

Annual Report

For the year ended 30 June 2023



WHANGANUI
DISTRICT COUNCIL
Te Kaunihira a Rohe o Whanganui

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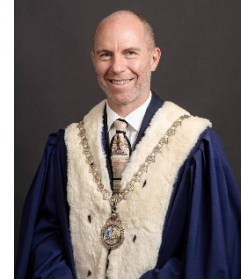
Message from the Mayor

Tēnā koutou katoa,

Welcome to Whanganui District Council's Annual Report for the 2022/23 financial year.

The economic picture

As we head into the new financial year, the headwinds are certainly blowing across the country and indeed the world. Whanganui is, however, in great shape economically relative to most parts of the country. Recent data shows our region is bucking national trends, taking the lead in domestic tourism as people catch on to the multitude of experiences on Whanganui's doorstep and connect with our excellent local businesses while enjoying all we have to offer in the areas of hospitality, adventure, sport, heritage and arts.



Increasingly Whanganui is viewed as a highly desirable place to make a home, and as a result our population continues to grow. As word spreads, the number of new residents is expected to rise. We'll be thinking about how we can bring new industries to Whanganui to attract highly skilled workers and open up new avenues of employment for our community.

Financial pressures

Although our district is going from strength to strength, I'm very aware cost of living pressures are continuing to bite for many households. During this year's rates-setting process we asked council staff to look through the books to find ways to reduce costs and find efficiencies. Due to a triple whammy of the three 'i's – high inflation, high interest rates and high insurance costs – as well as supply chain issues, councils across the country are in a similar or worse position and the financial pressure is not expected to relent any time soon. As Mayor I'm advocating to central government for lasting change to our fundamentally flawed rating system to lessen the financial burden on the ratepayer.

Setting a vision

While we get through these tough economic times it's important in my role to keep a clear eye on the bigger picture as we look to embed intergenerational wellbeing for our community, economically, socially, culturally and environmentally. We need to be bold about our future. This means continuing to progress and build on what we do well now as well as seeking new opportunities in a changing world. Work has started on updating our Leading Edge Strategy, which sets out the vision for our district. Since it was adopted in 2014 we've seen many changes, including new technologies, new residents, the introduction of the Te Awa Tupua Act in 2017 which recognises the Whanganui River as a living being and legal personality, and receiving UNESCO certification as New Zealand's only City of Design in 2021.

An opportunity for lasting change

I'm particularly energised by the Future for Local Government work currently underway as it has the potential to transform local government. In July this year I was selected to be one of six mayors on a key advisory group tasked with developing a position amongst councils on He piki tūranga, he piki kotuku (the Future for Local Government report). This exciting work is a once-in-a-generation moment. There is a real opportunity for change with politicians across the political divide expressing sympathy for the funding issues local government is facing. In my view it makes sense to resource councils better so they can invest more in their districts, making local decisions that suit local people. It's my hope the Future for Local Government review work will eventually lead to greater community participation on the local issues that affect our people.

It's been a priority for me to make our council more open and welcoming to everyone in our community – whether it's learning te reo and using karakia to open and close meetings or advocating for the upcoming long-term plan

workshop discussions to be livestreamed. Right from the start one of my goals has been to take council to the people which is about making council operations more transparent so people can see behind the scenes and understand the decisions we're facing as a council.

Keep an eye out for opportunities to have your say on Whanganui District Council's long-term plan – we'll be asking for your thoughts from later this year. The long-term plan is a key council document that sets our vision and budgets for the next 10 years so I'd encourage you to get involved.

A word of thanks

Finally, I would like to acknowledge the mahi of not only council staff and fellow elected members for all the work they put into making our district great, but also members of the community. Every day I see examples of people who love Whanganui and are in their unique way adding value to our community and this all contributes to making our district the wonderful place it is.

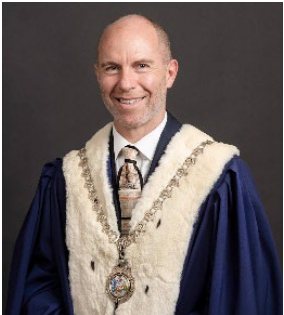
A handwritten signature in black ink, appearing to read 'A Tripe', is centered on the page. The signature is fluid and cursive.

Andrew Tripe
Mayor of Whanganui

Governance structure

Mayor and Councillors as at 30 June 2023

Mayor Andrew Tripe



Cr Charlie Anderson



Cr Glenda Brown



Deputy Mayor
Cr Helen Craig



Cr Josh Chandulal-
Mackay



Cr Philippa Baker-Hogan



Cr Jenny Duncan



Cr Ross Fallen



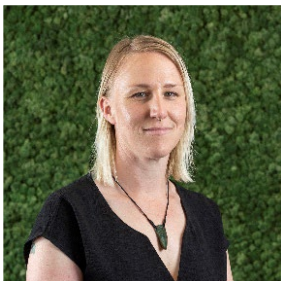
Cr Kate Joblin



Cr Michael Law



Cr Charlotte Melser



Cr Peter Oskam



Cr Rob Vinsen



Whanganui Rural Community Board as at 30 June 2023



Chair, David Wells

Whanganui Community
subdivision



Deputy Chair, Grant Skilton

Kai Iwi Community subdivision



Bill Ashworth

Kaitoke Community
subdivision



Julian Bailey

Kaitoke Community
subdivision



Michael Dick

Kai Iwi Community
subdivision



Sandra Falkner **

Kai-Iwi Community subdivision

Jenny Tamakehu

unavailable

Whanganui Community
subdivision



Cr Charlie Anderson

Council representative on
Board



Cr Peter Oskam

Council representative on
Board

Member Sandra Falkner resigned in April 2023 and the position was unfilled as at 30 June 2023

Committees

Committee	Chair	Deputy Chair / Deputy Co-Chairs
Risk & Assurance	Susan Kosmala	Cr Kate Joblin
Strategy & Policy	Cr Kate Joblin	Crs Glenda Brown & Charlotte Melser
Operations & Performance	Cr Jenny Duncan	Cr Michael Law
Council Controlled Organisations	Cr Josh Chandulal-Mackay	Cr Rob Vinsen
Aspirations & Projects	Cr Rob Vinsen	Mayor Andrew Tripe
Chief Executive's Performance Review Committee	Cr Jenny Duncan	
Emergency Committee	Mayor Andrew Tripe	
District Licensing Committee	Stuart Hylton, District Licensing Commissioner	

Subcommittees, Advisory groups, Working parties, etc

Community Funding Grants Subcommittee	Cr Philippa Baker-Hogan	
Regulatory Hearings Committee	Crs Glenda Brown & Charlotte Melser	
Sport & Recreation Advisory Group	Cr Philippa Baker-Hogan	
Sustainability & Waste Advisory Group	Cr Rob Vinsen	
Town Centre Regeneration Advisory Group	Deputy Mayor Cr Helen Craig	
Safer Whanganui Advisory Group	Cr Kate Joblin	
Working Parties	Tūpoho Tamaupoko Link	
Co-Governance Bodies	Te Kōpuka Te Karewao Ngā Wai Tōtā Te Waiū	

Chief Executive's review



Tēnā koutou katoa

I am pleased to present Whanganui District Council's Annual Report for 2022/23. This report sets out the council's activities over the past year, including how we've progressed key projects and strategies, and summarises our financial performance.

While Covid-19 is still present, its impact has, on the whole, waned over the year and it's been good to get back to some sense of normalcy.

For councils across the country this financial year has been characterised by considerable cost pressures – these have had an impact not only on capital projects, but on services and facilities across the board. This has been one of the factors that has spurred us to look for smarter ways to deliver and invest in the future of our district. Since I started in the role of chief executive almost a year and a half ago, I've reviewed council operations looking for ways to make our delivery more efficient and cost-effective. This began with a management restructure to cut back on costs and numerous other cost-saving measures have been taken. For us the challenge has been to find innovative ways to deliver the diverse array of services and facilities that our community expects while keeping rates as low as possible.

We know many people in our community are feeling the cost of living increases so during this year's rates-setting process we went through the books line by line to find cost savings. This involved some tough decisions to defer projects and cut costs. In the end, we managed to deliver an average rates rise, which at 7.9%, is in the middle of the pack compared to councils across the country. As well as our usual rates rebate for those on low incomes, this year we've offered a one-off rates remission for households facing a dramatically larger rates increase due to their property rising sharply in value in the recent QV revaluation. As far as I'm aware we're the only council in the country offering this kind of remission.

I'm particularly excited about the point of entry business case framework we'll be introducing as part of the 2024-2034 Long-term Plan. Through this approach we'll evaluate how projects align with council objectives before resources are committed. Projects will be ranked against five criteria and given a score – this way we can ensure we are always connected to the big picture, approaching our work in a logical and considered way with our energies focused on what matters most. Through our Aspirations and Projects committee there will be full transparency to the community around this process.

I'm proud of the work our council team is doing. We're focused on making our district more resilient in future with projects like replacing the ageing Nixon Street wastewater main – a critical asset that services the entire Whanganui East area – and the 130 metres of bigger pipes laid in Smithfield Road as part of the council's 30 year infrastructure strategy to provide a better drainage network, reduce flood risk, and service new businesses.

We're investing in upgrading major assets to maximise their potential to drive economic benefits to Whanganui. The port revitalisation is progressing towards the first phase of wharf reconstruction and we're delivering a major infrastructure project where tenderers are required to commit to showing an understanding of how to deliver work in line with Te Awa Tupua, the legislation giving the Whanganui river its special status. The Sarjeant Gallery Te Whare o Rehua redevelopment is also progressing very well and is projected to generate significant economic benefits for Whanganui and further enhance our status as an arts and design destination. Thanks to some impressive fundraising work for the Sarjeant, we're on track for just 22 percent of the total project cost being covered by rates. This means Whanganui ratepayers are getting a significant investment in our district for considerably less than what a project of this scale would ordinarily cost.

A strategic housing group was established with Kāinga Ora and Tupoho to help deliver new housing stock. Additionally, central government funding of \$1.9 million for Whanganui will be put towards transport and Three Waters infrastructure works to enable around 340 additional homes in the Carson Street area. We're also working through the consent process to provide an interim homeless hub at 83 Taupo Quay with wraparound social support,

hygiene facilities, security, free WiFi and a kitchenette with power and hot water and work will continue to explore long-term opportunities to alleviate the issues homeless people in our community are facing. We've also commissioned a report to look at how we can improve and future-proof the housing we provide to older members of our community.

A significant milestone in the last year has been confirming a start date for kerbside services – recycling in mid 2024 and food scraps in July 2025. We know many in our community are looking forward to the convenience of kerbside recycling as it will make it easier for everyone to play their part in looking after the environment. The food scraps collection will be required by central government over the next few years and it fits well with our climate change objectives since keeping food scraps out of landfill is an important action to take to reduce greenhouse gases.

The council has supported community wellbeing in numerous ways including with recreation opportunities such as a new outdoor fitness park on the bank of the Whanganui River and the latest New Zealand Masters Games event which drew in 4,232 people to enjoy what we have to offer and visit our local businesses. Our Tākaro Play trailer continues to be widely used by the community reaching over 3,700 tamariki and the Great Whanganui Play Trail has proved popular with around 1,500 maps handed out.

We're improving transport connections with the new frequent Te Ngaru The Tide bus, introduced in collaboration with Horizons Regional Council. Meanwhile Whanganui Airport was recognised as Small Airport of the Year for 2022.

Going forward we'll start looking at national and regional wellbeing statistics as benchmarks to assess wellbeing in the Whanganui district to look at the gaps and help plot our strategic course.

We know the cost of living pressures being faced across the country will still be a factor as we move into this financial year. We'll continue to keep these economic circumstances top of mind as we work through decisions over the year. For a district of this size Whanganui has a lot going for it and thanks to good past management we are in a solid position to weather these tough times together.



David Langford
Chief Executive

Statement of compliance and responsibility

For the year ended 30 June 2023

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 2023 fairly reflect the financial position, results of operations and service performance achievements of Whanganui District Council.



Mayor

Andrew Tripe



David Langford

Chief Executive

31 October 2023

What is the Whanganui District Council

The role of council

Whanganui District Council is the local government territorial authority for the Whanganui district. The purpose of the council is to enable democratic local decision-making and action by, and on behalf of, our community; and to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future – as defined in the Local Government Act 2002.

In the Whanganui District, twelve elected members (councillors) and a mayor are elected every three years by voters in the Whanganui district to represent them. Elected members are known as the “governance” part of the council. They make high-level decisions about the way we should operate in the district informed by the views of the community. Council meetings and council committees, enable elected members to receive updates and make decisions in a more targeted format.

The elected members employ a chief executive to run the everyday business of the council. The chief executive employs the council staff who manage the day-to-day running of the organisation and the practical aspects of achieving the elected members’ visions.

The council provides facilities, infrastructure and services for the district, including but not limited to:

- Parks, open spaces, and playgrounds
- Recreational and sporting facilities, swimming pools
- Libraries
- Housing units for older people
- Roads, footpaths, and water pipes
- Cultural facilities
- Cemeteries and crematoria
- Emergency management and mitigation of natural hazards
- Water services and solid waste disposal
- Resource and building consents — property services and rates
- Dog and animal control
- Street cleaning and maintenance.

The council provides a 10-year plan (Long-Term Plan) every three years that outlines the council’s direction and establishes the work we will deliver, as well as setting out how that work will be funded, such as the setting of rates.

The LTP shows the whole picture of how the activities are managed, delivered and funded.

Our Leading Edge Strategy

The Leading Edge Strategy is the council's overarching strategic document. It's an umbrella document which sets the vision for the district and outlines high level objectives supported by a series of actions. The Leading Edge Strategy feeds directly into the Long-Term Plan.

The vision from the Leading Edge Strategy is: *"an energised, united and thriving district offering abundant opportunities for everyone."*

The Leading Edge Strategy is divided into five categories (community outcomes):

- Community – a deeply united community
- Connectivity – connected
- Creativity – innovation and creative
- Environment – safeguarding our place
- Economy – works for everyone.

Each category provides a strategic intention and goal. These are influenced by our community and guide our activity in that area. The strategy also includes a list of more concrete aims, followed by a set of strategic targets and actions needed to fulfill them.

Our Long-Term Plan outlines how we are delivering on the five community outcomes for each activity group: See pages 8,21, 30, 38, 50-52, 62, 71-72, 83, 89, 99, 105-106, 112, 119, 126, 133, 140, 148, 153, 161, 167, 175, 181, 188, 193, 198, 205, 209, 214, 219, 223, 229, 238-240, 246-247, 252, 258, 266, 273, 280 on: [long-term-plan-2021-2031-amended-volume-2.pdf \(whanganui.govt.nz\)](https://www.whanganui.govt.nz/long-term-plan-2021-2031-amended-volume-2.pdf)

Future focus

The Leading Edge Strategy was updated in 2018 and small changes were made, however, it was agreed the strategy was serving its purpose as an overarching strategy to guide the council's work and focus.

Ahead of the next Long-Term Plan 2024 - 2034, the council has started a comprehensive review of the Leading Edge Strategy and is working closely with the community and Whanganui Iwi to develop a new strategy and vision for the next 10 years. This will include an increased focus on the social, economic and cultural wellbeing of our district - the things we can build-on or change to make a positive difference to everyone's experience of living in Whanganui.

More information about our Vision for Whanganui work programme – started in this financial year – can be found here: [Vision for Whanganui Whanganui District Council](#)

Our vision

The following diagram outlines the Whanganui District Council’s current, vision and goals, supporting plans and strategies to achieve the goals in broad terms over the medium to long term, current priorities and challenges, and we will go about this and deliver on our work for the community.



Our communities' wellbeing

Improving our communities' quality of life is at the core of our organisation. Whether we are providing platforms for community 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.

Section 3 of the Local Government (Community Well-being) Amendment Act 2019 provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.



How we deliver for the community

The following diagram shows the different ways in which we may deliver and work for the community.



Along with delivering core services and facilities, the council may carry out its work through various roles and functions, including: supporting community-led initiatives, partnering, providing funding or grants, planning, research, advocating for the district, co-designing, protecting, managing, and regulating.

Council's performance and planning

The council's performance framework is critical to ensure transparency and accountability back to the community on progress against the goals we set in the Long-Term Plan. The performance framework allows council to seek feedback on its services and make changes to its levels of service over time. The council's performance and planning framework is made up of several parts:

Long-Term Plan (LTP)

Our current Long-Term Plan (LTP) is for the period 2021-2031 and it outlines the services and projects we planned to deliver for the district for that 10-year period. Volume 2 of our LTP includes activities, service levels, performance measures and targets for each group of activities. We review the LTP every three years. Our Long-Term Plan was also amended in June 2022 to allow council to introduce a new kerbside recycling service and food waste collection in the future. The amended version can be found at the following link: [Long-Term Plan 2021-2031 \(Amended\) Whanganui District Council](#)

Annual Plan

To make sure that our commitments are manageable, or that we have the resources to achieve them, our planning cycle also includes our annual plan which we produce in years two and three of the Long-Term Plan. The Annual Plan It sets out how we will deliver on our LTP, highlights our key issues and projects, and how much these will cost. It also outlines any significant changes that the council has made to the work programme.

Annual Report

At the end of each financial year we produce an Annual Report which provides details of our activities and financial performance. The Annual report compares what we achieved against what we planned to do through our LTP.

The planning cycle



Council's performance and planning

Regular performance monitoring ensures the council knows how well it's doing its job under the Local Government Act 2002.

Performance measures

There are many ways that council's performance is measured. This includes reporting on the performance measures and targets (KPIs) we set in our LTP.

The Department of Internal Affairs sets mandatory KPIs that all councils need to include in their Long-Term Plans. Our non-mandatory performance measures are a mix of quantitative and qualitative measures. In developing the existing performance measures and targets, meetings were held with activity managers and the KPIs were designed to be 'SMART' wherever possible – specific, measurable, achievable, realistic, time bound.

Measurability is a critical issue in determining KPIs. The KPIs chosen were those deemed to be an 'appropriate' measure for council and which council had access to relevant data for. At the time of developing the KPIs, they were considered to be most suitable and measurable performance measures for the groups of activities. A full review of the performance measures is underway as part of the next Long-Term Plan 2024 – 2034.

