	13,136	11,846

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 \$99,000,000 (2019 \$102,500,000) and for the WDC group were \$103,000,000 (2019 \$106,500,000). At 30 June 2019 the Fixed Interest rates on the swaps ranged from 2.23% to 6.39%.

Notes to the financial statements

For the year ended 30 June 2020

15. Investments in associates

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Whanganui River Enhancement Charitable Trust (WRET)	64	66	64	66
New Zealand Masters Games Limited (NZMGL)	36	32	36	32
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	38	31	38	31
Total investments in associates	138	129	138	129

Summarised financial information of associate entities

	WRET	
	2020 \$000	2019 \$000
Assets	413	393
Liabilities	218	192
Revenues	146	147
Surplus/(deficit)	(6)	(41)
Group's interest	33%	33%

	NZMGL	
	2020 \$000	2019 \$000
Assets	77	67
Liabilities	4	3
Revenues	19	25
Surplus/(deficit)	9	1
Group's interest	49%	49%

	MW LASS	
	2020 \$000	2019 \$000
Assets	484	548
Liabilities	263	330
Revenues	1,157	1,204
Surplus/(deficit)	59	52
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 2020

16. Property, plant and equipment

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

Council 2020	Cost/ revaluation 30/6/2019	Accumulated depreciation and impairment charges 30/6/2019	Carrying amount 30/6/2019	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 30/6/2020	Accumulated depreciation and impairment charges 30/6/2020	Carrying amount 30/6/2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$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

Note: Vested assets to Whanganui District Council; \$Nil (2019 \$158,350).

Notes to the financial statements

For the year ended 30 June 2020

Group 2020	Cost/ revaluation 30/6/2019	Accumulated depreciation and impairment charges 30/6/2019	Carrying amount 30/6/2019	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 30/6/2020	Accumulated depreciation and impairment charges 30/6/2020	Carrying amount 30/6/2020
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$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 2020

Council 2019	Accumulated depreciation and impairment charges		Carrying amount 1/7/2018	Current Years			Accumulated depreciation & impairments eliminated on disposals / revaluations		Transfers	Depreciation		Revaluation surplus	Accumulated depreciation and impairment charges		Carrying amount 30/6/2019
	Cost/ revaluation 1/7/2018	1/7/2018		Current year additions	Vesting Additions	Current year disposals	Current year depreciation	Transfers		Transfers	Cost/ revaluation 30/6/2019		30/6/2019		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets															
Land	61,639	-	61,639	-	-	(2,734)	-	-	-	-	-	-	58,905	-	58,905
Buildings	57,113	(102)	57,011	4,892	-	(173)	-	(2,082)	790	-	-	-	62,622	(2,183)	60,439
Leasehold Improvements	2,556	(390)	2,167	3	-	-	-	(92)	-	-	-	-	2,560	(481)	2,078
Plant, equipment and motor vehicles	14,895	(12,563)	2,332	1,502	-	(575)	564	(905)	264	-	-	-	16,087	(12,904)	3,183
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-
Furniture and fittings	3,707	(2,666)	1,042	189	-	-	-	(138)	-	-	-	-	3,896	(2,804)	1,092
Library books	3,737	(2,190)	1,547	256	-	-	-	(310)	-	-	-	-	3,993	(2,500)	1,492
Artworks - Sarjeant Gallery	27,838	-	27,838	15	158	-	-	-	-	-	3,440	-	31,451	-	31,451
Artworks - Sculptures/Monuments	381	-	381	-	-	-	-	-	-	-	-	-	381	-	381
Capital work in progress (see breakdown below)	3,928	-	3,928	4,784	-	-	-	-	(1,314)	-	-	-	7,398	-	7,398
Total operational assets	176,972	(19,089)	157,883	11,642	158	(3,482)	564	(3,528)	(260)	-	3,440	-	188,470	(22,050)	166,420
Infrastructural assets															
Stormwater and Drainage	110,965	(1,769)	109,196	3,811	-	-	-	(1,808)	-	-	-	-	114,776	(3,577)	111,199
Wastewater Other	127,682	(3,363)	124,319	921	-	-	-	(3,381)	-	-	-	-	128,603	(6,744)	121,859
Waste Water Treatment Plants & Facilities	57,790	(357)	57,433	930	-	-	-	(1,540)	260	-	-	-	58,980	(1,897)	57,083
Water Other	62,255	(1,794)	60,461	1,269	-	-	-	(1,837)	-	-	-	-	63,524	(3,631)	59,893
Water Treatment Plants & Facilities	14,135	(410)	13,725	2,516	-	-	-	(446)	-	-	-	-	16,651	(856)	15,795
Roading network	368,885	(9,074)	359,811	10,666	-	-	-	(9,643)	-	-	-	-	379,551	(18,717)	360,834
Land under roads	8,166	-	8,166	-	-	-	-	-	-	-	-	-	8,166	-	8,166
Airport runway	1,999	(85)	1,914	57	-	-	-	(88)	-	-	-	-	2,056	(173)	1,883
Total infrastructural assets	751,877	(16,852)	735,025	20,171	-	-	-	(18,743)	260	-	-	-	772,307	(35,595)	736,712
Restricted assets															
Land	17,099	-	17,099	-	-	-	-	-	-	-	-	-	17,099	-	17,099
Buildings	5,901	-	5,901	421	-	-	-	(212)	-	-	-	-	6,321	(212)	6,110
Total restricted assets	23,000	-	23,000	421	-	-	-	(212)	-	-	-	-	23,420	(212)	23,209
Total property, plant and equipment	951,850	(35,941)	915,909	32,233	158	(3,482)	564	(22,482)	-	-	3,440	-	984,198	(57,857)	926,340