Surveys

Feedback from the community is a very important measure of our performance. One way we encourage this is through our annual community views survey. This survey is carried out by Versus research and asks people how satisfied they are with our facilities, services, elected member and staff performance. The survey also looks at general perceptions of the standard of living in our district, wellbeing and feelings of safety. We conduct other more targeted surveys too, for example, 'intercept' surveys with people who have recently used our services or facilities to see how they rated their experience, or more targeted surveys on a particular community-wide issue. The Community Views Survey is an important tool to assist our KPI monitoring and also provides a general sense of the community's wellbeing, as well as long-term trends for the council to consider and respond to. The final sample size for the 2023 Community Views Survey was n=510 (n=298 from a third party panel provider and n=212 from social media) which gives a maximum margin of error of +/- 4.34%.

Our annual community views survey results are published on our website at: www.whanganui.govt.nz/research

Our performance is also measured through a number of other indicators such as monitoring customer service requests and data trends, as well as service uptake changes such as the number of building consents, dog registrations, the percentage of recycling material which is recycled, or when legislative timeframes are met.

Another way the community can provide feedback to the council is through the public consultation process. The purpose of public consultation is to seek community feedback on council-related issues such as the development of new strategies, policies, bylaws, plans and projects. It can be part of a formal council consultation process or an informal community conversation to get indication of how people feel about a particular issue or topic. When we run a formal consultation, every response is reviewed by council staff. Survey answers and comments are collated and analysed before being presented back to councillors so they can make informed decisions. When we are doing a formal consultation on a policy or a bylaw, all submissions are brought together into and are published on our website. See the Have your Say pages for closed and current consultations: <https://www.whanganui.govt.nz/Your-Council/Have-Your-Say>

Other key judgements

For the performance measure 'the percentage of real water loss from the network reticulation system', the methodology used is referenced on page 27.

Statement of compliance

The service performance information in this report is compliant with New Zealand's generally accepted accounting practice (NZ GAAP).

Building community with Tangata Whenua

The council and Tangata Whenua (Hāpu / Iwi) have made a commitment to build a relationship in shared partnership. This approach is especially important for projects or decisions in infrastructure planning, environmental management and community development. The council's policy direction and planning processes is based on engagement with Hapū and Iwi entities as well as marae and whānau as required. Hapū have indicated that they wish to be specifically engaged in relation to activities within their rohe, rather than just consultation with the Iwi body at large. This will ensure the voice of Hapū is heard at the decision-making table with the values and effects to be considered locally. Hapū hold their own mana motuhake within their rohe and legislated Iwi and Crown entities will not impede or interfere in this Hapū sovereign right.

Strategic engagement

The formal partnership agreement between the council and Te Rūnanga o Tūpoho is guided by the relationship document Te Whakarauhitanga o te Tangata. This document is currently under review. The Tamaūpoko Relationship Document Framework guides the formal partnership agreement between the council and Te Rūnanga o Tamaūpoko. This document is due for review in 2025.

The council meets separately with both Rūnanga, scheduled regularly throughout the year, with a focus on all levels – political, social, economic, environmental, cultural – for the benefit of the whole district.

Council also has a memorandum of partnership (MOP) with Ngā Paerangi Iwi (NPI). NPI have maintained a consistent presence in the lower reaches of the Whanganui River for over a thousand years.

Te Awa Tupua Act

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

There is an ongoing commitment towards an organisational understanding of Te Awa Tupua Act, the intrinsic values Tupua te Kawa, and the relationships being built with Iwi.

Te Tomokanga ki te Matapihi

Of equal significance is the treaty settlement being negotiated between the Whanganui Land Settlement Negotiations Trust (WLSNT) and the Crown. While the council is not directly involved in the negotiation, it has provided council the opportunity to support WLSNT in some of their settlement aspirations as well as continuing to build on our relational trust. Te Tomokanga ki te Matapihi guides our commitment to each other and establishes meaningful ways for Hapū / Iwi to better connect to local decision-making.

Post settlement government entities

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

Partnerships and relationships

The council engages with Hapū and Iwi across the district as part of normal business activities. This includes (but is not limited to) the following:

- A formal relationship with Hapū and Iwi through the Te Matapihi ki Tangaroa Accord with a focus on protecting the marine environment.
- The Council-Tūpoho Whānau Trust-Sustainable Whanganui partnership that operates the Whanganui Resource Recovery Centre.
- The Rōpū Kaitiaki group that was formed to work on matters of importance to Whanganui Iwi relating to the Sarjeant Gallery Redevelopment Project. Likewise a Pukenga Toi was appointed to manage and facilitate the Iwi design component with the gallery's new wing, which is named in honour of Sir Te Atawhai Archie John Taiaroa.
- Council allocates resources, such as funding, to support key Māori celebrations / commemorations including Pūanga and Whakawhanake (Waitangi Day) although the latter event was not held in 2023 following a decision by Iwi and community leaders.
- Port Revitalisation Project - Te Mata Pūau, the face of local Hapū leading community engagement alongside Te Pūwaha, Ngā Tāngata Tiaki and the Whanganui Land Settlement Trust. They are guiding the project partners to a greater understanding of the obligations to Te Awa Tupua and instructing an abundance framework of Mouri Ora Mouri Awa Mouri Tangata.
- Long Term Plan and 'Vision for Whanganui' (the replacement to the Leading Edge Strategy) – a steering group has been established which includes a delegated group of iwi/hapū representatives to ensure the voice of iwi is at the decision-making table throughout the process.

Operational engagement

Operational engagement with tangata whenua is undertaken on a scheduled basis with Tūpoho and Tamaūpoko. These meetings provide an equal opportunity for the council and Rūnanga to engage with each other on various operational matters and key projects.

Incorporated within Council's Road Naming and Numbering Policy are terms of reference for a Road Naming Panel. The panel's membership includes two representatives of Te Rūnanga o Tūpoho. One representative of Tamaūpoko, Ngā Rauru or Ngāti Apa will be invited to participate should the road naming be located in their relevant rohe. The establishment of the panel provides Whanganui Iwi the opportunity to contribute to the naming process.

Highlights and achievements

The following pages outline key highlights and achievements for the reporting period 1 July 2022 – 30 June 2023. These activities contribute towards council achieving its high-level goals and objectives.

HIGHLIGHTS

Three Waters

Smithfield Road water upgrades –

An upgrade of storm and wastewater systems in Smithfield Road resulted in 130 metres of new and bigger pipes being laid as part of the council's 30-year infrastructure strategy. The project was aimed at providing a better drainage network to reduce flood risk, help with the projected effects of climate change, and cope with increased demand from new developments in the Smithfield Road, London Street and Konini Street areas.

Nixon Street wastewater main

replacement – Work commenced on the first stage of replacing the ageing Nixon Street wastewater main, a critical asset that services the entire Whanganui East area. Stage two of the project is expected to begin late in 2023.

Roading

Somme Parade drop-out repairs –

Repairs to a major drop-out along the river bank on Somme Parade commenced with initial work being undertaken to secure a critical gas main. Preparations are also underway for the major construction work needed to repair the 70 metre drop-out that will take about five months to complete.

Mā Ake Let's Go Cycling Transport

Education Programme – A fleet of 26 new bicycles were purchased through local suppliers as an addition to the existing bike fleet for use in the BikeReady programme delivered by Mā Ake Let's Go Cycling Transport Education Programme. In collaboration with Whanganui Police, 18 older bikes were also repurposed and gifted to families in need in Whanganui.

Parks and Reserves

Outdoor fitness park

– Co-funded by the Rotary Club of Whanganui, an outdoor fitness park on the bank of the Whanganui River was opened in time for summer.

New UCOL ticketing

booth – In collaboration with UCOL / Te Pūkenga students, a new ticketing booth was designed and installed at Cooks Gardens.

Whanganui East Pool –

Whanganui East Pool with its outdoor pool, hydro slide, diving board and barbecue facilities, opened for the 2023 summer season. The pool was only able to open for school use over the previous summer because of difficulties in recruiting and retaining staff for lifeguard positions.

Community

New Zealand Masters Games – Whanganui hosted another successful New Zealand Masters Games event with 4232 participants in this year's games, meeting expectations for participant numbers, community benefits, and financial outcomes.

Ivan Vostinar sculpture – A sculpture by Ivan Vostinar for the new Bason Botanic Gardens Lakeside Trail was funded from our Public Art Fund and officially opened in April 2023. The Public Art Fund is an annual match-funding scheme that supports innovative public art by Whanganui artists.



Tākaro Play Trailer — Our Tākaro Play Trailer continues to be widely used by the community with 180-plus bookings during the year and reaching over 3700 tamariki. The Great Whanganui Play Trail that connects eighteen cool play activities within the town centre has also proved popular with about 1500 maps having been handed out.

Te Ngaru The Tide — With Horizons Regional Council, we launched Te Ngaru The Tide, a new high-frequency bus route that is being trialled between Castlecliff and Aramoho.

Housing

Strategic Housing Governance Group — We established a strategic housing governance group with Kāinga Ora and Tupoho to help deliver new housing stock. Additionally, central government funding of \$1.9 million for Whanganui will be put towards transport and Three Waters infrastructure works to enable around 340 additional homes in the Carson Street area.

Interim homeless hub — We are working through the consent process to provide an interim homeless hub at 83 Taupo Quay with wrap-around social support, hygiene facilities, security, free WiFi, and a kitchenette with power and hot water. Work continued throughout the year to explore long-term opportunities that will assist in alleviating the issues that our homeless are experiencing. Additional community services have been engaged to provide wrap-around support to the homeless at all other freedom camping sites and locations.

Older Persons Housing — We commissioned a report on the housing we provide for older persons in order to identify how we could future-proof and improve this service.

Climate Change

Community Climate Action Fund — Our Community Climate Action Fund was launched with the aim of supporting community projects that reduce greenhouse gas emissions or grow our community's resilience to the impacts of climate change. Recipients of the inaugural funding round included the Heritage Food Crops Research Trust, Progress Castlecliff, Castlecliff Coast Care, Whanganui Kai Trust, and the Sustainable Whanganui Trust.

Libraries

Senior smartphone skills sessions — The Appy Senior smartphone skills sessions, run in partnership with the Digital Inclusion Alliance of Aotearoa, have remained popular throughout the year. We also held a series of sessions for senior online banking, and book-a-librarian to assist with digital issues.

New Zealand Glassworks

NZG sixth birthday celebrations — NZG celebrated its sixth birthday in September 2022. As part of its annual birthday competition, children drew and submitted a picture and the winner had their entry transformed into a work in glass.

Opera House

Royal Whanganui Opera House safety upgrades — Work commenced on giving the Royal Whanganui Opera House a significant safety upgrade. Prioritisation was given to the replacement of the existing lighting system with a modern LED system that operates at much lower temperatures, with significant progress having been made to this project.



Sarjeant Gallery

The Sarjeant Gallery redevelopment project

— The project has continued with earthquake strengthening and restoration work to the existing building and construction of a new wing to the north. The redeveloped gallery is projected to re-open in 2024. Sarjeant on the Quay, the Sarjeant Gallery's temporary home since 2014, closed its doors at the end of June 2023 to enable transitioning of the collection to the new purpose-built collection store in advance of the gallery reopening at Pukenuamu Queen's Park in 2024.

Economic Development

UNESCO City of Design —

Whanganui's UNESCO City of Design designation was officially launched by Whanganui & Partners in November 2022. The UNESCO City of Design status elevates Whanganui's products, reputation and connection to the UNESCO Creative Cities Network. Whanganui gained the internationally recognised City of Design status in late 2021, following an application process led by Whanganui & Partners.

Discovery Guide — Whanganui & Partners launched its Official Discovery Guide on its Discover Whanganui website in June 2023. The website's guide and Open for Discovery page, featuring local tips, secrets and hidden gems in Whanganui, has had more than 34,000 users since July 2022.

Amplify grants programme —

Whanganui & Partners supported more than 28 local businesses through its Amplify grants programme over four quarters, enabling these businesses to take a step towards meaningful growth. Amplify included a one-off round with five additional music industry-specific grants to help boost live music infrastructure in the city.

Whanganui led the national chart in visitor spend

— For the third consecutive month, and defying the midyear slowdown trend, Whanganui led the national chart in visitor spend recording +6.9% in June, a stellar +9.8% in May and +5.2% in April. Comparing 31 Regional Tourism Organisations in New Zealand only six saw growth in May.

Airport and port

Whanganui Airport — Competing with other small regional airports, Whanganui Airport was recognised by the New Zealand Airports Association as the Small Airport of the Year for 2022. The award recognised the significant work undertaken to introduce an Aeronautical Information Service (known as UNICOM), which assists pilots of aircraft flying in the Whanganui airspace while also providing the airport operator with greatly improved oversight of airport activities.

Te Pūwaha, the Whanganui Port

revitalisation project — A major construction phase of Te Pūwaha, the Whanganui Port revitalisation project, moved forward early in 2023 with tender documents being released for the Whanganui Port rebuild. A unique and innovative style of delivering a major infrastructure project is to be used with tenderers required to commit to an approach that shows an understanding of how to deliver work in line with Te Awa Tupua, upholding the values of Tupua te Kawa. Stage one works will include the construction of the hardstand and concrete structures suitable for Q-West's 380-tonne capacity mobile boat hoist.

Victory Shed concrete foundations

demolition — Demolition of the concrete foundations of the Victory Shed took place over the Christmas period with materials being recycled and re-used wherever possible.



Community Facilities and Services

Upokongaro toilet block — We built a new public toilet block situated near the Upokongaro War Memorial Hall. With anticipated growth in visitor numbers associated with the Mountain to Sea Cycle Trail and the Upokongaro cycle and pedestrian bridge that crosses the Whanganui River, the need for a public toilet facility in Upokongaro became a priority for the council.

ParkMate — The ParkMate smartphone app for parking payments, along with a range of other features such as finding a car park space, was extended to all council-operated carparks in the central city. The ParkMate app compliments the ParkEasy payment portal that was introduced when the parking meters were upgraded in early 2022.

Heritage

Heritage Grant Fund — The council continued to offer assistance to building owners to undertake heritage enhancement work. The Heritage Grant Fund now covers the town centre and also heritage projects throughout the Whanganui District that show substantial benefit to the wider community.

New Zealand's first Rainbow heritage listing — Duigan's Building at 23 Ridgway Street received New Zealand's first Rainbow heritage listing - a project led by Cr James Barron (2019-2022). The site of Mayor Mackay's office that made headlines in 1920, it was also added to the New Zealand List as a Category 1 historic place.

Tylee Cottage — The community were given the opportunity to visit Tylee Cottage, one of Whanganui's oldest existing buildings and now home to the Sarjeant Gallery Te Whare o Rehua Whanganui's artist residency programme.

Corporate Management and Governance

Central Government Reforms — We responded to and submitted on a number of central government reforms that will impact on local government or the wider Whanganui District. These included responding to the Three Waters reform and policy reset, RMA reform (national built environment and spatial planning), climate change policies, and the future for local government review among others.



New councillors and mayor — We welcomed in five new councillors and a new mayor at the local body elections in October 2022.



Groups of activities


The council's work is structured around 11 areas (groups of activities). The chapters in this report highlight our progress towards delivering on our outcomes in each of these areas. They are:

- 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.

Volume 2 of our Long-Term Plan links each group of activity and performance measure back to the community outcomes. While there has been no measurement undertaken during the year of progress towards the achievement of outcomes, we have completed a snapshot report of the Leading Edge Strategy which can be found on our website here: [Leading edge refresh \(whanganui.govt.nz\)](https://www.whanganui.govt.nz/leading-edge-refresh)

Pages 12 to 17, and 20 to 104, and 208 (financial link) constitute Council's Statement of Service Performance in accordance with PBE FRS 48.

The larger the tick in the table below, the larger the contribution to the community outcome.

Leading Edge Strategy <ul style="list-style-type: none"> Community Outcomes 	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	✓				

Water supply

Every local authority has a general responsibility to improve, provide and protect public health. Good-quality water systems play a vital role in this. Our priority is to supply water that is safe to drink and to ensure the security of the city's water supply. The most successful approach to this is by regularly monitoring the water quality and maintaining the infrastructure that supports it.

We are responsible for the provision and management of four water supply systems:

- Whanganui urban water supply scheme (including Mowhanau)
- Fordell rural water supply scheme (now connected to the city water supply)
- Pākaraka (Maxwell) rural water supply scheme
- Westmere rural water supply scheme.

The systems comprise of service lines, pipe networks, pump stations, treatment plants and reservoirs.