Notes to the financial statements

For the year ended 30 June 2020

Group 2019	Accumulated depreciation and impairment charges		Carrying amount 1/7/2018 \$000	Current year additions \$000	Current Years Vesting Additions \$000	Current year disposals \$000	Accumulated depreciation & Impairments eliminated on disposals / revaluations \$000	Current year depreciation \$000	Transfers \$000	Depreciation Transfers \$000	Revaluation surplus \$000	Accumulated depreciation and impairment charges		Carrying amount 30/6/2019 \$000
	Cost/ revaluation 1/7/2018 \$000	1/7/2018 \$000										30/6/2019 \$000	30/6/2019 \$000	
Operational assets														
Land	61,678	-	61,678	-	-	(2,734)	-	-	-	-	-	58,944	-	58,944
Buildings	60,345	(246)	60,100	5,170	-	(173)	-	(2,085)	790	-	-	66,132	(2,331)	63,801
Leasehold Improvements	2,556	(390)	2,167	3	-	-	-	(92)	-	-	-	2,560	(481)	2,078
Plant, equipment and motor vehicles	16,771	(13,795)	2,976	3,000	-	(592)	581	(1,129)	264	-	-	19,444	(14,343)	5,101
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-
Furniture and fittings	3,955	(2,688)	1,267	217	-	(3)	3	(164)	-	-	-	4,169	(2,850)	1,319
Library books	3,737	(2,190)	1,547	256	-	-	-	(310)	-	-	-	3,993	(2,500)	1,493
Art work	28,219	-	28,219	15	158	-	-	-	-	-	3,440	31,832	-	31,832
Capital work in progress	3,926	-	3,926	4,784	-	-	-	-	(1,314)	-	-	7,397	-	7,397
<i>Total operational assets</i>	182,366	(20,487)	161,880	13,445	158	(3,501)	583	(3,780)	(261)	-	3,440	195,648	(23,683)	171,965
Infrastructural assets														
Stormwater and Drainage	110,965	(1,769)	109,196	3,811	-	-	-	(1,808)	-	-	-	114,776	(3,577)	111,199
Wastewater Other	127,681	(3,363)	124,318	921	-	-	-	(3,381)	-	-	-	128,602	(6,744)	121,859
Waste Water Treatment Plants & Facilities	57,790	(357)	57,433	930	-	-	-	(1,540)	260	-	-	58,980	(1,897)	57,084
Water Other	62,255	(1,794)	60,461	1,269	-	-	-	(1,837)	-	-	-	63,524	(3,631)	59,894
Water Treatment Plants & Facilities	14,135	(410)	13,725	2,516	-	-	-	(446)	-	-	-	16,651	(856)	15,795
Roading network	368,884	(9,074)	359,810	10,666	-	-	-	(9,643)	-	-	-	379,550	(18,717)	360,833
Land under roads	8,166	-	8,166	-	-	-	-	-	-	-	-	8,166	-	8,166
Airport runway	1,999	(85)	1,914	57	-	-	-	(88)	-	-	-	2,056	(173)	1,883
Gas network infrastructure	34,994	-	34,994	1,349	-	-	-	(1,222)	(462)	-	-	35,881	(1,222)	34,660
<i>Total infrastructural assets</i>	786,869	(16,852)	770,018	21,520	-	-	-	(19,964)	(202)	-	-	808,187	(36,817)	771,372
Restricted assets														
Land	17,099	-	17,099	-	-	-	-	-	-	-	-	17,099	-	17,099
Buildings	5,901	-	5,901	421	-	-	-	(212)	-	-	-	6,321	(212)	6,110
<i>Total restricted assets</i>	23,000	-	23,000	421	-	-	-	(212)	-	-	-	23,420	(212)	23,209

Notes to the financial statements

For the year ended 30 June 2020

16. Property, plant and equipment (continued)

Valuation

Operational and restricted land and buildings

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

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

Where there has been a definable market for the asset then market comparisons have been utilised to determine Fair Value. Where the asset is not one that has a defined market then Depreciated Cost method has been adopted to determine Fair Value.

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

Some of the portfolio is impacted by reserves status (zoned or gazetted) and designations. Where land is impacted by same, the approach has been to firstly assess market values as per underlying zoning/status and then discounted values by a percentage that appropriately reflects the 'percentage chance' of changing the zoning/status or uplifting the designation. The property has been valued as if free and clear of any mortgages, debenture or 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.

The Council has considered the impact of COVID-19 on the carrying value of land and buildings and engaged Morgans to complete a market movement review from 30 June 2019 to 30 June 2020. Due to COVID-19, in the absence of sufficient market evidence, the valuer applied reasonable expectation as the basis of valuation indicators. Based on this review, there has been no material change in value. If the valuer were to perform a full revaluation of these assets as at 30 June 2020, they would include a statement of significant uncertainty. This is because of the absence of sufficient market evidence and the property market will change because of COVID-19.

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, BAppEcon, 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. Infrastructure 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 2020 (2019 \$Nil).

Notes to the financial statements

For the year ended 30 June 2020

Work in progress

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Operational Buildings & improvements	8,989	5,936	8,989	5,936
Plant & Equipment	-	-	-	-
Art Works	9	-	9	-
Waste Water Other	4	-	4	-
Storm Water	-	276	-	276
Water Other	48	1,048	48	1,048
Roading	118	32	118	32
Waterways & Natural Drainage	105	105	105	105
Gas distribution network	-	-	19	19
Restricted Buildings & improvements	-	-	-	-
Intangible	-	-	-	-
Total work in progress	9,273	7,397	9,292	7,417

Leasing

The net carrying amount of plant and equipment held under finance leases is \$Nil (2019 \$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
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
2019				
Storm Water	111,199	3,811	-	183,188
Wastewater Other	121,859	921	-	248,987
Waste Water Treatment Plants & Facilities	57,083	1,190	-	66,118
Water Other	59,893	1,269	-	127,411
Water Treatment Plants & Facilities	15,795	2,516	-	26,225
Roading network	360,834	10,666	-	682,906

Notes to the financial statements

For the year ended 30 June 2020

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 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
Balance at 1 July 2018						
Cost	3,349	868	4,217	1,099	9,496	14,812
Accumulated amortisation and impairment	(3,043)	-	(3,043)	(1,070)	(1,110)	(5,223)
Opening carrying amount	307	868	1,174	29	8,386	9,590
Year ended 30 June 2019						
Additions	80	-	80	19	-	99
Amortisation / Impairment charge	(44)	-	(44)	-	(16)	(60)
Disposals/Transfers	-	-	-	-	-	-
Amortisation charge eliminated on disposal	-	-	-	-	-	-
Revaluation increment	-	70	70	-	-	70
Closing carrying amount	342	937	1,280	48	8,370	9,698
Year ended 30 June 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)
Closing carrying amount	342	937	1,280	48	8,370	9,698

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 and the meeting of expected dividends are all in line with the expectations contained in the Council's 10 year plan 2018/28.

Work in progress

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Software	9	96	9	96
Easements	-	-	-	-
	9	96	9	96

Notes to the financial statements

For the year ended 30 June 2020

18. Forestry assets

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Balance at 1 July	-	925	-	925
Increases due to purchases	-	76	-	76
Gain/(loss) arising from physical change	-	-	-	-
Gain/(losses) arising from changes in fair value	-	33	-	33
Decreases due to harvest	-	-	-	-
Transfers (to)/from non-current assets held for sale	-	511	-	511
Asset write-down	-	(1,546)	-	(1,546)
Balance at 30 June	-	-	-	-

Valuation assumptions

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

- a discount rate of 6.5% (2018 6.5%) has been used in discounting the present value of expected after tax cash flows;
- land is excluded from the tree crop value by applying an annual "land cost" of \$90 per ha per annum (2018 \$90);
- the forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis;
- no allowance for inflation has been provided on the basis that costs and prices rise equally in line;
- costs are current average costs. No allowance has been made for cost improvements in future operations; and
- log prices are based on a 3 year historical rolling average.

Financial risk management strategies

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

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

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

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

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

Harvesting - Local, national and international prices, transport costs and supply and demand are monitored to be aware of impending sudden decreases or potential increases in prices. If the latter occurs, production levels may be increased. All contracts have a 3 month exit clause or sooner by agreement. Access roads are established at least 6 months in advance of harvesting to allow them to stabilise in order to prevent collapse during operations. If this happens, timber may be isolated and lose quality.

Notes to the financial statements

For the year ended 30 June 2020

19. Investment property

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Balance at 1 July	24,060	23,381	23,054	22,459
Additions from acquisitions	-	21	-	21
Disposals/Transfers	-	-	-	-
Fair value gains/(losses) on valuation	3,934	658	3,903	574
Balance at 30 June	27,993	24,060	26,957	23,054
Less Impairment of earthquake prone buildings	-	-	-	-
Balance at 30 June	27,993	24,060	26,957	23,054

WDC's investment properties are valued annually at fair value effective 30 June 2020. 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	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
<i>Revenue and expenses in relation to investment properties:</i>				
Rental revenue	1,343	1,333	1,343	1,333
Expenses from investment property generating revenue	(634)	(734)	(603)	(680)
Expenses from investment property not generating revenue	(31)	(55)	(31)	(55)
Contractual obligations for capital expenditure	-	-	-	-
Contractual obligations for operating expenditure	-	-	-	-

20. Joint ventures

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

	Council and Group	
	2020 \$000	2019 \$000
Current assets	115	116
Non-current assets	5,028	4,485
Current liabilities	262	233
Non-current liabilities	85	1
Revenue	336	276
Expenses	530	498

Notes to the financial statements

For the year ended 30 June 2020

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

	Council and Group	
	2020	2019
	\$000	\$000
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
Revenue	-	1,077
Expenses	-	578

Joint venture commitments and contingencies

Details of any commitments and contingencies arising from the group's involvement in the joint ventures are disclosed separately in notes 27 and 28.

21. Payables and deferred revenue

	Council		Group	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Current portion				
<i>Payables under exchange transactions</i>				
Trade payables	6,932	4,914	8,584	5,792
Deposits and bonds	946	1,056	946	1,056
Accrued expenses	628	398	628	398
Amounts due to related parties	-	-	-	-
Accrued interest payable	672	665	782	819
Revenue in advance	1,612	380	5,041	1,876
<i>Payables under non exchange transactions</i>				
Income tax payable	-	-	760	760
Other taxes payable	182	166	(642)	(97)
Rates in advance	706	601	706	601
Grants and funding with conditions	-	-	-	300
	11,677	8,180	16,805	11,505
Non-current portion				
<i>Payables under non exchange transactions</i>				
Grants and funding with conditions	-	-	-	-
	11,677	8,180	16,805	11,505

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

22. Borrowings & other financial liabilities

	Council		Group	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Current portion				
Secured loans	17,500	26,000	17,500	26,000
Finance leases	-	-	-	-
<i>Total current portion</i>	17,500	26,000	17,500	26,000
Non-current portion				
Secured loans	84,750	73,750	98,652	86,121
Finance leases	-	-	-	-
<i>Total non-current borrowings</i>	84,750	73,750	98,652	86,121
Total borrowings	102,250	99,750	116,152	112,121

Notes to the financial statements

For the year ended 30 June 2020

Secured loans

WDC's secured debt of \$102,250,000 (2019 \$99,750,000) is mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bill rate plus a margin of 0.31%-1.05% for credit risk.

There is a multi option credit facility of \$15,000,000 (2019 \$15,000,000) available with Westpac. At year end there had been drawdowns of \$750,000 (2019 \$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 (2019 \$Nil). It also has a \$85,000 credit card facility with ANZ Bank. At 30 June 2020 \$15,417 was owing on this facility (2019 \$14,403).