Effects on community wellbeing

These activities promote the social, economic, environmental and cultural wellbeing 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 and Taumata Arowaii standards, flow modelling and ensuring we meet any consent conditions. It is noted that the following target measures may include symbology (“<” or “>”) that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

Water supply			
Community Outcomes	Performance Measure	Target	Result
Economy, Community	The total number of complaints received about the water (per 1000 connections to the networked reticulation system)	< 100	55.1 ✓
	<i>Comment: Target was met. There were 1013 complaints in the period (18,415 connections). This is a Department of Internal Affairs (DIA) mandatory measure. Complaints may 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. (Source: Council CRM) 2021/22: Target was met (Target <100, Result - 67.76)</i>		
Economy, Community	The percentage of time Horizons Regional Council consent conditions are complied with (or mitigation undertaken if issues occur)	100 %	100 % ✓
	<i>Comment: Target was met. Work continued towards implementing a global consent for all water-take consents from Horizons Regional Council which will promote efficiency in consenting and monitoring procedures. Consent conditions have been met for all those supplied during the</i>		

	<i>application for a global consent. (Source: Council infrastructure team)</i> 2021/22: Target was met (Target - 100%, Result - 100%)		
Economy, Community	The percentage of hydrants tested by Fire and Emergency New Zealand that comply with the New Zealand Fire Service's code of practice for water supply and pressure	> 95 %	100 % 
	<i>Comment: Target was met. Testing, flushing of mains, and inspection of hydrants has been undertaken throughout the city by contractors and FENZ with any defects reported back to be remedied. (Source: Council infrastructure team)</i> 2021/22: Target was met (Target >95%, Result - 100%)		
Economy, Community	Median response time for attending urgent call-outs (water supply)	< 1 hrs	0.977 hrs 
	<i>Comment: Target was met. The median response time for attending urgent call-outs was 58mins. (Source: Council CRM)</i> 2021/22: Target was not met (Target <1 hr, Result - 3 hrs 24 mins)		
Economy, Community	Median response time for resolution of urgent call outs (water supply)	< 22 hrs	19.893 hrs 
	<i>Comment: Target was met. The median response time for resolution of urgent call-outs was 19hrs 59mins. (Source: Council CRM)</i> 2021/22: Target was met (Target <22 hrs, Result - 15hrs 29mins)		
Economy, Community	Median response time for attending non-urgent call-outs (water supply)	< 24 hrs	200.52 hrs 
	<i>Comment: Target was not met. The median response time for attending non-urgent call-outs was 8 days 8 hrs 31 mins. Work has been undertaken to improve the accuracy of reporting times and align reporting requirements to include a minimum response time for minor repairs (routine call-outs). (Source: Council CRM)</i> 2021/22: Target was met (Target <24 hrs, Result - 2 hrs 55 mins)		
Economy, Community	Median response time for resolution of non-urgent call-outs (water supply)	< 4 Days	12.72 Days 
	<i>Comment: Target was not met. The median response time for attending non-urgent call-outs was 12 days 17 hrs 17 min. Work has been undertaken to improve the prioritisation of routine work, accuracy of reporting times and alignment of reporting requirements to include minimum response times for minor repairs (routine call-outs). (Source: Council CRM)</i> 2021/22: Target was not met (Target <4 days, Result - 6.28 days)		
Economy, Community	The percentage of real water loss from the network reticulation system	< 40 %	30.5 % 
	<i>Comment: Target was met. The results are based on average day demand and measured on minimum night flows and consumption. We have completed the system performance of the network and are working through implementing meters within the reticulation. (Source: Council Infrastructure group)</i> 2021/22: Target was met (Target <40%, Result - 28%)		
Economy, Community	The average amount of water consumed per resident per day	< 350 L	294 L 
	<i>Comment: 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: Council infrastructure group)</i> 2021/22: Target was met (Target <350L, Result - 228L)		

Economy, Community	The extent to which the water supply will comply with part 4 of the New Zealand drinking water standards (bacteria compliance criteria) Reporting period: 1 July 2022 - 31 December 2022	100 % compliance	100 %	✓																											
	The extent to which the water supply will comply with part 4 of the New Zealand drinking water standards (bacteria compliance criteria) updated to the extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules. Reporting period: 1 January 2023 – 30 June 2023	100 % compliance	Not met	✗																											
	<p><i>Comment: This measure was set before the introduction of the new rules by Taumata Arowai (effective from 14 November 2022, but reported against from 1 January 2023). Therefore, we are reporting our performance against two different requirements.</i></p> <p><i>From 1 July 2022 – 31 December 2022 we measured compliance against Parts 4 and 5 of the Drinking Water Standards 2005, (revised 2018) with a target of 100% bacterial and protozoal compliance. We met this target for this period.</i></p> <p><i>From 1 January 2023, new Drinking Water Quality Assurance Rules (DWQAR) reporting started, as introduced by Taumata Arowai. These requirements measure compliance against the following criteria: Bacterial, protozoal, chemicals and cyanotoxin for treatment plants and microbiological, residual disinfection, disinfection by-products and plumbosolvent metal rules for distribution networks. Compliance is monitored and reported through on-line monitoring along with a sampling regime, with minimum samples specified for various zones. We adhered to the minimum sampling requirements and in some zones, we exceeded the sampling requirements.</i></p> <p><i>All of the active bores for the Whanganui Supply are currently classified as Class 1 or interim Class 1 according to the 2022 Drinking Water Quality Assurance Rules issued by the water regulator Taumata Arowai. We are continuing the sampling regime required to meet Class 1. Where we recorded non-compliant samples, or online monitoring equipment failures we have taken prompt action and there was no risk to public health, as confirmed by Wai Comply in their independent assessment.</i></p>																														
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Economy, Community	The extent to which the water supply will comply with part 5 of the New Zealand drinking-water standards (protozoal compliance criteria) Reporting period: 1 July 2022 - 31 December 2022	100 % compliance	100 %	✓																										
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Projects that were not completed in 2022/23

Global water take consent: Although not yet completed, work to progress the global water take consent with Horizons Regional Council has continued throughout 2022/23 and has involved ongoing consultation with iwi and hapū.

Water supply group

Capital expenditure

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

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to meet additional demand :					
Water Supply					
Sundry growth projects	105	-	105	-	-
	105	-	105	-	-
Capital expenditure to improve the level of service :					
Water Supply					
Airport Road Upgrade - Stimulus funded	-	-	-	8	-
Flow metering	20	-	20	-	-
Kai Iwi Bore, Pumps and Mains	30	-	30	2	-
Meters, valves, hydrants, mains, etc	271	-	271	266	-
Pakaraka Marae water connection - Better off	-	-	-	93	-
Westmere Rural Scheme	27	-	27	1	-
Zone remote metering	50	-	50	-	-
Sundry Projects	34	-	34	24	-
	431	-	431	394	-
Capital expenditure to replace existing assets :					
Water Supply					
Aramaho Bore & Pumps	-	-	-	15	-
Bastia Tower Upgrade	50	-	50	-	-
Castlecliff Road	-	95	95	2	-
Fordell Rural Scheme	6	-	6	-	-
Kai Iwi Bore, Pumps and Mains	118	-	118	116	-
Kai Iwi bridge renewal	50	-	50	-	-
Meters, valves, hydrants, mains, etc	965	-	965	1,149	-
Roading coordinated projects	130	-	130	99	-
Spiral welded replacement	150	15	150	124	-
Steel Pipe Replacements	-	185	200	533	-
Tawa Street to Kings Ave	-	-	-	106	-
Water source investigation programme	90	-	90	127	-
Westmere Rural Scheme	160	-	160	27	-
Sundry Projects	250	-	250	137	-
	1,969	295	2,264	2,434	-
Total Capital Expenditure for the Group	2,504	295	2,799	2,828	-

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

Water supply

Growth projects have been deferred to coincide with other infrastructure growth work in the Fitzherbert Avenue development.

The total capital acquisitions spend was slightly lower than budget, with Zone metering and flow meters being deferred. Council received funding from the Better Off Fund for connecting the Pākaraka Marae to the local water scheme.

The total capital replacements spend was higher than budget, driven by higher mains and connection renewals, greater steel pipe replacements and the unplanned renewal of Tawa Street/Kings Avenue main.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	503,659	505,679
Borrowings raised	247,257	0
Borrowings repaid	0	(15,542)
Interest paid	44,277	13,522
Carried forward	<u>795,193</u>	<u>503,659</u>

Water supply group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	6,956	7,183	6,334	6,139
Subsidies and grants for operating purposes	-	-	-	294
Fees and charges	65	110	65	51
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	3
Total operating funding (A)	7,021	7,293	6,399	6,487
Application of operating funding				
Payments to staff and suppliers	3,597	3,715	4,015	4,658
Finance costs	427	381	381	424
Internal charges and overheads applied	728	717	826	863
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	4,752	4,813	5,222	5,945
Surplus (deficit) of operating funding (A - B)	2,269	2,480	1,177	542
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	37	33	33	-
Increase (decrease) in debt	(67)	37	1,267	2,286
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	27	27	27	-
Total sources of capital funding (C)	(3)	97	1,327	2,286
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	108	105	-
-to improve the level of service	394	443	430	394
-to replace existing assets	1,872	2,026	1,969	2,434
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	2,266	2,577	2,504	2,828
Surplus (deficit) of capital funding (C - D)	(2,269)	(2,480)	(1,177)	(542)
Funding balance ((A - B) + (C - D))	-	-	-	-

Stormwater drainage

The stormwater system is the piped network which services the Whanganui urban area. The stormwater activity operates in conjunction with the waterways and natural drainage activity which is responsible for the non-piped stormwater assets such as open drains, streams, attenuation areas and storm flow paths. Together these activities form the council's urban stormwater drainage system.

Stormwater

Stormwater collection and its disposal are necessary within urban areas in order to protect people, their land, and their property from wet weather inundation, land instability and public health issues. The system also assists to provide access and safe navigation to properties and across the city during periods of wet weather and reduces maintenance on the roading network.

Waterways and natural drainage

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.

Effects on community wellbeing

These activities promote the social, economic, environmental and cultural wellbeing 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, response times for service repairs and by ensuring we meet any consent conditions. It is noted that the following target measures may include symbology (“<” or “>”) that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.


Stormwater			
Community Outcomes	Performance Measure	Target	Result
Environment	The median response time to attend a flooding event (measured from the time notification is received to the time the service personnel reach the site)	< 4 hrs	0 hrs 
	<i>Comment: Target was met. There were no flooding events recorded in this period. (Source: Council infrastructure team)</i> 2021/22: Target was met (Target < 4 hrs, Result - 30 mins)		
Environment	Number of flooding events	< 5	0 
	<i>Comment: Target was met. There were no flooding events recorded in the reporting period. A flooding event is defined by the Department of Internal Affairs as an event which inundates one or more habitable floor levels. (Source: Council infrastructure team)</i> 2021/22: Target was met (Target <5, Result - 1)		
Environment	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system)	< 5.5	2.5 
	<i>Comment: Target was met. There were 29 complaints in the period (11,626 rateable connections). (Source: Council CRM)</i> 2021/22: Target was met (Target <5.5, Result - 3.75)		
Environment	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the stormwater system)	< 0.5	0 
	<i>Comment: Target was met. No flooding events occurred in this period as per the definition of the Department of Internal Affairs. (Source: Council infrastructure team)</i> 2021/22: Target was not met (Target <0.5, Result - 0.52)		
Environment	Compliance with all resource consents for discharge from the stormwater system, measured by the number of a) abatement notices received by Council in relation to those resource consents	0	0 
	<i>Comment: Target was met. No abatement notices were received during the period. (Source: Council CRM)</i> 2021/22: Target was met (Target - 0, Result - 0)		
Environment	Compliance with all resource consents for discharge from the stormwater system, measured by the number of b) infringement notices received by Council in relation to those resource consents	0	0 

	<i>Comment: Target was met. No infringement notices were received during the period. (Source: Council CRM)</i> <i>2021/22: Target was met (Target - 0, Result - 0)</i>		
Environment	Compliance with all resource consents for discharge from the stormwater system, measured by the number of c) enforcement orders received by Council in relation to those resource consents	0	0 ✓
	<i>Comment: Target was met. No enforcement orders were received during the period. (Source: Council CRM)</i> <i>2021/22: Target was met (Target - 0, Result - 0)</i>		
Environment	Compliance with all resource consents for discharge from the stormwater system, measured by the number of d) convictions received by Council in relation to those resource consents	0	0 ✓
	<i>Comment: Target was met. No convictions were received during the period. (Source: Council CRM)</i> <i>2021/22: Target was met (Target - 0, Result - 0)</i>		
Environment	Number of urban floor-levels at risk, during the flood design-event	< 2120	1697 ✓
	<i>Comment: Target was met. Stormwater network upgrades have been implemented as projected by the Long-term Plan. (Source: Whanganui District Council Infrastructure-modelled upgrades)</i> <i>2021/22: Target was met (Target <2200, Result - 1715)</i>		

Projects that were not completed in 2022/23

Stormwater – Fox Road and Fitzherbert Avenue urban reticulation work: this project was under procurement as at the end of the 2022/23 financial year, and is scheduled for works to be done over the summer months which is the ideal construction season. Land agreements are being completed as well as archaeological investigations to inform ground conditions.

Waterways and natural drainage: There were no planned projects that didn't happen in 2022/23.

Waterways and natural drainage			
Community Outcomes	Performance Measure	Target	Result
Environment	Compliance with the Whanganui River Flood Action Plan	100 %	100 % 
	<i>Comment: Target was met. The Whanganui River Flood Action plan did not need to be activated during the reporting period. (Source: Council CRM)</i> 2021/22: Target was met (Target - 100%, Result - 100%)		

Stormwater group

Capital expenditure

The following table shows the expenditure on capital works for the stormwater group.

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

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					
Capacity Augmentation	-	525	-	133	-
Fox to Fitzherbert	1,000	-	1,000	105	-
Land Acquisition	200	-	200	2	-
North West Attenuation & Retention	300	238	538	19	-
Otamatea Structure Plan	-	-	-	56	-
Stormwater Attenuation & Retention	200	-	200	48	-
Swale Construction	150	-	150	67	-
Wetland Development	200	-	200	71	-
	2,050	763	2,288	500	-
Capital expenditure to improve the level of service :					
Stormwater					
Inflow & Infiltration Investigations	100	-	100	-	-
Integrated catchment management	150	-	150	11	-
Raupo St - Stimulus funded	-	-	-	63	-
Separation Completion	500	476	976	485	-
Stormwater attenuation	500	450	1,535	842	-
Watercourse enhancements	60	-	60	32	-
Sundry Projects	102	60	102	87	-
	1,412	986	2,923	1,519	-
Capital expenditure to replace existing assets :					
Stormwater					
Network replacements	350	-	350	446	-
Non-critical assets replacement	50	-	50	10	-
Sundry Projects	10	-	10	3	-
	410	-	410	459	-
Total Capital Expenditure for the Group	3,872	1,749	5,621	2,478	-

Stormwater, waterways and natural drainage

The capital growth and acquisition programmes made some progress, the main items being capacity augmentation, attenuation and retention projects. Major projects such as the Fox to Fitzherbert extension, associated land

purchase and attenuation programmes, have been scheduled to coincide with other infrastructure development projects.

The capital replacements were significantly lower than budget, with the focus on the growth and development projects.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	1,353,162	1,399,349
Borrowings raised	317,000	0
Borrowings repaid	0	(82,516)
Interest paid	98,479	36,328
Carried forward	1,768,641	1,353,162

Stormwater drainage group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	432	441	432	432
Targeted rates	5,735	5,771	4,446	4,444
Subsidies and grants for operating purposes	-	-	-	214
Fees and charges	-	-	-	1
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	12	-	-
Total operating funding (A)	6,167	6,224	4,878	5,091
Application of operating funding				
Payments to staff and suppliers	1,590	1,658	1,606	1,605
Finance costs	1,210	1,059	1,074	1,143
Internal charges and overheads applied	368	367	378	395
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	3,168	3,084	3,058	3,143
Surplus (deficit) of operating funding (A - B)	2,999	3,140	1,820	1,948
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	662	400	400	-
Increase (decrease) in debt	(391)	442	1,650	530
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	2	2	2	-
Total sources of capital funding (C)	273	844	2,052	530
Application of capital funding				
Capital expenditure				
-to meet additional demand	1,450	2,109	2,050	500
-to improve the level of service	1,412	1,453	1,412	1,519
-to replace existing assets	410	422	410	459
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	3,272	3,984	3,872	2,478
Surplus (deficit) of capital funding (C - D)	(2,999)	(3,140)	(1,820)	(1,948)
Funding balance ((A - B) + (C - D))	-	-	-	-

Sewerage and the treatment and disposal of sewage

The council provides and operates three wastewater systems that manage the collection, treatment and disposal of wastewater. These include:

- Whanganui urban wastewater system
- Mowhanau rural wastewater system
- Marybank rural wastewater system.

The systems are comprised of service lines, pipe networks, pump stations, treatment plants and outfalls.

Effects on community wellbeing

These activities promote the social, economic, environmental and cultural wellbeing 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) wellbeing 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, the impact of the wastewater system on the environment, and ensuring we meet any consent conditions. It is noted that the following target measures may include symbology (“<” or “>”) that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

Wastewater			
Community Outcomes	Performance Measure	Target	Result
Environment	The number of dry weather sewerage overflows from the system (expressed per 1000 sewerage connections)	< 4	1.07 ✓
	<i>Comment: Target was met, There were 18 dry weather overflows in the period (16,808 connections). (Source: Council CRM) 2021/22: Target was met (Target <5, Result - 1.07)</i>		
Environment	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)	< 6 hrs	1.13 hrs ✓

	<i>Comment: Target was met. The median response time for attending sewerage overflows resulting from blockages or other faults was 1 hr 8 mins. (Source: Council CRM) 2021/22: Target was met (Target <6 hrs, Result - 1 hr 21 mins)</i>		
Environment	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)	< 5 Days	0.97 Days ✓
	<i>Comment: Target was met. The median resolution time for sewerage overflows resulting from blockages or other faults was 23 hrs 18 mins. Resource limitations and delayed logging of resolution times had attributed to not meeting the target figures in the previous reporting year and work has been undertaken to address this during the current reporting period. (Source: Council CRM) 2021/22: Target was not met (Target <5 days, Result - 26.79 days)</i>		
Environment	Compliance with all resource consents for discharge from the wastewater system, measured by a) abatement notices in relation to the resource consents	0	0 ✓
	<i>Comment: Target was met. No abatement notices were received during the period. (Source: Council CRM) 2021/22: Target was met (Target - 0, Result - 0)</i>		
Environment	Compliance with all resource consents for discharge from the wastewater system, measured by b) infringement notices in relation to the resource consents	0	0 ✓
	<i>Comment: Target was met. No infringement notices were received during the period. (Source: Council CRM) 2021/22: Target was met (Target - 0, Result - 0)</i>		
Environment	Compliance with all resource consents for discharge from the wastewater system, measured by c) enforcement orders in relation to the resource consents	0	0 ✓
	<i>Comment: Target was met. No enforcement orders were received during the period. (Source: Council CRM) 2021/22: Target was met (Target - 0, Result - 0)</i>		
Environment	Compliance with all resource consents for discharge from the wastewater system, measured by d) convictions in relation to the resource consents	0	0 ✓
	<i>Comment: Target was met. No convictions were received during the period. (Source: Council CRM) 2021/22: Target was met (Target - 0, Result - 0)</i>		
Environment	The total number of complaints received (expressed per 1000 connections), complaints may include sewage odour; sewerage system faults; sewerage system blockages; and Council's response to any of these issues	< 5	12.01 ✗
	<i>Comment: Target was not met. There were 202 complaints (16,808 connections) received during the reporting year. The collection of data has become more detailed and complaints are being more accurately recorded. (Source: Council CRM) 2021/22: Target was not met (Target <5, Result - 17.37)</i>		

Projects that were not completed in 2022/23

Mill Road industrial area public reticulation work: Other works downstream of the Mill Road industrial area, and consent application, will need to proceed before further public reticulation work is undertaken to accommodate the continued growth in this area.

Sewerage and the treatment and disposal of sewage group

Capital expenditure

The following table shows the expenditure on capital works for the wastewater group.

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 Rd industrial area	1,000	960	1,960	-	-
	1,000	960	1,960	-	-
	1,000	960	1,960	-	-
Capital expenditure to improve the level of service :					
Wastewater					
CCTV condition assessments	50	-	50	107	-
Cogeneration plant	200	-	200	-	-
Department of Corrections Watermain	-	-	-	385	-
Mowhanau Treatment system	250	-	250	1	-
New standby generator	-	-	-	2	-
Sludge Disposal Feasibility study	250	-	250	-	-
Trenchless Renewals - Stimulus funded	-	-	-	104	-
Sundry Projects	60	-	60	37	-
	810	-	810	636	-
Capital expenditure to replace existing assets :					
Wastewater					
Beach Road Pump Station renewals	220	500	720	236	-
Beach Road Station control systems	-	900	900	-	-
Hydraulic gate replacement	-	300	300	-	-
Mains, valves, meters, etc	925	1,120	2,045	2,616	-
Non-critical assets replacement	150	-	150	19	-
Pump & Pump station renewals	40	-	40	61	-
Beach Road Station flood repairs	-	98	98	-	-
	1,335	2,918	4,253	2,932	-
Total Capital Expenditure for the Group	3,145	3,878	7,023	3,569	-

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

Wastewater

The capital growth budget of \$2M for the Mill Road industrial area had no spend, due to deferment to coincide with other infrastructure growth projects in the same area.

Capital acquisitions was lower than planned, driven by the focus on the Nixon Street renewal and unplanned externally funded projects. The unplanned projects include a watermain connection to the Department of Corrections facility on Pauri Road, and further trenchless renewals from the Stimulus funded programme. The Mowhanua treatment scheme upgrade, Wastewater treatment plant cogeneration plant and sludge disposal study remain in progress with initial planning and scoping underway.

The total capital replacements expenditure is lower than budget as the focus was on delivering the Nixon Street main renewal project. Further minor work was completed at the Beach Road pump station, however the majority of budget is earmarked for completion of the Nixon Street project.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	2,340,896	1,897,456
Borrowings raised	683,144	380,593
Borrowings repaid	0	0
Interest paid	178,308	62,846
Carried forward	<u>3,202,348</u>	<u>2,340,896</u>

Sewerage and the treatment and disposal of sewage group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	9,394	9,670	9,293	9,292
Subsidies and grants for operating purposes	-	-	-	381
Fees and charges	1,000	1,006	1,000	1,107
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	100	101	-	1,121
Total operating funding (A)	10,494	10,777	10,293	11,901
Application of operating funding				
Payments to staff and suppliers	6,615	6,833	6,704	7,832
Finance costs	1,326	1,330	1,383	2,087
Internal charges and overheads applied	837	840	873	912
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	8,778	9,003	8,960	10,831
Surplus (deficit) of operating funding (A - B)	1,716	1,774	1,333	1,070
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	161	135	135	-
Increase (decrease) in debt	283	1,327	1,677	2,499
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	444	1,462	1,812	2,499
Application of capital funding				
Capital expenditure				
-to meet additional demand	999	1,029	1,000	-
-to improve the level of service	110	833	810	637
-to replace existing assets	1,050	1,374	1,335	2,932
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	2,160	3,236	3,145	3,569
Surplus (deficit) of capital funding (C - D)	(1,716)	(1,774)	(1,333)	(1,070)
Funding balance ((A - B) + (C - D))	-	-	-	-

Provision of roads and footpaths

Roading

The roading activity manages the district's roads, bridges, traffic management and control systems, and streetlights, and contributes to our economic and social enhancement.

Footpaths and berms

The footpaths and berms activity provides a network of urban and rural footpaths and walkways, berms and street furniture (seats / benches, bus shelters, rubbish bins).

Effects on community wellbeing





These activities promote the social, economic, environmental and cultural wellbeing 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, 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. It is noted that the following target measures may include symbology (" $<$ " or " $>$ ") that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

Roading			
Community Outcomes	Performance Measure	Target	Result
Economy, Connectivity, Community	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network	-1	-6 
	<p><i>Comment: The target [of reducing the previous reporting year's result by 1] was met. During the 2022/23 period, there were 18 serious injury crashes (zero fatal crashes) recorded on the local road network. (Source: Waka Kotahi NZ Transport Agency Crash Analysis System). Work continues to be undertaken in applying safety-related installations, projects and activities as part of the 2021-24 National Land Transport Programme.</i></p> <p><i>2021/22: Target was not met (Target - 16, Result - 24)</i></p>		
Economy, Connectivity, Community	The average quality of ride on a sealed local road network, measured by smooth travel exposure	88-92 %	79 % 
	<p><i>Comment: Target was not met. The roading network incurred substantial deterioration during 2020/21 due to increased traffic movements from population growth and high productivity motor vehicles (HPMV) movements associated with logging. The 2021/22 annual report shows that overall STE was 79% (a reduction on the previous year, reported at 84%) and a breakdown of STE between rural (93%) and urban (76%). 79% of traffic volume is on urban roads, the remaining 21% is on rural roads.</i></p> <p><i>During the 2022/23 reporting period, ride quality (rural 94% and urban 76%) showed no change on the previous year with numerous adverse weather effects, ongoing resource limitations, and cost escalations having affected the maintenance program. The calculated score across both Rural and Urban when calculated results in the same whole number as the previous year despite a small (+1) improvement in rural. (Source: Waka Kotahi NZ Transport Agency)</i></p> <p><i>2021/22: Target was not met (Target 88-92%, Result - 79%)</i></p>		
Economy, Connectivity, Community	The percentage of the sealed local road network that is resurfaced	> 4 %	5.45 % 
	<p><i>Comment: Target was met. Reseals were undertaken to meet the requirements of the network with 31.63km (5.45% of the sealed network) having been resurfaced during the 2022/23 period. (Source: Downer New Zealand records)</i></p> <p><i>2021/22: Target was not met (Target >4, Result - 2.5%)</i></p>		
Economy, Connectivity, Community	The percentage of customer service requests that are actioned within five working days	> 90 %	92.1 % 
	<p><i>Comment: Target was met. Operational efficiencies and a focus on customer responses led to an improvement in results from the previous reporting year (Source: Council CRM).</i></p> <p><i>2021/22: Target was not met (Target >90%, Result - 62.15%)</i></p>		

Footpaths and berms			
Community Outcomes	Performance Measure	Target	Result
Economy, Connectivity, Community	The percentage of footpath requests actioned within five working days of notification	> 90 %	94.1 % 
	<p><i>Comment: Target was met. Operational efficiencies and a focus on customer responses led to an improvement in results from the previous reporting year. (Source: Council CRM)</i></p> <p><i>2021/22: Target was not met (Target >90%, Result - 30.23%)</i></p>		
Economy, Connectivity, Community	The percentage of footpaths that meet Council's standard of a defect score of <50	> 90 %	99 % 
	<p><i>Comment: Target was met. (Source: 2019 – Footpath condition rating survey undertaken every five years)</i></p> <p><i>2021/22: Target was met (Target >90%, Result - 99%)</i></p>		
Economy, Connectivity, Community	The total number of footpath faults (includes berms)	< 30000	26206 
	<p><i>Comment: Target was met. Historical defect data from the five-yearly footpath condition rating survey undertaken in 2019, and faults rectified since the survey, indicate 26,206 faults. Current condition assessment is underway and is due for completion in August 2024. (Source: 2019 Footpath condition rating survey undertaken every five years)</i></p> <p><i>2021/22: Target was met (Target <30,000, Result - 26,206)</i></p>		

Projects that were not completed in 2022/23

Aramoho Rail Bridge: Registrations of interest for construction have been received and tender documents are being prepared. The project is programmed for completion in the 2023/24 financial year.

Roads, footpaths and pathways group

Capital expenditure

The following table shows the expenditure on capital works for the roads, footpaths and pathways group.

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 :					
Roading					
Roading Growth Projects	-	-	-	8	-
	-	-	-	8	-
Capital expenditure to improve the level of service :					
Roading					
Lets Go programme	-	-	-	37	-
Low Cost/Low Risk projects	395	-	395	1,202	-
Worker Redeployment MBIE funded	-	-	-	107	-
	395	-	395	1,346	-
Footpaths and Berms					
Sundry Footpath Projects	-	-	-	-	-
	395	-	395	1,346	-
Capital expenditure to replace existing assets :					
Roading					
Drainage renewals	960	-	960	981	-
Dublin Street Bridge	100	-	100	-	-
Environmental Maintenance	385	-	385	12	-
Low Cost/Low Risk projects	1,230	-	1,230	139	-
Pavement rehabilitation	1,200	-	1,200	820	-
Sealed road resurfacing	2,460	-	2,460	3,831	-
Structures components replacements	325	-	325	66	-
Traffic services renewals	488	-	488	627	-
Unsealed road metalling	520	-	520	446	-
	7,668	-	7,668	6,923	-
Footpaths and Berms					
Sundry Footpath Renewals	420	-	420	515	-
	8,088	-	8,088	7,437	-
Total Capital Expenditure for the Group	8,483	-	8,483	8,792	-

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

Roading

Minor Capital growth spend on new residential developments, following up the majority of works done in 2021/22.

Capital acquisitions is higher than budgeted, driven by higher spend on the Springvale shared pathway project. Other projects include the Somme Parade shared pathway and planning for the Aramaho Rail bridge walkway and Wakefield Street bridge renewal.

Capital replacements are lower than planned, driven by focus on response to emergency weather events. Additional emergency funding has been approved by Waka Kotahi, with funding expected to continue through to 2023/24. The majority of renewal expenditure has been on sealed road resurfacing, with the planned work programme being completed. The cost to deliver has been significantly higher, driven by inflationary pressure on both materials and labour.

Footpaths and berms

Footpath capital expenditure for the year was higher than budget by \$173k, driven by the focus on walking and cycling infrastructure throughout the city.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	277,545	230,096
Borrowings raised	246,585	39,998
Borrowings repaid	0	0
Interest paid	30,905	7,451
Carried forward	555,035	277,545

Provision of roads and footpaths group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	9,043	9,097	8,893	8,875
Subsidies and grants for operating purposes	4,515	4,445	4,333	3,861
Fees and charges	30	33	31	29
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	519	559	519	308
Total operating funding (A)	14,107	14,134	13,776	13,073
Application of operating funding				
Payments to staff and suppliers	8,615	8,756	8,582	12,524
Finance costs	260	197	174	388
Internal charges and overheads applied	810	811	853	892
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	9,685	9,764	9,609	13,804
Surplus (deficit) of operating funding (A - B)	4,422	4,370	4,167	(731)
Sources of capital funding				
Subsidies and grants for capital expenditure	5,336	4,750	4,616	6,376
Development and financial contributions	354	426	427	-
Increase (decrease) in debt	(74)	(817)	(727)	3,165
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	5,616	4,359	4,316	9,541
Application of capital funding				
Capital expenditure				
-to meet additional demand	500	-	-	8
-to improve the level of service	1,936	406	395	1,346
-to replace existing assets	7,602	8,323	8,088	7,437
Increase (decrease) in reserves	-	-	-	19
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	10,038	8,729	8,483	8,810
Surplus (deficit) of capital funding (C - D)	(4,422)	(4,370)	(4,167)	731
Funding balance ((A - B) + (C - D))	-	-	-	-

Parks and recreation

This group of activities includes services and facilities that underpin the maintenance of a district that works for everyone. It ranges from the provision of parks, open spaces, reserves and sportsgrounds, which contribute to the health and social fabric of the community, to swimming pools which, although not essential services, are important facilities for the social connectivity and wellbeing of our district.

Parks and reserves

The parks and reserves activity comprises a considerable percentage of the assets that we own and manage. The parks are managed under the following categories – premier parks, passive parks, pathway parks and conservation parks. Services also contained within this activity include the boat ramps on the Whanganui River, playgrounds, public toilets and streetscape beautification, including the urban forest.

We aim to provide sufficient grounds (active parks) for the purpose of major organised sports where individual sporting codes do not provide this service themselves. Active parks also support economic activity within the district by providing venues for events which attract large numbers of visitors to our district.

Cooks Gardens

Cooks Gardens is our premier sportsground facility and is capable of hosting a multitude of local, national and international sporting events.

Swimming pools

We administer two public swimming pools – the Splash Centre and Whanganui East outdoor pool complexes.

The Splash Centre is an indoor heated facility with two 25m pools, lazy river, two hydrosides, toddlers’ pool, learners’ pool, hydrotherapy pool and spa, and sauna and fitness facilities.

The Whanganui East outdoor swimming pool is an outdoor complex with a main pool, learners’ pool, and toddlers’ pool. It has a green space available for picnics and barbecues.

Effects on community wellbeing

These activities promote the social, economic, environmental and cultural wellbeing 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. It is noted that the following target measures may include symbology (“<” or “>”) that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

Parks and reserves			
Community Outcomes	Performance Measure	Target	Result
Economy, Connectivity, Creativity	The percentage of the community satisfied with the maintenance and presentation of our open spaces	> 80 %	61 % ✗
	<p><i>Comment: Target was not met. Community satisfaction results with regard to the maintenance and presentation of open spaces declined by 6% from the previous period. Community satisfaction is likely to have declined due to very wet seasons in the last year which can hamper regular mowing cycles. (Source: Community Views Survey 2023)</i></p> <p>2021/22: Target was not met (Target >75%, Result - 67%)</p>		
Economy, Connectivity, Creativity	Percentage increase in users of river shared pathway and Te Tuaiwi shared pathway	> 5 % increase on previous year	12.4 % ✓
	<p><i>Comment: Target was met. Users of the river shared pathway and Te Tuaiwi shared pathway increased to a collective total of 254,166 for the reporting period. User counts were higher than in the previous two years with increases in use on the Te Tuaiwi shared pathway (+17%) and the river shared pathway (+9%). The increased use could be attributed to an increase in Council promotion of our shared pathways and increased use by sporting groups. (Source: Council pedestrian counter)</i></p> <p>2021/22: Target was not met (Target >5% increase on previous year, Result - 3.33%)</p>		
Economy, Connectivity, Creativity	The percentage of households within 800m walking distance of an open space area (premier or passive park)	> 90 %	74 % ✗
	<p><i>Comment: Target was not met. 16,342 of the 22,003 properties capable of containing dwellings are within 800m of an open space area. The provision of open space remains a significant part of the actions that are included in the recently adopted Open Spaces and Physical Activity Strategy.</i></p> <p>2021/22: Target was not met (Target >90%, Result - 71%)</p>		
Community, Economy, Environment	The percentage of people who are satisfied that there are adequate toilet facilities to meet user needs	> 70 %	64 % ✗
	<p><i>Comment: Target was not met. Community satisfaction that there are adequate toilet facilities to meet user needs increased by 2% from the previous period. (Source: Community Views Survey 2023)</i></p> <p>2021/22: Target was not met (Target >70%, Result - 62%)</p>		
Community, Economy, Environment	The percentage of people who are satisfied with the standard of toilet facilities	> 70 %	63 % ✗
	<p><i>Comment: Target was not met. Satisfaction results with the standard of toilet facilities has declined by 3% from the previous period. (Source: Community Views Survey 2023)</i></p> <p>2021/22: Target was not met (Target >70%, Result - 66%)</p>		

Community, Economy	The percentage of the community satisfied with the district's sportsgrounds	> 80 %	63 %	X
	<p><i>Comment: Target was not met. Community satisfaction results with the district's sportsgrounds declined by 5% from the previous reporting year. A wet winter followed by a wet summer has meant more than usual field closures, which can be frustrating to users, but is necessary to preserve field quality. (Source: Community Views Survey 2023)</i></p> <p>2021/22: Target was not met (Target >80, Result - 68%)</p>			

Cooks Gardens				
Community Outcomes	Performance Measure	Target	Result	
Economy	The number of functions held each year at Cooks Gardens Function Centre	> 75	80	✓
	<p><i>Comment: Target was met. Usage of Cooks Gardens has continued to be positive with a number of businesses, both local and national, holding meetings and training sessions at this venue. (Source: Council records)</i></p> <p>2021/22: Target was not met (Target >70, Result - 44)</p>			
Economy	The number of days each year that Cooks Gardens track and grounds are used	> 115 Days	138 Days	✓
	<p><i>Comment: Target was met. The track and field at Cooks Gardens has been well utilised with normal seasonal activities such as rugby and athletics but also for larger events including Colgate Games, Tough Kids, Relay for Life and Cooks Classic. (Source: Council records)</i></p> <p>2021/22: Target was not met (Target >110 days, Result - 87 days)</p>			
Economy	The percentage of the community who have used, visited, or attended an event at Cooks Gardens	> 45 %	24 %	X
	<p><i>Comment: Target was not met. Survey results indicate that the percentage of the community who have used, visited, or attended an event at Cooks Gardens increased by 5%. Council records indicate that over 17,000 people have visited or attended activities at Cooks Gardens during the reporting period. (Source: Community Views Survey 2023)</i></p> <p>2021/22: Target was not met (Target >40%, Result - 19%)</p>			
Economy	The percentage of hirers that are satisfied with their experience at Cooks Gardens	> 90 %	100 %	✓
	<p><i>Comment: Target was met. Out of the 15 surveys completed, 87% were very satisfied with their experience at Cooks Gardens, and 13% were satisfied. (Source: Hirer Satisfaction Survey)</i></p> <p>2021/22: Target was met (Target >85%, Result - 90%)</p>			

Swimming pools			
Community Outcomes	Performance Measure	Target	Result
Economy, Community, Environment, Connectivity	The percentage of users satisfied with the Splash Centre	> 90 %	0 % X
	<i>Comment: Target was not met. Survey data was unavailable for July - December 2022. Survey results from January - June 2023 indicate that 79.16% of respondents (4145) were satisfied with the Splash Centre. (Source: Splash Centre team)</i> <i>2021/22: Target was not met (Target >90%, Result - 84.23%)</i>		
Economy, Community, Environment, Connectivity	The percentage of users satisfied with the Whanganui East Pool	> 90 %	0 % -
	<i>Comment: Target is deemed not to have been met. A customer satisfaction survey was not conducted for Whanganui East this season.</i> <i>2021/22: Target was met (Target >90%, Result -100%)</i>		
Economy, Community, Environment, Connectivity	The percentage of pool users satisfied that aquatic facilities provide value for money	> 80 %	0 % -
	<i>Comment: Target is deemed not to have been met. The satisfaction feedback kiosk, Happy or Not, does not collect information on user satisfaction regarding value for money.</i> <i>2021/22: Target was met (Target >80%, Result 86.65%)</i>		

Projects that were not completed in 2022/23

Coastal action plan: This work was put on hold to incorporate significant updates from Central Government. In 2023 Council endorsed Progress Castlecliff, through Ngā Ringaringa Waewae, to work on a community and hapū-led process to develop a consolidated vision for the Castlecliff coastline, and the coastal action plan work which is still in development.