WDC has debt raised with the New Zealand Local Government Funding Agency. At 30 June 2020, \$101,500,000 is outstanding (2019 \$73,000,000) with maturities from 2021 to 2029.

Security

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

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

Fair values

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

Notes to the financial statements

For the year ended 30 June 2020

23. Employee entitlements

	Council		Group	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	476	400	585	463
Annual leave	1,319	1,106	1,516	1,219
Retirement and long service leave	104	101	104	101
Sick leave	12	13	12	13
<i>Total current portion</i>	1,911	1,620	2,217	1,796
Non-current portion				
Retirement and long service leave	137	136	137	136
<i>Total non-current portion</i>	137	136	137	136
Total employee entitlements	2,048	1,756	2,354	1,932

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% (2019 1.34%) and an inflation factor of 2.3% (2019 2.3%) were used.

24. Provisions

Council has not made any provisions during the 2019/20 and 2018/19 periods.

Notes to the financial statements

For the year ended 30 June 2020

25. Equity

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Retained earnings				
Balance at 1 July	560,121	560,765	578,215	579,449
Asset adjustment to equity 1 July	-	-	-	-
Transfers (to)/from restricted reserves	(14,926)	82	(14,925)	82
Adjustment to equity from CCO's	-	-	140	-
Transfers from property revaluation reserves on disposal	22	10	23	10
Transfers from other revaluation reserves on disposal	-	-	-	-
Surplus/(deficit) for the year	13,395	(736)	13,851	(1,326)
Balance at 30 June	558,612	560,121	577,304	578,215
Restricted reserves				
Balance at 1 July	63,986	64,068	63,986	64,068
Transfers (to)/from retained earnings	14,926	(82)	14,926	(82)
Balance at 30 June	78,912	63,986	78,911	63,986
Asset revaluation reserves				
Balance at 1 July	230,172	226,742	238,514	235,084
Revaluation gains/(losses)	64,854	3,468	64,854	3,468
Impairment of roading assets	-	-	-	-
Transfer to retained earnings on disposal of property	(22)	(10)	(24)	(10)
Tax on property revaluations	-	(28)	-	(28)
Balance at 30 June	295,004	230,172	303,345	238,514
Asset revaluation reserves consist of:				
Operational assets:				
- land	39,540	39,540	39,540	39,540
- buildings	4,792	4,814	4,792	4,814
- Artworks	7,069	7,069	7,069	7,069
Infrastructural assets:				
- wastewater system (including stormwater)	160,187	117,172	160,187	117,172
- water system	28,894	15,464	28,894	15,464
- roading network	33,094	25,109	33,094	25,109
- Airport runway	423	-	423	-
- gas network infrastructure	-	-	8,342	8,342
Restricted assets:				
- land	19,615	19,615	19,615	19,615
- buildings	1,389	1,389	1,389	1,389
Balance at 30 June	295,004	230,172	303,345	238,514
Other reserves				
Balance at 1 July	1,034	897	1,034	897
Valuation gains/(losses) taken to equity	(151)	67	(152)	67
Transfer to accumulated funds on disposal of carbon credits	-	-	-	-
Gain/(loss) on carbon credits revaluation	314	70	314	70
Balance at 30 June	1,197	1,034	1,196	1,034
Other reserves consist of:				
- Fair value through equity	78	228	75	228
- Carbon credit reserve	1,120	806	1,121	806
Balance at 30 June	1,197	1,034	1,196	1,034
Total Equity	933,725	855,313	960,757	881,749

Notes to the financial statements

For the year ended 30 June 2020

Restricted Reserves consists of:

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	(2,974)	78,912

Notes to the financial statements

For the year ended 30 June 2020

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2018 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance at 30 June 2019 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	2,685	48	(330)	2,403
City Endowment	Investments	To provide alternative income for funding of Council activities	23,587	292	(60)	23,819
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	25,969	586	(316)	26,239
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of artworks	681	12	-	693
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	4	-	-	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	12	-	-	12
Gallery Redevelopment project	Community & cultural	Lotteries Board funds to go towards Gallery project	1,968	62	(528)	1,502
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	20	-	-	20
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	349	178	(205)	322
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	497	122	-	619
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	153	2	-	155
De-sexing program	Community facilities and services	To fund future dog de-sexing program	3	-	(2)	1
MA Larsen Bequest	Parks and recreation	To finance improvements at the Bason Reserve	587	10	-	597
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	29	-	-	29
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	10	-	-	10
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	8	1	-	9
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	105	2	-	107
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	25	-	-	25
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	12	-	-	12
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	6	-	-	6
Nagaizumi Donation	Parks and recreation	For qualifying expenditure	10	-	-	10
Nicholson bequest	Parks and recreation	For qualifying expenditure	41	1	-	42
Tree Planting contribution	Parks and recreation	For qualifying expenditure	3	-	-	3
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,803	-	(10)	6,793
Rural road special rate - Whangaehu No 1	Roads, footpaths and pathways	Rural rates specifically collected for future works	42	12	-	54
Rural road special rate - Whangaehu No 2	Roads, footpaths and pathways	Rural rates specifically collected for future works	79	8	-	87
CUVL renewals fund	Economic development	To fund renewals of community under-veranda lighting	185	3	-	188
International Education	Economic development	To fund education initiatives	12	1	-	13
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	39	-	-	39
Aged Citizens Benefit Trust	Corporate	To benefit aged citizens	5	1	-	6
Tram Fund	Community & cultural	To fund the Tram project	11	-	-	11
Welcoming Communities grant	Community & cultural	To administer the Welcoming Communities scheme	29	9	-	38
Community Development grants	Community & cultural	To fund Youth Committee projects	11	-	-	11
Tylee Cottage	Community & cultural	To fund the Artists in Residence scheme	5	10	-	15
Opera House Friends	Community & cultural	To fund future Friends projects	-	3	-	3
Library mobile vans	Community & cultural	To fund purchase of new mobile vans	-	10	-	10
LI Smith Bequest	Community & cultural	To fund an arts award	83	1	(5)	79
						-
			64,068	1,374	(1,457)	63,986