Pukenamu Queen's Park architectural landscape plan: this work started earlier in 2023 and will be delivered before the end of the calendar year. The plan and its implementation will focus initially on the immediate surrounds of the Sarjeant Gallery Te Whare o Rehua Whanganui ahead of its opening in 2024. The plan will likely be implemented over a number of years and as funding allows.

Velodrome facility development plan: the velodrome track replacement has been completed and discussions have commenced on how the venue will be utilised, including engaging with relevant community groups.

Splash Centre accessibility and equipment improvements: we were not successful with our funding application for our accessibility project, however we continue to make ongoing improvements to ensure the facility can be accessed and enjoyed by all.

Parks and recreation group

Capital expenditure

The following table shows the expenditure on capital works for the parks and recreation group.

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>					
Durie Hill Viewing Areas	80	-	80	-	-
Kowhai Park	-	7	7	8	-
Otamatea Park Buildings	20	-	20	48	-
Playground upgrades	300	30	330	12	-
Queens Park	500	-	500	-	-
Queens Park infrastructure upgrades	230	-	230	-	-
Springvale Park	11	-	11	-	-
Upokongaro Cycleway & Toilet	-	109	109	107	-
Sundry Acquisition Projects	30	107	137	40	-
	1,171	253	1,423	215	-
<i>Swimming Pools</i>					
Sundry Splash Centre acquisitions	-	-	-	66	-
<i>Cooks Gardens</i>					
Velodrome resurfacing	1,250	1,250	2,500	1,945	-
Cooks Garden scoreboard	30	-	30	-	-
	1,280	1,250	2,530	1,945	-
	2,451	1,503	3,953	2,226	-

Capital expenditure to replace existing assets :

Parks and Reserves

Aramoho Park Playground	207	-	207	-	-
Bason Reserve	21	20	41	12	-
Bason Reserve New Bore	-	-	-	96	-
Castlecliff Playground upgrade	150	-	150	80	-
Coastal Plan	250	-	250	-	-
Kowhai Park	230	42	272	20	-
North Mole Landscaping	100	-	100	-	-
Otamatea Park Buildings	-	2	2	-	-
Queens Park	26	203	229	111	-
Savage Club retaining wall	101	-	101	-	-
Sundry Projects	-	13	13	-	-
Upokongaro Jetty	-	102	102	-	-
Victoria Park	-	19	19	-	-
Virginia Lake	34	14	48	11	-
Wharf St Boat Ramp	-	150	150	-	-
Sundry Replacement Projects	65	68	133	148	-
	1,184	633	1,816	478	-

Swimming Pools

Accessibility Projects - Splash Centre	450	-	450	-	-
Replace Air Handling Unit - Old Side	150	-	150	-	-
Sundry Splash replacements	35	-	35	-	-
Upgrade filtration plant	127	-	127	-	-
	762	-	762	-	-

Cooks Gardens

Grandstand & Scoreboard	69	89	158	54	-
Membrane roof renewal	60	-	60	-	-
Pole vault track renewal	38	-	38	-	-
	167	89	256	54	-

	2,113	722	2,834	532	-
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Total Capital Expenditure for the Group	4,563	2,224	6,788	2,758	-
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Work was planned to maintain the service capacity of council facilities and to deal with the expected demands on the service.

Parks and reserves

Capital acquisitions and renewals are lower than planned, driven by prioritisation of projects and internal capacity constraints. Major projects such as playground upgrades, Durie Hill viewing areas, Queens park and Kowhai park upgrades remain underway. The Upokongaro toilet and various sundry projects have been completed, while a new bore has been developed at Bason Reserve.

The Velodrome resurfacing project has made good progress, with completion expected in late 2023. The scoreboard upgrade is complete. Other athletic equipment and facility renewals are on hold due to prioritisation.

Splash Centre operations has been transferred to Council, with the facility being run in house. Various minor assets have been purchased from the previous contractor, with the major renewal work at the facility put on hold for a

condition- and needs assessment. The outcome of this assessment will drive the upgrades and renewal programme over the next few years.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	224,444	256,740
Borrowings raised	66,472	0
Borrowings repaid	0	(38,322)
Interest paid	17,153	6,026
Carried forward	<u>308,069</u>	<u>224,444</u>

Parks and recreation group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	8,898	9,286	11,495	11,494
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	175	175	175	73
Fees and charges	233	246	251	1,123
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	117	124	117	464
Total operating funding (A)	9,423	9,831	12,038	13,154
Application of operating funding				
Payments to staff and suppliers	6,793	7,117	7,386	8,825
Finance costs	223	255	227	670
Internal charges and overheads applied	1,262	1,269	1,365	1,427
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	8,278	8,641	8,978	10,922
Surplus (deficit) of operating funding (A - B)	1,145	1,190	3,060	2,232
Sources of capital funding				
Subsidies and grants for capital expenditure	-	150	450	-
Development and financial contributions	33	8	8	-
Increase (decrease) in debt	1,015	2,426	1,046	395
Gross proceeds from asset sales	-	-	-	8
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,048	2,583	1,504	403
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	1,401	2,131	2,451	2,226
-to replace existing assets	792	1,642	2,113	532
Increase (decrease) in reserves	-	-	-	(123)
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	2,193	3,773	4,564	2,635
Surplus (deficit) of capital funding (C - D)	(1,145)	(1,190)	(3,060)	(2,232)
Funding balance ((A - B) + (C - D))	-	-	-	-

Community and cultural

Supporting community services and facilities as well as promoting cultural enrichment encourages a tolerant and strong community. The council oversees the management of key cultural facilities, ensures appropriate stewardship of nationally important collections, works closely with central government departments, and focuses on collaboration to achieve shared objectives for improving outcomes and wellbeing across a culturally and socially diverse community. Activities that are included in this group are:

Community

The community activity is broad-reaching and focused on collaboration to achieve shared objectives for improving outcomes and wellbeing across a culturally and socially diverse community. The activity includes iwi engagement, community grants, positive ageing, arts and culture, Safer Whanganui, youth, housing, climate change, welcoming communities, and digital connectivity.

New Zealand Glassworks Te Whare Tūhuna o Te Ao

The New Zealand Glassworks activity operates the hot glass studio and gallery in Rutland Street.

Libraries

The Libraries activity includes the District libraries (Davis Library, Alexander Heritage & Research Library Te Rerenga mai o te Kāuru, Gonville Library, two Mobile Library Vans, Suzanne Aubert Library at Jerusalem and three community library hubs in Whanganui East, Castlecliff and Aramoho).

Sarjeant Gallery Te Whare o Rehua Whanganui

The Sarjeant Gallery is an iconic Whanganui cultural institution. A redevelopment programme is underway for its landmark building with Category I heritage status in Pukenui Queen's Park. The Gallery provides access to a locally, nationally and internationally renowned collection and exhibition programme. All services were delivered from an interim location at 38 Taupo Quay, Whanganui during the reporting period.

Royal Whanganui Opera House

The Royal Whanganui Opera House is a landmark cultural icon and the last remaining working Victorian theatre in the southern hemisphere. The Category I heritage status building provides the community with an opulent venue for a range of social, cultural, recreational and educational uses.

War Memorial Centre

The War Memorial Centre is an architectural award-winning building and living memorial. It is considered to be the community's civic centre and is a major iconic landmark building in Whanganui.

Whanganui Regional Museum

The Whanganui Regional Museum has an extensive collection of over 300,000 objects and artefacts. The emphasis is on items which tell the story of the Whanganui region; its landforms, its flora and fauna and its people as well as reflecting its place in the wider world. The museum is operated by an independent charitable trust.

Effects on community wellbeing

These activities promote the social, economic, environmental and cultural wellbeing 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. It is noted that the following target measures may include symbology (“<” or “>”) that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

Community			
Community Outcomes	Performance Measure	Target	Result
Community, Connectivity	The percentage of resource consent applications received by Council are provided to mana whenua within seven working days	100 %	100 % ✓
	<i>Comment: Target was met. The council provides a weekly report to mana whenua of all resource consent applications received. (Source: Council records) 2021/22: Target was met (Target - 100%, Result - 100%)</i>		
Creativity, Economy	Perception of Whanganui to be a creative place	> 75 %	80 % ✓
	<i>Comment: Target was met. The percentage of survey respondents that think Whanganui is creative (37%) or very creative (43%) increased by 2% from the previous reporting period. (Source: Community Views Survey 2023) 2021/22: Target was met (Target >70%, Result - 78%)</i>		
Creativity, Economy	The percentage of residents participating in creative activities	> 77 %	25 % ✗
	<i>Comment: Target was not met. The percentage of residents participating in creative activities (including performed or just attended, any arts or cultural activities or performances) increased by 1% from the previous period. (Source: Community Views Survey 2023) 2021/22: Target was not met (Target >70%, Result - 24%)</i>		
Creativity, Economy	Contribution that creative arts and industries makes to the Whanganui District economy	> previous year	\$0 -
	<i>Comment: Target is deemed not to have been met as data is unavailable for the full reporting period. The contribution that creative industries made to the Whanganui district's economy for the 2022 calendar year (January to December) was \$57.34 million. (Source: Infometrics) 2021/22: Target was not met (Target >previous year, Result - \$40.1m)</i>		

New Zealand Glassworks Te Whare Tuhua o Te Ao			
Community Outcomes	Performance Measure	Target	Result
Community, Connectivity	The percentage of Glassworks customers satisfied with their experience	> 90 %	90 % 
	<i>Comment: Target was met. Visitor satisfaction with NZG has remained positive throughout the year with positive comments regarding its unique facility and art glass on display. (Source: NZG)</i> 2021/22: Target was met (Target >90%, Result - 90%)		
Community, Connectivity	The percentage of Glassworks users satisfied with the services and facilities provided	> 85 %	85 % 
	<i>Comment: Target was met. NZG continues to provide a facility for hire to an international level with an upgrade of equipment proving to be a major improvement to function and usability for hirers. (Source: NZG)</i> 2021/22: Target was met (Target >85%, Result - 85%)		
Community, Connectivity	Number of hours booked by working glass artists per annum.	> 1288 hrs	1270 hrs 
	<i>Comment: Target was not met but was nearly achieved. Although the NZG hotshop was unavailable for short periods of time during the second and third quarters of the reporting year which impacted on hire hours, it has reached its capacity for delivery due to equipment and what can be accommodated per hirer. (Source: NZG)</i> 2021/22: Target was not met (Target >1251 hrs, Result - 849 hrs)		
Creativity, Economy	The number of visitors to NZ Glassworks	> 28700	36929 
	<i>Comment: Target was met and exceeded. Local, national and international visitor numbers continue to grow with many visitors stating they came specifically to Whanganui to visit NZG. (Source: NZG)</i> 2021/22: Target was not met (Target >28140, Result - 19839)		



Libraries			
Community Outcomes	Performance Measure	Target	Result
Economy, Community, Environment	The number of items issued per annum	> 520000	511402 
	<i>Comment: Target was not met. Collection checkouts have remained in-step with visits and results in the latter part of the reporting period were indicative of an overall rise in activity. There has been a 12.6% increase in collection use when measured against the same period for the previous year. (Source: Council libraries)</i> 2021/22: Target was not met (Target >500,000, Result - 453,966)		





Economy, Community, Environment	The rate of collection 'turn over' each year	> 6.5	5.5	X
	<i>Comment: Target was not met. This performance indicator is reflective of total collection size & collection checkouts, which did not meet target for the full reporting year but has increased from the last reporting period. (Source: Council libraries) 2021/22: Target was not met (Target >6, Result - 4.9)</i>			
Economy, Community, Environment	The number of people visiting our libraries measured by physical visits	> 340000	288722	X
	<i>Comment: Target was not met. Footfall has begun to stabilise with a return to consistent visits (particularly at the Davis Library) across the reporting period. There has been a 46% increase in physical visits when measured against the same period of the previous year (Jul 21 to Jun 22). (Source: Council Libraries) 2021/22: Target was not met (Target >320,000, Result - 196,782)</i>			
Economy, Community, Environment	The percentage of library users satisfied with the service provided	> 90 %	84 %	X
	<i>Comment: Target was not met. Although only 84% of the people surveyed were satisfied with the service provided, the customer radar year-round survey of library customers (1,171 responses) indicate a 99.15% satisfaction rate. (Source: Community Views Survey 2023) 2021/22: Target not met (Target >90%, Result - 85%)</i>			
Economy, Community, Environment	The percentage of the Whanganui population that uses the library	> 63 %	52 %	X
	<i>Comment: Target was not met. Results have remained consistent with previous periods. (Source: Community Views Survey 2023) 2021/22: Target was not met (Target >60%, Result - 51%)</i>			
Creativity	The number of public internet sessions	> 85000	63228	X
	<i>Comment: Target was not met. Use of public internet in library spaces had levelled off significantly since the pandemic. Many library customers have moved on to alternative access points as a result of lockdowns and limited access to physical machines (as a requirement of social distancing) over the last 24 months. There has been a 15% increase in the use of library internet when measured against the same period of the previous year. (Source: Council libraries) 2021/22: Target was not met (Target >80,000, Result - 54,917)</i>			

Sarjeant Gallery Te Whare o Rehua Whanganui				
Community Outcomes	Performance Measure	Target	Result	
Creativity, Economy, Community, Connectivity, Environment	The number of users of the Gallery	> 57000	57310	✓
	<i>Comment: Target was met and exceeded. Gallery user numbers have increased compared to the previous reporting year when COVID-19 restrictions and lower visitor numbers to Whanganui impacted upon the results. It is noted that the iSITE gallery has been closed since January 2023. (Source: Sarjeant Gallery records) 2021/22: Target was not met (Target >57,000, Result - 42,233)</i>			

Creativity, Economy, Community, Connectivity, Environment	The percentage of the Whanganui population that uses the Gallery	> 30 %	26 %	X
	<i>Comment: Target was not met. Only 26% of the people surveyed had been to the Sarjeant Gallery. It is noted, however, that recorded visitor numbers have increased by 35% in comparison to the previous reporting year when COVID-19 restrictions and lower visitor numbers to Whanganui impacted upon the results. (Source: Community Views Survey 2023) 2021/22: Target was not met (Target >30%, Result - 29%)</i>			
Creativity, Economy, Community, Connectivity, Environment	The percentage of visitors satisfied with the Gallery's exhibitions	> 90 %	96.25 %	✓
	<i>Comment: Target was met. (Source: Sarjeant Gallery visitor survey) 2021/22: Target was met (Target >90%, Result - 97%)</i>			
Creativity, Economy, Community, Connectivity, Environment	The percentage of visitors satisfied with their Gallery experience	> 90 %	93.67 %	✓
	<i>Comment: Target was met. (Source: Sarjeant Gallery visitor survey) 2021/22: Target was met (Target >90%, Result - 98%)</i>			
Creativity, Economy, Community, Connectivity, Environment	The total number of items in the collection catalogued to best practice international standards	> 4000	4996	✓
	<i>Comment: Target was met and exceeded. (Source: Council Vernon Database) 2021/22: Target was met (Target >3750, Result - 4921)</i>			

Royal Whanganui Opera House			
Community Outcomes	Performance Measure	Target	Result
Creativity, Connectivity, Environment, Economy	The number of events each year that the Royal Whanganui Opera House hosts	> 90	41 X
	<i>Comment: Target was not met. The venue has been well utilised throughout the reporting year with multiple bookings running across 5+ days. This included the venue being fully booked out in March 2023 for the Phantom of the Opera production. (Source: Royal Whanganui Opera House) 2021/22: Target was not met (Target >85, Result - 34)</i>		
Creativity, Connectivity, Environment, Economy	The number of locally produced, community events at the Royal Wanganui Opera House	> 35	34 X
	<i>Comment: Target was not met. The majority of shows within the reporting year have been community-based and used the theatre for multiple days (5+). (Source: Royal Whanganui Opera House) 2021/22: Target was not met (Target >30, Result - 16)</i>		
Creativity, Connectivity, Environment, Economy	The percentage of the Whanganui population that attends one or more events at the Royal Wanganui Opera House	> 35 %	35 % ✓
	<i>Comment: Target was met. Reported attendance increased by 17% compared with the previous period. Through a combination of guided tours, show attendance and general enquiries the Royal Whanganui Opera House has seen a substantial number of people through the doors with the</i>		

	majority of them being local to Whanganui. (Source: Community Views Survey 2023) 2021/22: Target was not met (Target >35%, Result 18%)		
Creativity, Connectivity, Environment, Economy	The percentage of the community satisfied with their experience at the Royal Whanganui Opera House	> 65 %	76 % 
	Comment: Target was met. Reported satisfaction increased by 3% compared with the previous period with the Royal Whanganui Opera House having hosted a range of shows during the year. (Source: Community Views Survey 2023) 2021/22: Target was met (Target >65%, Result - 73%)		
Creativity, Connectivity, Environment, Economy	The percentage of hirers that are satisfied with the Royal Whanganui Opera House	> 90 %	100 % 
	Comment: The target was met. (Source: Royal Whanganui Opera House Hirers Survey) 2021/22: Target was met (Target >90%, Result - 100%)		

War Memorial Centre			
Community Outcomes	Performance Measure	Target	Result
Economy	The number of days each year that the Whanganui War Memorial Centre hosts events	> 130 Days	159 Days 
	Comment: Target was met. The Whanganui War Memorial Centre has been well-utilised throughout the reporting year with a range of events being held. Use of the facility has increased from the previous reporting year when COVID-19 restrictions impacted upon the overall number of days that events were hosted (Source: Whanganui War Memorial Centre). 2021/22: Target was not met (Target >120 days, Result - 80 days)		
Economy	The number of locally produced, community events at the Whanganui War Memorial Centre	> 35	33 
	Comment: The target was not met. During the reporting year a total of 114 bookings occurred at the Whanganui War Memorial Centre with 33 of these specifically being for community activities, an increase from the previous reporting period. (Source: Whanganui War Memorial Centre) 2021/22: Target was not met (Target >30, Result - 22)		
Economy	The percentage of the community satisfied with the Whanganui War Memorial Centre	> 60 %	74 % 
	Comment: Target was met. (Source: Community Views Survey 2023) 2021/22: Target was met (Target >55%, Result - 78%)		
Economy	The percentage of hirers that are satisfied with their experience at the War memorial Centre.	> 90 %	100 % 
	Comment: Target was met. All survey respondents indicated they were either very satisfied or satisfied with their experience. (Source: Whanganui War Memorial Centre) 2021/22: Target was met (Target >90%, Result - 95%)		

Projects that were not completed in 2022/23

Housing initiatives: Capacity issues have caused delays however a feasibility study on utilising residential conversions in the city centre to grow housing stock is due to commence later in 2023. We continue to work with agencies as part of the Housing Reference Group and ongoing work to support the homeless has not stopped. A report on Council's older person housing stock was completed.