Notes to the financial statements

For the year ended 30 June 2020

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

	Council		Group	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Surplus/(deficit) after tax	13,395	(736)	13,851	(1,326)
Add/(less) non-cash items				
Share of associate surplus/(deficit)	(9)	6	(9)	6
Interest credited directly to investments	-	2,350	151	2,484
Depreciation and amortisation expense	23,480	22,526	25,523	24,016
Vested assets	-	(158)	-	(158)
(Gains)/losses in fair value of biological assets	-	-	-	-
Movement in fair value of investment property	(3,934)	(658)	(3,903)	(574)
(Gains)/losses on derivative financial instruments	1,391	2,438	1,291	2,357
(Gains)/losses on shares held in WDC Holdings Ltd	-	-	-	-
(Gains)/losses in fair value of plant, property and equipment	(100)	(33)	(100)	(33)
Increase/(decrease) in deferred tax	84	(30)	344	266
(Gains)/losses on other investments	-	-	-	-
	20,914	26,441	23,299	28,364
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	-	-	151	(68)
	-	-	151	(68)
Add/(less) movements in working capital items				
Accounts receivable	(4,131)	365	(3,979)	791
Inventories	-	-	(160)	7
Accounts payable	3,788	(2,331)	3,027	(3,056)
Employee benefits	-	10	(16)	(3)
	(342)	(1,956)	(1,127)	(2,261)
Net cash inflow/(outflow) from operating activities	33,967	23,749	36,175	24,709

27. Capital commitments and operating leases

	Council		Group	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Capital commitments				
Plant & Equipment	-	199	-	165
Parks	330	571	330	2,099
Building & Improvements	43,798	1,327	43,798	3,360
Water System	4,903	7,882	4,903	7
Storm Water & Drainage System	1,400	1,440	1,400	2,475
Waste Water System	883	-	883	73
Roading Network	76,580	14,646	76,580	952
Wastewater Treatment Plant (see note 22)	-	-	-	4,361
Investment property	-	-	-	-
Library Stock	422	432	422	-
Total capital commitments	128,316	26,497	128,317	13,492

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 2020

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	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Not later than one year	86	150	520	348
Later than one year and not later than five years	22	24	583	408
Later than five years	-	-	300	14
Total non-cancellable operating leases	108	174	1,403	769

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2019 \$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 \$143,302 (2019 \$210,492). 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	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Not later than one year	1,404	1,286	1,404	1,249
Later than one year and not later than five years	1,847	1,886	1,847	2,843
Later than five years	5,493	5,776	5,493	5,075
Total non-cancellable operating leases	8,742	8,947	8,742	9,167

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

Notes to the financial statements

For the year ended 30 June 2020

28. Contingencies

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Litigation	-	239	-	200
Building Act claims	-	100	-	100
Total contingent liabilities	-	339	-	300

Building act claims

The Building Act (2004) imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done. At the date of this report, agreement has been reached with regards to Council's contribution towards the one claim shown in 2019.

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

Council received notification on Friday 28 August 2020 that a settlement had been reached and that proceedings against all Councils has ceased.

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 2020, NZLGFA had borrowings totalling \$10,900M (2019: \$9,531M).

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 2020

29. Related party transactions

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

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

Related party transactions required to be disclosed

The Council received from Gasnet Limited a subvention payment of \$Nil (2019 \$600,000).

Tax losses of \$318,000 were transferred to the Whanganui Gas Group by loss offset (2019 \$97,000)

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 (2019: \$5,750).

The Council paid Downer NZ \$15.7M for the supply of various contract works (2019: \$17.7M)

The Council paid MWLASS for shared services \$49,228 (2019: \$72,106).

Council provided WDCHL \$Nil grant for a provincial growth fund application (2019 \$50,000). WDC paid WDCHL management fees of \$252,250 (2019 \$292,500).

Council received from New Zealand Commercial Pilot Academy ground rental \$Nil (2019 \$5,606).

The Council made equity contributions to Whanganui Joint Venture Airport totalling \$131,486 (2019 \$241,688).

The Council received from NZ Masters Games Ltd for administrative services \$2,150 (2019: \$105,443).

Council paid the Whanganui Vintage weekend Trust by the way of a grant \$30,000 (2019 \$30,000).

The Council received from the Sarjeant Gallery Trust grants totalling \$1,310,000 (2019 \$10,000). An amount of \$Nil was outstanding at 30 June 2020 (2019 \$Nil).

Key management personnel compensation

	2020	2019
	\$000	\$000
<i>Councillors</i>		
Remuneration	627	571
Full-time equivalent members	13	13
<i>Senior Management, including the Chief Executive</i>		
Remuneration	1,477	1,339
Full-time equivalent members	6	6
	2,104	1,910
Total full-time equivalent personnel	19	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 2020

30. Remuneration

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$389,413 (2019 \$388,280) including annual leave bought out of \$13,212 (2019 \$25,823).

Elected representatives

Elected representatives received the following remuneration:

Whanganui District Council as elected on 12 October 2019

Mayor Hamish McDouall (includes car) (1/7/19 - 30/6/20)

Councillor Charlie Anderson (1/7/19 - 30/6/20)

Councillor Philippa Baker-Hogan (1/7/19 - 30/6/20)

Councillor James Barron (12/10/19 - 30/6/20)

Councillor Josh Chandulal-Mackay (1/7/19 - 30/6/20)

Councillor Helen Craig (1/7/19 - 30/6/20)

Councillor Brent Crossan (12/10/19 - 30/6/20)

Councillor Jenny Duncan (1/7/19 - 30/6/20)

Councillor Kate Joblin (1/7/19 - 30/6/20)

Councillor Hadleigh Reid (1/7/19 - 30/6/20)

Councillor Alan Taylor (1/7/19 - 30/6/20)

Councillor Rob Vinsen (1/7/19 - 30/6/20)

Councillor Graeme Young (1/7/19 - 30/6/20)

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 1/7/19 - 11/10/19)

Bill Ashworth (1/7/19 - 30/6/20)

Michael Dick (1/7/19 - 30/6/20)

Alistair Duff (1/7/19 - 30/6/20)

Sandra Falkner (1/7/19 - 30/6/20)

David Wells (1/7/19 - 30/6/20)

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	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Mayor Hamish McDouall (includes car) (1/7/19 - 30/6/20)	138	123	-	-
Councillor Charlie Anderson (1/7/19 - 30/6/20)	37	35	-	-
Councillor Philippa Baker-Hogan (1/7/19 - 30/6/20)	40	34	-	-
Councillor James Barron (12/10/19 - 30/6/20)	29	-	-	-
Councillor Josh Chandulal-Mackay (1/7/19 - 30/6/20)	40	36	-	-
Councillor Helen Craig (1/7/19 - 30/6/20)	45	41	-	-
Councillor Brent Crossan (12/10/19 - 30/6/20)	27	-	-	-
Councillor Jenny Duncan (1/7/19 - 30/6/20)	47	44	-	-
Councillor Kate Joblin (1/7/19 - 30/6/20)	43	40	-	-
Councillor Hadleigh Reid (1/7/19 - 30/6/20)	40	36	-	-
Councillor Alan Taylor (1/7/19 - 30/6/20)	44	41	-	-
Councillor Rob Vinsen (1/7/19 - 30/6/20)	39	38	-	-
Councillor Graeme Young (1/7/19 - 30/6/20)	37	34	-	-
Councillor David Bennett	10	34	-	-
Councillor Murray Cleveland	10	37	-	-
	627	571	-	-
Chairperson Grant Skilton (Board member 1/7/19 - 11/10/19)	9	6	-	-
Bill Ashworth (1/7/19 - 30/6/20)	6	6	-	-
Michael Dick (1/7/19 - 30/6/20)	6	6	-	-
Alistair Duff (1/7/19 - 30/6/20)	6	6	-	-
Sandra Falkner (1/7/19 - 30/6/20)	6	6	-	-
David Wells (1/7/19 - 30/6/20)	8	6	-	-
as elected at by-election on 18 February 2020				
Peter Oskam	2	-	-	-
Not re-elected on 12 October 2019				
Chairperson David Matthews	3	11	-	-
	45	44	-	-
Total	672	615	-	-

Notes to the financial statements

For the year ended 30 June 2020

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:

	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>
	2019
	Number of employees
\$0 - \$59,999	176
\$60,000 - \$79,999	62
\$80,000 - \$99,999	34
\$100,000 - \$119,999	12
\$120,000 - \$139,999	8
\$140,000 - \$219,999	6
\$220,000 - \$399,999	2
Total number of employees as at 30 June 2019	<u>300</u>

At 30 June, WDC employed 189 (2019 188) full time employees, with the balance of staff representing 48 (2019 49) full-time equivalent employees. A full-time equivalent employee is determined on the basis of a 40 hour working week.

31. Severance payments

Severance payments were made to five employees during the year. The payments amount totalled \$69,911 (2019 four payments totalling \$96,839).

The value of each of the severance payments were \$7,773, \$9,593, \$10,408, \$10,752 and \$31,385 (2019 \$14,813, \$16,583, \$14,951 and \$50,492).

32. Events after the balance date

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 (2019 Nil).

Notes to the financial statements

For the year ended 30 June 2020

33. Financial instruments

Financial instrument categories

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

	Council		Group	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	6,560	7,447	8,767	12,966
Receivables	9,129	4,999	13,956	11,988
Loans to related parties	8,585	213	478	(188)
Community loans	-	-	-	-
Long term receivables	9,650	2,042	11,678	-
Fair value through other comprehensive revenue and expense				
Other financial assets:				
- unlisted shares	641	791	641	725
Fair value through surplus or deficit				
LGFA borrower notes	1,631	1,269	1,631	1,263
	-	-	-	-
Financial liabilities				
Fair value through surplus or deficit				
Derivative financial instrument liabilities	12,808	11,417	13,136	9,488
Financial liabilities at amortised cost				
Payables	11,677	8,180	16,805	13,045
Borrowings:				
- secured loans	102,250	99,750	116,152	117,150

34. Fair value hierarchy disclosures

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

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

Notes to the financial statements

For the year ended 30 June 2020

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			non- \$000
	Total \$000	market price \$000	inputs \$000	
30 June 2020 - Council				
Financial assets				
Unlisted shares	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	-	-		
NJ Young bequest with Craigs Investment Partners / Term Deposits	-		3,906	
Financial liabilities				
Derivatives	13,136		13,136	
30 June 2019 - Council				
Financial assets				
Shares unlisted	792		792	
LGFA borrower notes	1,269		1,269	
Government indexed bonds	-	-		
Financial liabilities				
Derivatives	11,417		11,417	
30 June 2019 - Group				
Financial assets				
Shares unlisted	791		791	
LGFA borrower notes	1,269		1,269	
Government indexed bonds	-	-		
NJ Young bequest with Craigs Investment Partners / Term Deposits	-		1,936	
Financial liabilities				
Derivatives	11,845		11,845	

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

Notes to the financial statements

For the year ended 30 June 2020

35. Financial instrument risks

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

Market risk

Price risk

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

Currency risk

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

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at floating rates exposes WDC to fair value interest rate risk. WDC's Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Floating to fixed interest rate swaps are entered into to hedge the fair value interest rate risk arising where WDC has borrowed at floating rates. In addition, investments at fixed interest rates expose the WDC to fair value interest rate risk. If interest rates on investments at 30 June 2020 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus by \$Nil (2019 Nil). If interest rates on borrowings at 30 June 2019 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$416,250 (2019 \$433,750) as a result of higher/lower interest expense on floating-rate borrowings.