Youth places and spaces: the feasibility study did not provide Council with a workable option going forward. We are currently in discussion with other providers to see if we can enhance what is already happening in the community for young people.

Age Friendly Plan: resourcing constraints has meant that this work has not been started but will commence later in 2023.

Play spaces: Work has been undertaken with the community to enhance accessibility options at Lorenzdale Park. A climbing tower that has been designed to aid visually impaired users is to be installed. Pathway upgrades, accessible picnic tables and the installation of musical flowers have been undertaken with work underway on CORE boards in several parks for neuro-diversion activities. Our play plan has been incorporated into the Open Spaces and Physical Activity Strategy that was adopted in October 2022.

New Zealand Glassworks (NZG): NZG obtained an arts grant from Creative New Zealand for its artist in residence programme held in July 2023, but was unsuccessful in securing a grant to develop a mentoring programme. NZG has, however, continued to pursue and develop the programme intent with a pared-down version funded by NZG and will continue to apply to fund this important ongoing mentoring programme.

Alexander Heritage & Research Library Te Rerenga mai o te Kāuru: work to upgrade old light fittings to LED is ongoing and units are being replaced as and when they fail. Approximately one third of the light fittings have been replaced to date.

Sarjeant Gallery Te Whare o Rehua Whanganui redevelopment project: good progress has been made during the reporting year. The new financial year will see the focus shifting to the opening of the gallery in mid-2024.

Royal Whanganui Opera House: Significant progress has been made in replacing the existing and outdated tungsten lighting with LED lighting. Supply issues and other work has delayed the completion of this work.

War Memorial Centre: installation of a digital signage board has not been completed. Options are being reviewed to ensure appropriate software and hardware is purchased / installed to deliver the best possible outcome.

Whanganui Regional Museum: reprioritisation of the facilities work programme resulted in a number of planned building improvements being moved to the 2023/24 financial year.

Community and cultural group

Capital expenditure

The following table shows the expenditure on capital works for the community and culture group.

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>Community Development</i>					
Housing Strategy	1,800	500	2,300	-	-
	1,800	500	2,300	-	-
<i>Libraries</i>					
Sundry Library Projects	340	-	340	47	-
	340	-	340	47	-
<i>War Memorial Centre</i>					
War Memorial Heating upgrade	100	-	100	-	-
Sundry War Memorial upgrades	20	-	20	-	-
	120	-	120	-	-
<i>Opera House</i>					
LED lighting	150	80	230	91	-
Sound and lighting	10	-	10	-	-
	160	80	240	91	-
<i>Sarjeant Gallery</i>					
Redevelopment project costs	2,000	20,700	22,700	16,808	-
Shelving and Fittings	150	-	150	-	-
Transition project	144	-	144	77	-
	2,294	20,700	22,994	16,885	-
	4,714	21,280	25,994	17,024	-

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to replace existing assets :					
Libraries					
Book Vote	310	30	340	323	-
Alexander Library	30	-	30	8	-
Davis Library	-	193	193	15	-
Sundry Library Projects	-	16	16	9	-
	340	239	579	356	-
War Memorial Centre					
Structural - Plant Room Access / Fly floor	-	40	40	-	-
War Memorial Hall - New Inverter	-	12	12	-	-
Toilet Partitions	-	38	38	-	-
Building enhancements	-	95	95	-	-
	-	185	185	-	-
Regional Museum					
Sundry Regional Museum projects	100	20	120	50	-
Opera House					
Sundry Opera House projects	-	35	35	-	-
Sarjeant Gallery					
Tylee Cottage	23	-	23	-	-
Sundry Gallery replacements	11	-	11	3	-
	34	-	34	3	-
Earthquake Strengthening					
Womens Resource centre	200	-	200	-	-
Sarjeant Gallery	5,000	-	5,000	-	-
Council Chambers	-	120	120	-	-
Kowhai Park	-	56	56	-	-
Upokongaro Hall	-	100	100	-	-
	-	-	-	-	-
	5,200	276	5,476	-	-
	5,674	755	6,429	408	-
Total Capital Expenditure for the Group	10,388	22,035	32,423	17,432	-

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

Community development

The Housing Strategy budget remains unspent as planning continues, having been carried over from 2021/22.

Libraries

Capital acquisitions remain lower than planned, with the budgeted fit-out and equipment purchases deferred to coincide with the Davis Library extension.

The Book Vote was slightly underspent, driven by minor delays in some publications being delivered. Minor projects (such as shelving replacement) have been completed.

Planned works on upgrading and renewing the Davis Library are on hold to coincide with further upgrades in 2024. The funds will be carried over to 2023/24 to continue with planning work.

Whanganui War Memorial Centre

Building enhancements, structural works and various other upgrades and renewals have been deferred, due to internal and external capacity constraints and a focus on critical workstreams.

Royal Whanganui Opera House

LED lighting upgrade programme is underway and will continue in 2023/24, with the remaining budget to be carried over. Various minor upgrade and renewal projects have been deferred to 2023/24.

Sarjeant Gallery

The Gallery Redevelopment Project continues with physical works. This will continue over 2023/24, with the remaining budget carried over to fund this. Due to the delay from the original planned timeline, the transition programme and associated fit out has also been deferred.

Whanganui Regional Museum

Planned renewals at the museum is less than planned, driven by internal capacity constraints and prioritization of critical projects. A number of minor components will be carried over to 2023/24.

Earthquake strengthening

All earthquake strengthening physical works has been placed on hold to priorities critical projects and ascertain what work is needed.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	326,532	380,076
Borrowings raised	14,659	0
Borrowings repaid	0	(62,310)
Interest paid	20,118	8,766
Carried forward	361,309	326,532

Community and cultural group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	10,274	11,682	11,509	11,508
Targeted rates	927	937	929	929
Subsidies and grants for operating purposes	390	360	373	259
Fees and charges	801	840	902	964
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	51	53	51	300
Total operating funding (A)	12,443	13,873	13,764	13,960
Application of operating funding				
Payments to staff and suppliers	8,798	10,242	10,121	8,846
Finance costs	377	454	452	492
Internal charges and overheads applied	1,698	1,897	1,987	2,078
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	10,873	12,593	12,560	11,416
Surplus (deficit) of operating funding (A - B)	1,570	1,280	1,204	2,544
Sources of capital funding				
Subsidies and grants for capital expenditure	15,000	2,000	2,000	6,500
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(158)	7,387	7,184	(910)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	3,200
Total sources of capital funding (C)	14,842	9,387	9,184	8,790
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	15,757	4,851	4,714	17,024
-to replace existing assets	655	5,816	5,674	408
Increase (decrease) in reserves	-	-	-	(6,098)
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	16,412	10,667	10,388	11,334
Surplus (deficit) of capital funding (C - D)	(1,570)	(1,280)	(1,204)	(2,544)
Funding balance ((A - B) + (C - D))	-	-	-	-

Economic development

Economic development functions are provided by our council-controlled organisation, Whanganui & Partners. Its operations are overseen by its board and management staff, while its funding and strategic direction is decided on by the council.

Whanganui & Partners' mission is to lead and drive opportunity through business, education and lifestyle. They promote Whanganui as a destination to live, visit, work, study and invest. Their activities include supporting new and existing businesses, bringing events to Whanganui and providing the latest economic data, analysis and commentary on the Whanganui district.

Whanganui & Partners ensure visitors are informed, impressed and ready to return. The activities included in the group are:

- Whanganui & Partners – economic development
- Whanganui i-SITE Visitor Information Centre

What happened in 2022/23

For detail on the activities and financial performance reporting for economic development and the Whanganui i-SITE Visitor Information Centre, please refer to Whanganui & Partners' statement of service performance on pages 121 - 132.

Effects on community wellbeing

By establishing good-quality infrastructure, public service and performance outcomes, these activities contribute to the social, economic, environmental and cultural wellbeing 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 monitor on actual performance against the deliverables set out in the Statement of Intent for Whanganui & Partners. We measure our effectiveness by measuring use of, and user satisfaction, with Whanganui i-SITE. It is noted that the following target measures may include symbology (“<” or “>”) that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

i-site Visitor Information Centre			
Community Outcomes	Performance Measure	Target	Result
Connectivity	The number of visitors served by the i-SITE	> 25250	16960 X
	<i>Comment: Target was not met. Results were impacted by COVID-19 early in the reporting year however the lifting of all remaining COVID-19 related regulations saw increases in domestic and international visitation and was a promising improvement on the previous reporting year. (Source Whanganui i-SITE) 2021/22: Target was not met (Target >25,000, Result - 13,864)</i>		
Connectivity	"Customer satisfaction with service received at the i-SITE	> 4.5	4.84 V
	<i>Comment: Target is met. (Source: Trip Advisor ratings: aggregate score) 2021/22: Target was met (Target >4.5, Result - 4.5)</i>		

Economic development group

Capital expenditure

The following table shows the expenditure on capital works for the Economic Development Group.

No progress was made on the Tier 1 Funding for i-SITE.

Internal borrowings

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>					
i-Site Tier 1 funding	110	-	110	-	-
	110	-	110	-	-
Total Capital Expenditure for the Group	110	-	110	-	-

Internal borrowings

	2023 \$	2022 \$
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 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,358	3,353	3,478	3,478
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	88	88	-	105
Fees and charges	-	-	50	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	86	91	-	-
Total operating funding (A)	3,532	3,532	3,528	3,583
Application of operating funding				
Payments to staff and suppliers	2,921	2,941	2,908	2,984
Finance costs	(16)	(14)	(17)	(17)
Internal charges and overheads applied	627	604	636	665
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	3,532	3,532	3,528	3,632
Surplus (deficit) of operating funding (A - B)	-	-	-	(49)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	110	49
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	110	49
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	-	-	110	-
-to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	-	-	110	-
Surplus (deficit) of capital funding (C - D)	-	-	-	49
Funding balance ((A - B) + (C - D))	-	-	-	-

Community facilities and services

The council provides services and facilities that help to sustain the safety and welfare of our community, preserve our exceptional heritage and infrastructure, and protect our environment and awa. The group of activities in this section are:

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

Effects on community wellbeing

These activities promote the social, economic, environmental and cultural wellbeing 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, occupancy rates, and the timely issue of consents. We assess our effectiveness in waste minimisation by measuring resident use of waste management activities, number of educational visits, and the amount of product recycled. It is noted that the following target measures may include symbology (“<” or “>”) that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

Cemeteries			
Community Outcomes	Performance Measure	Target	Result
Community, Environment	There is adequate capacity to meet 5 years capacity for future burial and cremation needs	> 2500 plots	2500 plots ✓
	<i>Comment: Target was met. There is sufficient capacity for five years burial and cremation plots. (Source: Council cemetery records database) 2021/22: Target was met (Target >2500 plots, Result - 2500 plots)</i>		
Connectivity, Creativity	The percentage of people satisfied with cemetery facilities	> 90 %	0 % -
	<i>Comment: Target is deemed not to have been met. A park check survey was not undertaken this year and therefore no results are available to report. (Source: Council parks team) 2021/22: Target was deemed not to have been met (Target >90%, Result - survey not undertaken)</i>		
Connectivity, Creativity	The number of official cemetery records available on the Council website	> 50000	47500 ✗
	<i>Comment: Target was not met. The project to have archival burial and cremation records available to the public continues and is well underway but other digitisation projects have taken priority during the reporting period. (Source: Council cemetery records database) 2021/22: Target was met (Target >45,500, Result - 46,218)</i>		

CBD maintenance			
Community Outcomes	Performance Measure	Target	Result
Community, Economy, Environment	The percentage of residents satisfied with the contribution the town centre makes to the image of Whanganui	> 80 %	70 % ✗
	<i>Comment: Target was not met. Satisfaction with the CBD's contribution to the image of Whanganui remained consistent with the previous reporting period. There is little evidence to understand why this has declined – the unavailability of plants that caused delays in replanting the gardens in town may have contributed to this result, as well as vacant shops in town. (Source: Community Views Survey 2023) 2021/22: Target was not met (Target >75%, Result - 70%)</i>		
	The percentage of residents that feel safe in the CBD during the evening	> 70 %	53 % ✗

Community, Economy, Environment	<i>Comment: Target was not met. 53% of residents feel safe all or most of the time in the CBD during the evening (a decrease of 5% from the previous period). Council has continued to work with New Zealand Police and other partners as well as implementing key strategic actions, to ensure the CBD is safer at night. (Source: Community Views Survey 2023) 2021/22: Target was not met (Target >70%, Result - 58%)</i>		
Community, Environment	The percentage of residents satisfied with the standard of the presentation in the town centre	> 90 %	72 % X
	<i>Comment: Target was not met. Satisfaction with the standard of presentation in the town centre declined by 5% from the previous period. The unavailability of plants that caused delays in replanting the flower gardens may have contributed to this result. (Source: Community Views Survey 2023) 2021/22: Target was not met (Target >90%, Result - 77%)</i>		
Community, Environment	The number of complaints about the cleanliness or hygiene of public toilets reported to Council	< 12	12 ✓
	<i>Comment: Target was met. There were 12 complaints regarding cleanliness (4) or lack of toilet paper (8) recorded for the reporting period. (Source: Council CRM system) 2021/22: Target was met (Target >12, Result - 10)</i>		

Waste minimisation			
Community Outcomes	Performance Measure	Target	Result
Environment	The percentage of users of the Resource Recovery Centre that are satisfied with the overall service provided	> 95 %	99 % ✓
	<i>Comment: Target was met. Users of the Whanganui Resource Recovery Centre indicate a 99% satisfaction rate with the overall service provided. Comparisons to the previous reporting year cannot be made as a satisfaction survey was not undertaken during this period. (Source: Council CRM) 2021/22: Target was deemed not to have been met as the survey was not undertaken in this period.</i>		
Environment	Iconic events held in public parks and reserves will have an appropriate waste minimisation plan	100 %	100 % ✓
	<i>Comment: Target was met. Nine iconic events were held during the reporting year with a total attendance of 15,250 people and 51.3 cubic metres of waste diverted from landfill. (Source: Council waste minimisation team) 2021/22: Target was met (Target - 100%, Result - 100%)</i>		
Environment	The amount of product recycled through the centre each year	Maintain or improve from previous year (> 3157)	2912.97 X
	<i>Comment: Target (to maintain or improve from previous year) was not met. There was a 7.7% decrease in product recycled during the reporting period. This decrease was likely due to two main reasons, firstly the local greenwaste service provider sold their business and changed hands in 2022 and the transition to a new provider left a gap and a reduction of collection in that period. Secondly, COVID-19 resulted in most plastic processors in the country being over saturated and unable to take products for a period of time. (Source: Whanganui Resource Recovery Centre records). 2021/22: Target was not met (Target - 3974, Result - 3157)</i>		

Environment	The number of educational visits to schools on waste minimisation	> 5	12	✓
	<i>Comment: Target was met. A total of 12 schools, involving 40 classes, had educational visits for the reporting year. (Source: Whanganui Resource Recovery Centre records) 2021/22: Target was met (Target >5, Result - 9)</i>			

Pensioner housing				
Community Outcomes	Performance Measure	Target	Result	
Community	Tenants' overall satisfaction with Council's pensioner housing service	> 90 %	96.09 %	✓
	<i>Comment: Target was met and exceeded. A high level of satisfaction was reported from the annual survey with 128 responses to this question. (Source: Council pensioner housing survey 2023) 2021/22: Target was met (Target >90%, Result - 93%)</i>			
Community	The percentage of tenants who are satisfied with welfare services	> 70 %	93.97 %	✓
	<i>Comment: Target was met and exceeded. A high level of satisfaction was reported from the annual survey with 116 responses to this question. (Source: Council pensioner housing survey 2023) 2021/22: Target was met (Target >70%, Result - 80%)</i>			
Community	The percentage of pensioner housing units that are occupied	> 90 %	96.7 %	✓
	<i>Comment: Target was met. Occupancy of pensioner housing units averaged 97% over the reporting period. (Source: Council pensioner housing) 2021/22: Target was met (Target >90%, Result - 94%)</i>			

Emergency management				
Community Outcomes	Performance Measure	Target	Result	
Community	The percentage of the community indicating they are prepared to be self-sufficient for at least three days during an emergency event	> 80 %	91 %	✓
	<i>Comment: The target was met. Overall preparedness is consistent with previous years. (Source: Community Views Survey 2023) 2021/22: Target was met (Target >80%, Result - 92%)</i>			
Community	The number of community engagement meetings or community focused exercises conducted	> 20	29	✓
	<i>Comment: Target was met. National weather events experienced during the year has led to increased public interest in emergency management. (Source: Council emergency management team) 2021/22: Target was met (Target >20, Result - 62)</i>			