Cash flow interest rate risk

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

Credit risk

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

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

Notes to the financial statements

For the year ended 30 June 2020

Maximum exposure to credit risk

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

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Cash at bank and term deposits	16,210	9,489	8,767	8,978
Receivables	9,129	4,999	13,956	7,745
LGFA borrower notes	1,631	1,269	1,631	1,269
Related party and community loans	8,585	213	11,678	5,588
Total credit risk	35,555	15,970	36,032	23,580

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	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Counterparties with credit ratings				
Cash at bank, term deposits and sinking funds:				
AA	-	-	-	-
AA-	16,210	9,489	8,767	8,978
<i>Total cash at bank, term deposits and sinking fund</i>	16,210	9,489	8,767	8,978
LGFA borrower notes:				
AA+	1,631	1,269	1,631	1,269
AA-	-	-	-	-
<i>Total LGFA borrower notes:</i>	1,631	1,269	1,631	1,269
Counterparties without credit ratings				
Community and related party loans:				
Existing counterparty with no defaults in the past	8,585	213	11,678	5,588
Existing counterparty with defaults in the past	-	-	-	-
<i>Total long term receivables and related party loans</i>	8,585	213	11,678	5,588

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 2020

	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 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
Council 2019						
Payables	8,180	8,180	8,180	-	-	-
Secured loans	99,750	120,311	2,896	2,896	53,152	61,367
Total	107,930	128,491	11,076	2,896	53,152	61,367
Group 2019						
Payables	11,505	11,505	11,505	-	-	-
Secured loans	112,121	138,814	15,296	2,896	59,254	61,367
Total	123,626	150,319	26,801	2,896	59,254	61,367

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

	Liability carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6 months to 2 years \$000	More than 2 years \$000
Council and group 2020					
Contracts:					
Council	12,808	12,808	48	542	12,218
Group	13,136	13,136	48	631	12,457
Council and group 2019					
Contracts:					
Council	11,417	11,417	90	122	11,206
Group	11,845	11,845	90	211	11,544

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 2020

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 2020				
Cash and cash equivalents	6,560	6,560		
Receivables	9,129	9,129		
Other financial assets:				
- term deposits	-	-		
- related party loans	8,585	8,585		-
- community loans	-	-		
Total	24,275	24,275	-	-
Group 2020				
Cash and cash equivalents	8,767	8,767		
Receivables	13,956	13,956		
Other financial assets:				
- term deposits	-	-		
- related party loans	478	478		
- community loans	-	-		
Total	23,201	23,201	-	-
Council 2019				
Cash and cash equivalents	7,447	7,447		
Receivables	4,999	4,999		
Other financial assets:				
- term deposits	-	-		
- related party loans	213	213		
- community loans	-	-		
Total	12,659	12,659	-	-
Group 2019				
Cash and cash equivalents	8,978	8,978		
Receivables	7,745	7,745		
Other financial assets:				
- term deposits	-	-		
- related party loans	213	213		
- community loans	-	-		
Total	16,936	16,936	-	-

Notes to the financial statements

For the year ended 30 June 2020

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

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	-

Council

2019 \$'000

Interest rate risk

Financial assets

Cash and cash equivalents

Other financial assets:

Financial liabilities

Borrowings:

- bank overdraft

- term loans

- derivatives

Total sensitivity to interest rate risk

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

Notes to the financial statements

For the year ended 30 June 2020

Group

2020 \$'000

	- 50bps Other Equity	+ 100bps Other Equity
Interest rate risk	Surplus	Surplus
<i>Financial assets</i>		
Cash and cash equivalents	(44)	88
Other financial assets:	(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

Group

2019 \$'000

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

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 (2019 -50bps/+100bps).

Notes to the financial statements

For the year ended 30 June 2020

36. Insurance Contracts

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

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

Material Damage - full replacement value \$328,383,170

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

Fine Arts - full replacement value \$31,277,688

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 \$869,952,456

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

Infrastructure (Roading) -full replacement value \$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 2020

37. Investments in CCOs and similar entities

Section 5(3) of the Local Government (Financial Reporting and Prudence) Regulations 2014 requires the Council to present a single Council Controlled Organisation (CCO) investment figure in the Statement of Financial Position. As Council is also required to comply with IAS 1, Presentation of Financial Statements, Council has decided to disclose the total CCO investment amount as a footnote to the Statement of Financial Position

	Council	
	2020	2019
	\$000	\$000
Shares in subsidiary (at cost - WDCHL)	7,846	7,846
Unlisted shares in NZ Local Government Funding Agency Limited	371	329
Unlisted shares in NZ Local Government Insurance Corporation Limited	270	462
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	38	31
	8,524	8,668

38. Capital management

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

Council has the following Council created reserves:

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

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

Notes to the financial statements

For the year ended 30 June 2020

39. Explanation of major variances to budget

Statement of comprehensive revenue and expense

Revenue

Total rates revenue of \$63.3M was slightly higher than budget (0.65%), the main driver being higher metered water charges.

Finance revenue is \$175k lower than budget (18%), driven by lower interest rates and no dividend being received from Whanganui District Council Holdings Limited. This is partially offset by an unplanned dividend of \$242k from a historic investment in Civic Assurance. Comparable Finance revenue in 2018/19 was significantly higher, as cash from forestry sale earned interest.

Development contributions are lower \$62k than budget by (51%), as some development projects have been delayed.