Community	The percentage of emergency management calls responded to within 15 minutes	100 %	100 %	✓
	<i>Comment: Target was met. Duty staff have continued to be available and respond to calls within given time parameters. (Source: Council emergency management team)</i> 2021/22: Target was met (Target - 100%, Result - 100%)			
Community	Number of EOC activations, for events or exercises, with all function desks necessary for responding to the event or exercise appropriately staffed	> 2	7	✓
	<i>Comment: Target was met. A total of seven activations of the EOC occurred with six event activations and one exercise held during the period. (Source: Council emergency management team)</i> 2021/22: Target was met (Target >2, Result - 4)			
Community	Any fault identified through monthly testing of the tsunami sirens is rectified within 10 working days and any gaps are covered by alternate means	100 %	100 %	✓
	<i>Comment: Target was met. A siren replacement programme has been underway during the reporting period however any gaps were covered by mobile sirens. (Source: Council emergency management team)</i> 2021/22: Target was met (Target - 100%, Result - 100%)			
Community	That Council's pandemic response resurgence plan is reviewed at least quarterly to maintain alignment with the Regional and National Pandemic Response Plan and the WDHB	100 %	100 %	✓
	<i>Comment: Target was met. Pandemic and resurgence plans remain aligned to the national plan with reserve stocks of PPE and testing kits available. (Source: Council emergency management team)</i> 2021/22: Target was met (Target - 100%, Result - 100%)			

Animal management				
Community Outcomes	Performance Measure	Target	Result	
Community, Economy	The percentage of known dogs that are registered	> 98 %	95 %	✗
	<i>Comment: Target was not met. During this period there were 8471 known dogs of which 8022 were registered. A proactive approach by animal management officers has produced a record number of known dogs in the reporting period, which, in turn, has created a numerical gap between the number of known dogs and those that are registered. Animal management officers continue to work on bridging that numerical gap to ensure compliance. (Source: Council property and rating database)</i> 2021/22: Target was not met (Target >97%, Result - 94%)			
Community, Economy	Percentage of responsible dog owners	> 68 %	99 %	✓
	<i>Comment: Target was met and exceeded. (Source: Council property and rating database)</i> 2021/22: Target was met (Target >65%, Result - 95%)			

Community, Economy	The percentage of the community satisfied with the animal control services provided	> 51 %	38 %	X
	<i>Comment: Target was not met. Satisfaction with animal management services reduced by 5% from the previous period. Animal Management services, as with other regulatory services, generally tend to score low satisfaction ratings due to the nature of the work and the potential for action to be taken against dog owners. (Source: Community Views Survey 2023) 2021/22: Target not met (Target >50%, Result - 43%)</i>			
Community, Economy	The percentage of Priority 1 (Urgent) call outs that are responded to within 1 hours	> 98 %	98.87 %	✓
	<i>Comment: Target was met. 727 of 737 Priority 1 callouts were responded to within one hour. Priority 1 (urgent) callouts include dog attack (bite), dog rushing, police/agency request, secured dog or wandering stock (if a state highway). (Source: Council CRM system) 2021/22: Target was met (Target >98%, Result - 98%)</i>			

Building control				
Community Outcomes	Performance Measure	Target	Result	
Community, Economy, Environment	The maintenance of building consent authority accreditation status	100 %	100 %	✓
	<i>Comment: The target was met. Accreditation was renewed in May 2022 and is still current with the next assessment due in January 2024. (Source: Council building control) 2021/22: Target was met (Target - Achieve, Result - 100%)</i>			
Community, Economy, Environment	The percentage of building consents processed within statutory timeframes	100 %	60 %	X
	<i>Comment: Target was not met. 560 of 934 building consents were processed within statutory timeframes with processing times impacted by technical resourcing constraints and high volumes of consents. Council is currently undertaking a recruitment process to identify suitably qualified people to fill the vacancies. (Source: Council property and rating database) 2021/22: Target was not met (Target - 100%, Result - 91%)</i>			
Community, Economy, Environment	The percentage of customers satisfied with the building consent services provided	> 90 %	28.6 %	X
	<i>Comment: Target was not met. A total of seven surveys were completed in the reporting period (1048 code of compliance certificates issued) with two responders indicating they were satisfied or very satisfied with the building consent services provided. Surveys are digitally forwarded along with the completed code of compliance certificates, with the recipients generally being an agent of the building owner. It is possible that this has contributed to a poor survey response. (Source: Council building consent satisfaction survey 2023) 2021/22: Target was not met (Target >90%, Result - 78%)</i>			

Environmental health			
Community Outcomes	Performance Measure	Target	Result
Community	The maintenance of Notice of Recognition pursuant to Section 135, Food Act 2014	100 %	100 % ✓
	<i>Comment: Target was met. (Source: Council Environmental Health Team) 2021/22: Target was met (Target - achieved, Result - achieved)</i>		
Community	Percentage of health licenced premises inspected at least once in the last 12 months	100 %	100 % ✓
	<i>Comment: Target was met. All premises, as legislatively required, were inspected within the period. (Source: Council property and rating database) 2021/22: Target was met (Target - 100%, Result - 100%)</i>		
Community	The percentage of Alcohol Licensing applications processed within 20 working days	100 %	79.25 % ✗
	<i>Comment: Target was not met. This result is attributable to documentation delays from external organisations and applicants. (Source: Council property and rating database) 2021/22: Target was not met (Target - 100%, Result - 66%)</i>		
Community	Percentage of alcohol licenced premises inspected at least once in the last 12 months	100 %	100 % ✓
	<i>Comment: Target was met. 200 premises were inspected and verified as legislatively required. (Source: Council property and rating database) 2021/22: Target was met (Target - 100%, Result - 100%)</i>		
Community	The percentage of excessive noise complaints investigated within 30 minutes	> 95 %	83 % ✗
	<i>Comment: Target was not met. The result is attributable to delays in assistance from external organisations. (Source: Council property and rating database) 2021/22: Target was not met (Target >95%, Result - 85%)</i>		
Community	The percentage of customers satisfied or very satisfied with the environmental health services delivered	> 70 %	0 % -
	<i>Comment: Target is deemed not to be met. No customer satisfaction responses for environmental health service were received within the period. (Source: Council environmental health satisfaction survey 2023) 2021/22: Target deemed not to have been met (Target >70%, Result - nil)</i>		

Parking services			
Community Outcomes	Performance Measure	Target	Result
Economy, Environment	The percentage of the community satisfied with the availability of on-street parking	> 55 %	53 % X
	<i>Comment: Target was not met. The percentage of the community satisfied with the availability of on-street parking remains consistent with previous reporting years. (Source: Community Views Survey 2023)</i> 2021/22: Target was met (Target >53%, Result - 55%)		

Resource management			
Community Outcomes	Performance Measure	Target	Result
Economy	The percentage of resource consents (non-notified) issued within statutory timeframes	100 %	50.4 % X
	<i>Comment: Target was not met. A total of 250 resource consents (land use) and subdivision consents were issued, with 126 approved within statutory timeframes. Compliance with statutory timeframes improved throughout the reporting year with resourcing needs having been addressed and process expertise developing. (Source: Council property and rating database)</i> 2021/22: Target was not met (Target - 100%, Result - 79%)		
Economy	The percentage of customers satisfied with planning services provided	> 90 %	0 % -
	<i>Comment: Target was not met. A customer satisfaction survey was not undertaken during the reporting period. (Source: Council resource management team)</i> 2021/22: Target was met (Target >90%, Result - 100%)		
Environment	The percentage of resource consents monitored within five years of being issued	> 85 %	23.3 % X
	<i>Comment: Target was not met. 107 of 460 consents were monitored within five years of being issued. This result is partly attributable to resourcing constraints experienced during the reporting year. A monitoring enforcement officer has since been appointed with responsibility for monitoring resource consents. (Source: Council property and rating database)</i> 2021/22: Target was not met (Target >75%, Result - 31%)		

Projects that were not completed in 2022/23

CBD maintenance: work on the town centre regeneration programme continued with a focus on the Streets for People projects in Guyton Street and the transport hub on St Hill Street. These projects will be completed in March 2024.

Kerbside recycling and food waste services were delayed and are scheduled to start by 1 July 2024 and 1 July 2025 respectively.

Older persons' housing/Pensioner housing: an independent report to review current housing stock was commissioned by Council and tabled in June 2023. Seed funding is being sought through the LTP process to establish a long-term programme in response to the findings. This will be a long-term strategic response.

Community buildings: A structural review of the Upokongaro War Memorial Hall, to be completed by the end of August 2023, will inform next steps for the hall's restoration.

Emergency management: a three-year project to upgrade the urban tsunami sirens is ongoing and has been delayed by supply chain issues and the COVID-19 pandemic. The project is currently 50% complete.

Animal management: the review of our annual dog registration process with a plan to move to a 'life-time' tag is an ongoing project. While the concept is a good one from environmental, financial and efficiency points of view we have identified that there is a need to update our backroom IT processes to be able to change – these conversations are in progress.

Building control remote inspection and assessment capability: project software has been implemented with a pilot programme currently underway when resourcing allows.

Environmental health online forms: Online applications for special on and off licences, manager certificates, and for temporary authority, have been completed. Documentation for all other license applications have been drafted and are due for finalisation.

Parking services: A review of the parking management plan is ongoing and focused on time limits, metered spaces, fees and disabled parking spaces. Review findings will inform any changes to the Parking Bylaw which is due for review by June 2024.

Environmental policy: Work has continued to be undertaken on housing capacity modelling that will inform the review of the residential chapters of the District Plan and infrastructure needs to support expected housing growth. This project will be ongoing.

Community facilities and services group

Capital expenditure

The following table shows the expenditure on capital works for the property and facilities group.

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>Cemeteries</i>					
Sundry Cemetery projects	65	15	80	30	-
<i>Animal Control</i>					
Animal Welfare Centre	80	-	80	-	-
<i>Environmental Health</i>					
Sundry Environmental Health projects	35	-	35	30	-
<i>CBD Development</i>					
Pedestrian Accessways	80	-	80	-	-
Guyton Streetscape	100	-	100	7	-
Riverfront Development landscaping Consult:	70	-	70	-	-
Sundry Town Centre projects	-	280	280	14	-
	250	280	530	21	-
	430	295	725	81	-
Capital expenditure to replace existing assets :					
<i>Cemeteries</i>					
Sealing internal roads	10	-	10	-	-
Sundry Cemetery projects	4	-	4	3	-
	14	-	14	3	-
<i>Community Buildings</i>					
Observatory	9	15	24	-	-
Repertory Theatre	-	197	197	-	-
Upokongaro Hall	250	130	380	8	-
	259	342	601	8	-
<i>CBD Development</i>					
Sundry Town Centre projects	15	15	30	29	-
	15	15	30	29	-

Activity	Annual Plan Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Emergency Management					
Tsunami Warning Sirens	25	-	25	62	-
Pensioner Housing					
Sundry Pensioner Housing projects	95	35	130	96	-
CBD Parking					
Sundry Parking Equipment eplacements	-	50	50	24	-
Building Control					
Sundry Building Control replacements	50	-	50	59	-
Resource management					
Sundry Resource management replacements	-	-	-	30	-
	458	442	900	311	-
Total Capital Expenditure for the Group	888	737	1,625	392	-

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

Animal control

None of the planned budget for the Animal Welfare Centre was spent, as the focus was on optimising the operations and no urgent upgrades were identified.

Cemeteries

Sundry cemetery projects deferred to 2023/24 with the associated budget carried over. Work on the crematorium has begun, expected to continue to 2023/24.

CBD maintenance

The majority of acquisition budget remains unspent, driven by continued planning and internal capacity constraints. Work is planned for the 2023/24 period, with the remaining budget carried over.

The planned renewal works have been completed.

Community buildings

Minor replacement work on the Upokongaro hall completed, with the balance of budget for the Ward Observatory, Whanganui Repertory Theatre and Upokongaro War Memorial Hall carried over to 2022/23.

Pensioner Housing

Capital replacement spend was slightly lower than planned, with work on renewing various units continuing in 2023/24. This is mostly driven by supplier and contractor constraints. Note the majority of work on pensioner housing units is maintenance and operational in nature, to ensure the units meet legislative standards.

CBD parking

Expenditure on smart tools for the new parking meters has been completed, at lower than budget.

Emergency Management

The Tsunami warning sirens have been installed.

Building Control

Various tools and equipment used by the Building control team for inspections have been replaced.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	294,012	299,898
Borrowings raised	77,344	0
Borrowings repaid	0	(13,778)
Interest paid	21,897	7,893
Carried forward	<u>393,253</u>	<u>294,012</u>

Community facilities and services group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	5,806	5,939	6,265	6,264
Targeted rates	451	485	451	448
Subsidies and grants for operating purposes	49	-	-	144
Fees and charges	5,060	5,319	5,453	6,043
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	973	1,176	1,144	1,314
Total operating funding (A)	12,339	12,919	13,313	14,213
Application of operating funding				
Payments to staff and suppliers	9,402	10,030	10,419	10,776
Finance costs	228	202	223	299
Internal charges and overheads applied	2,070	2,090	2,270	2,373
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	11,700	12,322	12,912	13,448
Surplus (deficit) of operating funding (A - B)	639	597	401	765
Sources of capital funding				
Subsidies and grants for capital expenditure	101	-	-	-
Development and financial contributions	-	-	-	18
Increase (decrease) in debt	(26)	(70)	336	307
Gross proceeds from asset sales	-	-	-	9
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	75	(70)	336	334
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	139	360	430	81
-to replace existing assets	575	317	457	311
Increase (decrease) in reserves	-	(150)	(150)	707
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	714	527	737	1,099
Surplus (deficit) of capital funding (C - D)	(639)	(597)	(401)	(765)
Funding balance ((A - B) + (C - D))	-	-	-	-

Transportation

Transport provides and maintains connections both within the district and beyond. It is essential for economic prosperity and social connectedness. The transportation group includes:

- Whanganui Airport – The council has a joint venture with the Crown for the provision of a provincial airport. The airport provides sealed and grass runways and passenger terminal facilities for scheduled aircraft services and for commercial and private aircraft. It also provides property and infrastructure for aircraft storage and allied aviation service businesses. In addition, commercial leases are provided for non-aeronautical commercial activities.
- Whanganui Port and Whanganui River – We manage a commercial port for shallow-draft coastal freight vessels, commercial vessels and pleasure boats. The facility also offers a safe, navigable river bar harbour and also confines the coastal portion of the Whanganui River to its existing alignment. Revitalisation plans are underway at the port and, in order to facilitate this, the council has transferred its port-related assets and operations to a Council Controlled Organisation (CCO) called Whanganui Port Limited Partnership. This CCO (which has been referred to as a Special Purpose Vehicle) will own and run the port into the future.
- Durie Hill elevator – This provides access for pedestrians and cyclists (locals, particularly schoolchildren and tourists), linking the central business district to the suburb of Durie Hill and a city lookout area. It is New Zealand’s only public underground elevator and a unique tourist attraction.

Effects on community wellbeing


These activities promote the social, economic, environmental and cultural wellbeing 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 monitor resident satisfaction with the Durie Hill elevator and assets. We also monitor the actual performance against the deliverables set out in the Statement of Intent for Whanganui Airport Joint Venture and Whanganui District Council Holdings Limited. It is noted that the following target measures may include symbology (“<” or “>”) that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP

Durie Hill elevator			
Community Outcomes	Performance Measure	Target	Result
Connectivity, Community, Environment	The percentage of users satisfied with the Durie Hill elevator experience.	> 90 %	95 % 
	<i>Comment: Target was met. Users have rated their experience with 4 or 5 stars during the reporting year. (Source: Whanganui Connection's Survey) 2021/22: Target was met (Target >90%, Result - 100%)</i>		

Projects that were not completed in 2022/23

Whanganui Airport: contract negotiations to construct a parallel taxiway and to resurface the main runway are due for completion in early August 2023. Construction will start in October 2023.

Whanganui Port and River: the contract to complete the Te Pūwaha Stage One Port civil construction works was awarded in early August 2023. Construction is to commence the end of August 2023.

Durie Hill Elevator: Using part of an innovation grant from Manatū Taonga, new signage, a plant wall and informative displays have been installed, with new lighting to be installed later in 2023. Engineering work is currently underway to design humidity and damage protection cases for projection-based displays that will use projection and light to explore Whanganui and the Durie Hill Elevator's significance in public transport, planning, infrastructure and engineering. To help prepare for this work, the tunnel has just been repainted.

Transportation group

Capital expenditure

The following table shows the expenditure on capital works for the transportation services group.

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	-	13,210	13,210	-	-
	-	13,210	13,210	-	-
Airport (half-share)					
Control Tower Restoration	-	-	-	19	-
	-	-	-	19	-
	-	13,210	13,210	19	-
Capital expenditure to replace existing assets :					
Durie Hill Elevator					
Durie Hill Elevator	23	74	97	-	-
	23	74	97	-	-
Airport (half-share)					
Runway Reseal	2,000	-	2,000	-	-
	2,000	-	2,000	-	-
	2,023	74	2,097	-	-
Total Capital Expenditure for the Group	2,023	13,284	15,307	19	-

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

Whanganui Port and Whanganui River

The Whanganui Port redevelopment project was transferred to the port operating entity in 2021/22, with the associated assets and expenditure as well. The remaining budget will be carried over to fund new entity as it proceeds with the project.

Durie Hill elevator

Replacement work on the elevator has not been required this year, with the balance of funds carried over to 2023/24 to fund planned works.