Grants are \$11.6M higher than planned (105%), driven by timing of Sarjeant Gallery redevelopment funding (\$12m) originally budgeted for 2018/19. This is partially offset by lower roading subsidies as capital works did not progress as planned.

Other revenue is higher by \$790k than budget (6.6%) from an unplanned donation for the Sarjeant gallery redevelopment.

Gain on investment property revaluation is \$3.49M higher than originally budgeted, as a number of Council properties were rezoned.

Expenditure

Depreciation is \$3.22M higher than planned (16%), driven from a higher revaluation and associated depreciation charge for infrastructure assets.

Finance costs \$668k lower than budgeted (11.6%), driven by lower interest rates and holding less debt than planned.

Other expenses is \$4.16M higher than budget (10.6%). This is driven by:

- unplanned loss on revaluation of interest rate swaps (\$1.4M) reflecting reductions in interest rates
- higher operating expenditure while optimising the wastewater treatment plant (\$798k)
- higher maintenance costs in property (\$518k) and pensioner housing (\$318k) portfolios to meet legislative requirements
- higher water treatment costs (\$138k) from higher consumption

There is also unplanned expenditure for the Let's Go cycling project (\$321k) and emergency management for COVID 19 response costs (\$182k). Both these costs are externally funded.

Statement of financial position

Assets

Cash held is \$1.95M higher than budget (42%), driven by pre funding loans. This pre-funding strategy in increase Council's liquidity and to secure loans on favourable terms, in preparation to fund significant capital works.

Receivables are \$1.9M higher than planned (26%). Receivables fluctuates regularly due to timing of invoicing and workloads.

Other financial assets of \$18.2M is made up of loans to subsidiaries (\$8.6M) and cash from pre-funded loans held on term deposit with maturities ranging between 3 and 12 months (\$9.7M).

Total non-current assets were \$21.9M lower than budget (2.1%). This variance is mainly the result of a number of budgeted capital projects being deferred or delayed, such as roading projects, stormwater projects, water supply projects, the Gallery Redevelopment project, wastewater projects, and the Port Revitalisation project. This is partially offset by gains on revaluation. Significant capital projects are detailed in the 'Groups of Activities' section of this Annual Report.

Liabilities

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

Total borrowings are \$22.1M lower than budget (18%), mainly due to lower capital expenditure. This is partially offset by pre-funded loans as mentioned above.

Employee entitlements are \$594k higher than budget (41%), as accrued leave balances grew over COVID-19 lockdown. Accrued leave balances tend to fluctuate every year as staff earn and take leave.

The unfavourable variance to budget of \$3.8M (43%) in derivative financial instruments is due to changing market conditions affecting the revaluation of these instruments.

Notes to the financial statements

For the year ended 30 June 2020

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 2020 \$000	Annual Report 2020 \$000	Annual Plan 2019 \$000	Annual Report 2019 \$000
Operating funding in the FIS	80,070	81,172	76,308	79,148
Subsidies and grants for capital expenditure	6,848	17,109	7,811	7,896
Development and financial contributions	120	59	15	16
Property, plant and equipment gain on disposal	-	21	-	171
Forestry revenue	-	-	-	90
Forestry interest income	-	-	-	953
Other dedicated capital funding	29	1,303	12,529	979
Net gains not included in the FIS	543	4,032	484	691
Total Revenue in the Statement of Comprehensive revenue and expense	87,610	103,697	97,146	89,946
Application of operating funding in the FIS	63,399	65,490	61,564	63,135
Depreciation not included in the FIS	20,261	23,480	19,441	22,526
Losses from derivative financial instruments	-	1,391	-	2,439
Forestry expenditure	-	3	-	174
Loss on acquisition of port assets	-	-	-	482
Loss on reclassification of forestry assets	-	-	-	1,950
Property, plant and equipment losses on disposal	-	-	-	-
Total expenditure in the statement of revenue and expense	83,660	90,365	81,005	90,706

Additional information

For the year ended 30 June 2020

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 \$34M cash surplus from operating activities. This is a positive variance to budget of \$10.25M (43%), mainly due to subsidy for the Sarjeant Gallery redevelopment that was planned for 2018/19.

Investing activities

Cash flows from investing activities show net asset purchases to be \$37.4M, which is \$2.34M (6.7%) more than budget. The main reason for this relates to the capital deferrals discussed above. Capital variances to budget are discussed in detail in the 'Groups of Activities' section of this Annual Report.

Financing activities

Cash flows from financing activities shows net borrowing of \$2.5M, which is \$8.6M less than budgeted. This is driven by significant cash subsidy for the Sarjeant Gallery redevelopment received this year. Borrowings are made on the basis of projected capital spending, some of which did not happen as detailed above. Additional funds was held in Cash at the year end to reflect this.

Mayor's Relief Fund

	Actual	
	2020 \$000	2019 \$000
Balance at 1 July	4	9
Money Received	-	-
Interest received	-	-
Payments made	-	5
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.

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.
- 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 2020

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, Debbie Perera, 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 8 December 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 137 to 140 and pages 142 to 200:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2020;
 - 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 141, 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 Groups of activities on pages 23 to 119:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, 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 28 to 108, 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 30 to 108, 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 130 to 135, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Emphasis of matter – Impact of Covid-19

Without further modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in notes 16, 19 and 39 to the financial statements and pages 46 to 119 of the Activity Groups statement.

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 Groups 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 2 to 22, 120 to 129 and 201 to 203, but does not include the audited information and the disclosure requirements.

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.

In addition to our audit and our report on the disclosure requirements, we have carried out a limited assurance engagement related to the District Council's debenture trust deed, and assurance engagements for a subsidiary pursuant to the Gas Distribution Information Disclosure Determination 2012 - (consolidated in 2018) and the Gas Distribution Services Default Price-Quality Path Determination 2017, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



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