Whanganui Airport

This refers to Council's half-share of control tower restoration and runway reseal projects. Planning is near complete for the control tower, while planning for the reseal remains underway and is expected to proceed in 2023/24.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	66,098	39,980
Borrowings raised	0	24,344
Borrowings repaid	(53,873)	0
Interest paid	721	1,775
Carried forward	<u>12,946</u>	<u>66,098</u>

Transportation group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	2,250	2,245	2,757	2,757
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	60	60	60	114
Fees and charges	200	206	209	262
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	332	343	308	316
Total operating funding (A)	2,842	2,854	3,334	3,449
Application of operating funding				
Payments to staff and suppliers	1,196	1,193	1,719	1,802
Finance costs	571	523	542	171
Internal charges and overheads applied	312	302	371	388
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	2,079	2,017	2,632	2,361
Surplus (deficit) of operating funding (A - B)	763	837	702	1,088
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(512)	1,245	1,320	(1,069)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(512)	1,245	1,320	(1,069)
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	145	-	-	-
-to replace existing assets	106	2,082	2,022	19
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	251	2,082	2,022	19
Surplus (deficit) of capital funding (C - D)	(763)	(837)	(702)	(1,088)
Funding balance ((A - B) + (C - D))	-	-	-	-

Investments

The portfolio of investments provides income to support the work of the council. The Investments activity intends to enhance the development of our district and provide an acceptable financial return to the community. The activity has the following major components:

- Whanganui District Council Holdings Limited (WDCHL), which owns 100 percent of the shares in GasNet Limited, the New Zealand International Commercial Pilot Academy (NZICPA) and the Whanganui Port General Partner Limited.
- City Endowment property portfolio
- Quarry

Effects on community wellbeing

These activities promote the social, economic, environmental and cultural wellbeing 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 and report on actual performance of the council's investments managed by Whanganui District Council Holdings Limited through its Statement of Intent with the key objectives as outlined in the [Long-term Plan 2021-2031 - Amended - Volume 2](#)

We monitor our portfolio of investments to ensure it provides income to support the work of the council. It is noted that the following target measures may include symbology (" $<$ " or " $>$ ") that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

Investments			
Community Outcomes	Performance Measure	Target	Result
	The forecast net income from Council's City Endowment property portfolio	> 5 %	2.7 % X
Economy	<p><i>Comment: Target was not met. The result of the overall portfolio was largely affected by the performance of one underperforming asset with the remaining portfolio achieving a 4.8% return. The underperforming asset was a section of land in Manuka Street currently used for grazing. It represents 38.09% of the portfolio value and makes a significant loss. The level of return was also impacted by the purchase of improvements at 125 Grey Street mid-way through the year. (Source: Council financial reports)</i></p> <p><i>2021/22: Target was not met (Target >5%, Result - 2.9%)</i></p>		

Projects that were not completed in 2022/23

Whanganui District Council Holdings Limited did not pay a dividend for the 2022/23 year.

Investments group

Capital expenditure

The following table shows the expenditure on capital works for the investments group.

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 :					
Investments					
178 Ridgway Street Improvements	-	-	-	18	-
	-	-	-	18	-
	-	-	-	18	-
Capital expenditure to replace existing assets :					
Investments					
Waitahinga Quarry	10	-	-	-	-
City Endowment renewals	14	26	39	14	-
	-	-	-	-	-
	24	26	39	14	-
Total Capital Expenditure for the Group	24	26	39	32	-

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

Minor unplanned work has been completed at 178 St Hill St as part of the fit out upgrade.

None of the Harbour Endowment planned budget and part of City Endowment planned budget was spent, as most costs have been reclassified as operating expenditure or deferred to align with the Port Redevelopment Project.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	(436,113)	1,352
Borrowings raised	0	0
Borrowings repaid	(128,247)	(425,756)
Interest paid	(33,277)	(11,708)
Carried forward	<u>(597,636)</u>	<u>(436,113)</u>

Investments group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	338	268	134	135
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	636	669	699	638
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	558	573	671	980
Total operating funding (A)	1,532	1,510	1,504	1,753
Application of operating funding				
Payments to staff and suppliers	518	531	510	518
Finance costs	296	246	260	(265)
Internal charges and overheads applied	160	158	161	168
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	974	936	931	421
Surplus (deficit) of operating funding (A - B)	558	574	573	1,332
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(550)	(550)	(550)	(1,300)
Gross proceeds from asset sales	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(550)	(550)	(550)	(1,300)
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	-	-	-	-
-to replace existing assets	8	24	23	32
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	8	24	23	32
Surplus (deficit) of capital funding (C - D)	(558)	(574)	(573)	(1,332)
Funding balance ((A - B) + (C - D))	-	-	-	-

Corporate

The council's group of corporate activities provides support for its staff and elected members to work together for the benefit of our community.

Governance

Governance is delivered by the Mayor and twelve councillors (elected at large) with support from staff. The Mayor and councillors make decisions for the district through formal meetings, considering issues of policy, strategy and budget. The decision-making process is guided by the Local Government Act, with a focus on the social, economic, environmental, and cultural well-being of communities today, and into the future.

The Whanganui district's rural community is represented by the Whanganui Rural Community Board consisting of seven members from three subdivisions (Kaitoke, Whanganui and Kai Iwi), and two councillors appointed by the Council. The board makes recommendations to the council on policy and services of particular interest to the rural community.

Corporate management

These activities are the internal running of the council:

- Office of the Chief Executive
- Finance
- Strategy and policy
- Legal
- Risk management and health, safety and wellbeing
- Information management and services
- Human resources
- Communications
- Customer services

Community and operational property

The community and operational property portfolio contains property that the council holds for either a community use, such as parks, sportsgrounds, the art gallery, and the museum, or for operational use, such as the municipal building, the water reservoir site, Beach Road pump station and the water bore sites. These properties are managed to provide value to the community through their efficient use rather than an investment return. Rentals are however charged to community organisations who occupy community land or buildings. This helps with the equitable allocation of properties and these rentals are discounted by 40%-90% to encourage the tenants to maximise the value they deliver to the community.

Effects on community wellbeing

These activities promote the social, economic, environmental and cultural wellbeing of the Whanganui community now and into the future through:








The council's governance role as a steward and facilitator to realise its community goals. This includes closely aligning the decisions of the 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, monitor access to our archives services, and levels of community organisation tenant subsidies. It is noted that the following target measures may include symbology (" $<$ " or " $>$ ") that is not reflected in the LTP. Their inclusion is to provide clarity on the meaning and intent of the targets set within the LTP.

Governance			
Community Outcomes	Performance Measure	Target	Result
Community	The percentage of people who consider that the Mayor and Councillors have responded well to community needs and issues	> 50 %	33 % X
	<p><i>Comment: Target was not met. As in 2021/22, survey respondents were questioned on how well council had responded to community needs and issues. The Mayor has initiated several community korero sessions to increase the visibility of the Mayor and Councillors in the community. While this result improved slightly from last year (1% increase) there is a general trend seen across the country with decreasing satisfaction with the performance of local government. (Source: Community Views Survey 2023)</i></p> <p>2021/22: Target was not met (Target >50%, Result - 32%)</p>		
Community	The percentage of rural people who consider that the Rural Community Board has responded well to rural community needs and issues	> 40 %	11 % X
	<p><i>Comment: Target was not met. The percentage of rural people who consider that the Whanganui Rural Community Board (WRCB) has responded well to rural community needs and issues reduced by 6% from the previous year. 61% of rural respondents were not familiar or had not heard of the WRCB. (Source: Community Views Survey 2023)</i></p> <p>2021/22: Target was not met (Target >30%, Result - 17%)</p>		
Community	The percentage of Council and committee agendas made available to the public two working days before the meeting	100 %	100 % ✓
	<p><i>Comment: Target was met. All agendas were distributed in line with legislative requirements. (Source: Council governance)</i></p> <p>2021/22: Target was met (Target - 100%, Result - 100%)</p>		

Corporate management			
Community Outcomes	Performance Measure	Target	Result
Community, Economy	Overall satisfaction with experience visiting Council	> 90 %	90 % 
	<i>Comment: The target was met. Overall feedback on service and staff resulted in 90% of the 650 responses being either positive or neutral. A suggestion for a bilingual phone greeting has been incorporated by staff in the Contact Centre. (Source: Council customer service survey) 2021/22: Target was not met (Target >90%, Result - 87%)</i>		
Community, Economy	The percentage of the community rating the performance of Council staff as good or very good	> 70 %	57 % 
	<i>Comment: Target was not met. Satisfaction with the performance of Council staff increased by 18% from the last period and is likely due to a mix of factors including customer service improvements which are being made, as well as an Organisational Strategy refresh and other business improvements being made. (Source: Community Views Survey 2023) 2021/22: Target was not met (Target >65%, Result - 39%)</i>		
Community	The number of reported workplace accidents for Council employees	< 100	9 
	<i>Comment: Target was met. In total, there has been nine reported accidents where injury occurred to staff as per ACC definition since the commencement of the reporting year. (Source: Council accident and injury register) 2021/22: Target was met (Target <100, Result - 6)</i>		
Community, Economy	The percentage of users who agree that the Council website is easy to navigate and find what they are looking for	> 65 %	53 % 
	<i>Comment: Target was not met. The percentage of the community surveyed who agree that the council website is easy to navigate and find what they are looking for declined by 14%. A review of the website is underway to improve the navigation architecture, as well as trimming down menus and removing old content. (Source: Community Views Survey 2023) 2021/22: Target was met (Target >60%, Result - 67%)</i>		
Community	The documents we have audited receive an unmodified audit opinion	100 %	100 % 
	<i>Comment: Target was met. (Source: Council finance) 2021/22: Target was met (Target - 100%, Result - 100%)</i>		
Community	The percentage of archives requests responded to within 24 hours	100 %	100 % 
	<i>Comment: 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: Council archives team) 2021/22: Target was met (Target - 100%, Result - 100%)</i>		
Community	The percentage of people satisfied that they have had opportunity to have their say	> 50 %	50 % 
	<i>Comment: Target was met. (Source: Council survey monkey) 2021/22: Target was met (Target >40%, Result - 55%)</i>		

Community	The percentage of bylaws reviewed five years after they are made (and then 10 years after that)	100 %	50 %	X
	<i>Comment: Target was not met. The result can be attributed to resourcing constraints within the reporting period. Although no bylaws lapsed, several were reviewed within their 7-year timeframe, with 50% being completed within the 5-year timeframe. (Source: Council policy team) 2021/22: Target was met (Target - 100%, Result - 100%)</i>			

Community and operational property				
Community Outcomes	Performance Measure	Target	Result	
Community, Creativity	The percentage of community organisation tenants on the maximum subsidy (this means that the services they deliver provide maximum benefit to the community)	> 75 %	85.5 %	✓
	<i>Comment: Target was met. 59 of the 69 Community Organisation leases are receiving the maximum subsidy. (Source: Council property team) 2021/22: Target was met (Target >75%, Result - 82.6%)</i>			

Projects that were not completed in 2022/23

Governance: An induction programme was delivered to elected members and the development of individualised professional development plans are underway. Elected members are regularly encouraged to engage in professional development that relates to their role.

Coastal Action Plan: The completion deadline of the plan was extended to ensure it could incorporate significant announcements at the national level (such as the Climate Change Adaptation Bill) and new data on sea level rise, and to allow time for appropriate community and iwi engagement on these matters. In 2023 Council has endorsed Progress Castlecliff, through Ngā Ringaringa Waewae, to work on a community and hapū-led process to develop a consolidated vision for the Castlecliff coastline, and the coastal action plan work which is still in development.

The Parking Bylaw is a standard 5-year review and was placed on hold due to other priorities. Work commenced on this in 2023.

All other strategies due for review are currently on hold while we review our overarching strategy – The Leading Edge Strategy.

Information management: online efficiency enhancements and network improvements continue and are ongoing projects.

Community and operational property: management of the Whanganui Port project has moved from the Property and Open Spaces team to the Whanganui Port Operating Company Limited.

Corporate group

Capital expenditure

The following table shows the expenditure on capital works for the corporate group.

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>Community and Operational Buildings</i>					
Solar initiatives	1,000	-	1,000	-	-
125 Grey Street	-	-	-	1,200	-
	1,000	-	1,000	1,200	-
<i>Corporate Management</i>					
Sundry IT projects	50	-	50	-	-
<i>Governance</i>					
Youth Hub	375	-	375	-	-
	1,425	-	1,425	1,200	-
Capital expenditure to replace existing assets :					
<i>Governance</i>					
Elected members equipment	70	-	70	69	-
<i>Corporate Management</i>					
IT equipment replacement	240	-	240	287	-
Network and Storage Replacement	720	-	720	844	-
CCTV Equipment replacement	15	-	15	13	-
	975	-	975	1,144	-
<i>Community and Operational Buildings</i>					
Council Administration Buildings renewal	567	593	1,160	30	-
	567	593	1,160	30	-
	1,612	593	2,205	1,243	-
Total Capital Expenditure for the Group	3,037	593	3,630	2,443	-

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

Corporate management

The Information Technology (IT) capital expenditure during the year is slightly higher than budget, driven by cost pressure on IT equipment. The main project was the Storage Area Network, which is part of the ongoing IT infrastructure renewal programme.

Community and operational buildings

The solar initiatives project did not progress past planning phase. The council made minor updates in renovating the municipal council building in Guyton Street. Further work is planned and the unspent budget will be carried over to 2023/24 to fund additional work.

Governance

The Youth Hub budget remains unspent as the project is still being scoped. Various equipment has been purchased for the newly elected Councillors.

Internal borrowings

	2023	2022
	\$	\$
Brought forward	77,401	112,715
Borrowings raised	67,050	0
Borrowings repaid	0	(37,391)
Interest paid	8,517	2,078
Carried forward	<u>152,969</u>	<u>77,401</u>

Corporate group

Funding impact statement

For the year ended 30 June 2023

	Long Term Plan 2022 \$000	Long Term Plan 2023 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,865	4,120	4,119	4,115
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	1,260
Fees and charges	57	68	90	94
Internal charges and overheads recovered	9,524	9,731	10,425	10,897
Local authorities fuel tax, fines, infringement fees and other receipts	390	473	438	1,492
Total operating funding (A)	13,836	14,392	15,072	17,858
Application of operating funding				
Payments to staff and suppliers	12,488	12,963	13,650	14,729
Finance costs	-	28	22	205
Internal charges and overheads applied	651	676	705	734
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	13,139	13,667	14,377	15,668
Surplus (deficit) of operating funding (A - B)	697	725	695	2,190
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	273	2,282	2,432	1,664
Gross proceeds from asset sales	-	-	-	7
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	273	2,282	2,432	1,671
Application of capital funding				
Capital expenditure				
-to meet additional demand	-	-	-	-
-to improve the level of service	130	1,466	1,465	1,200
-to replace existing assets	790	1,491	1,612	1,243
Increase (decrease) in reserves	50	50	50	1,418
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	970	3,007	3,127	3,861
Surplus (deficit) of capital funding (C - D)	(697)	(725)	(695)	(2,190)
Funding balance ((A - B) + (C - D))	-	-	-	-

Council Controlled Organisations

Whanganui District Council Holdings Limited

Objectives

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

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

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

- Optimising 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 and other relevant experience which when combined provides a wide set of skills that can provide solutions to issues of inefficiency or under-utilisation of capital.

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

The three WDCHL Directors are independent from the subsidiaries' Boards. Declan Millin was, for a period of 12 months from Sept 2022, Chair of Whanganui Ports operating limited (ultimately a subsidiary of WDCHL), until the enduring Port entities' governance structure was developed.

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

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

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

Board meetings are held on a six-weekly basis and include reports from the subsidiaries with in person reporting as required. Additional meetings were held with the Mayor and council Chief Executive when required to discuss the company strategies and plans. Board papers include reports on each area under WDCHL's governance portfolio.

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

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

Performance targets

Objective	Performance metric	Outcome
1 Health & Safety		
1. Provide and maintain a safe environment for employees and persons using WDCHL facilities	<ul style="list-style-type: none"> Zero-harm workplace and facilities. Health & safety plans, training and contractual mechanisms are in place. 	<ul style="list-style-type: none"> No injury incidents reported during the year Documentation of WDCHL's health & safety system is ongoing.
2. Ensure the ongoing preparedness of the WDCHL Group to manage the threat of COVID-19 on the business operations, consumers and the community.	<ul style="list-style-type: none"> Plans are in place and businesses effectively manage the impact of COVID-19 on their operations. 	<ul style="list-style-type: none"> The WDCHL Group complied with the NZ Government's COVID-19 rules GasNet and NZICPA provided regular updates to WDCHL through their Chairs' Reports to the WDCHL Board.
2 National Simulator Centre		
3. Ensure that any renewed interest by the key stakeholders in the construction of a National Simulator Centre in Whanganui is considered.	<ul style="list-style-type: none"> Respond appropriately to any interest shown. 	<ul style="list-style-type: none"> Kānoa (formerly MBIE Provincial Growth Fund) has redeployed the capital funds previously assigned to the potential National Simulator Centre. As a case may exist in future for a regionally-based national simulator centre, WDCHL will continue to monitor any potential development opportunities.
3 NZICPA		
4. Achieve an acceptable rate of return on WDCHL's investment in NZICPA, monitor NZICPA's performance through regular reporting and take appropriate action when adverse events occur.	<ul style="list-style-type: none"> Regular reporting by NZICPA on: <ul style="list-style-type: none"> financial and operational KPI's that demonstrate achievement of objectives 	<ul style="list-style-type: none"> NZICPA Chair reported to all WDCHL Board meetings and responded to all additional information requests during the year. NZICPA's business is in recovery following the re-opening of the NZ borders to international students in the last

Objective	Performance metric	Outcome
	<ul style="list-style-type: none"> its provision and maintenance of a work environment that is safe for workers and all other persons using facilities, striving to achieve a zero-harm work place its commitment to the principle of equal employment opportunity in the recruitment, employment, training and promotion of its employees how it is meeting WDC's preference that ways to reduce the carbon footprint of its activities are explored. 	<p>quarter of the 2021/22 financial year. This has resulted in increased reporting and contact between NZICPA and WDCHL as NZICPA manages its way to profitability.</p> <ul style="list-style-type: none"> NZICPA has plans for further intakes of students in FY24 and the associated resourcing requirements.
<p>5. Provide suitable accommodation and aviation assets for NZICPA that meets its requirements and WDCHL's investment expectations.</p>	<ul style="list-style-type: none"> Review WDCHL accommodation investment position explicitly setting out investment decisions given COVID-19 impacts and the longer-term WDCHL investment strategy for NZICPA. Aircraft, hangar, and other infrastructure meets NZICPA's needs. 	<ul style="list-style-type: none"> All requirements were met during the year.
<p>4 GasNet</p>		<p>5</p>
<p>6. Achieve an acceptable rate of return on WDCHL's investment in GasNet, monitor GasNet's performance through regular reporting and take appropriate action when adverse events occur.</p>	<ul style="list-style-type: none"> Regular reporting by GasNet on: <ul style="list-style-type: none"> financial and operational KPI's that demonstrate achievement of objectives its provision and maintenance of a work environment that is safe for workers and all other persons using 	<ul style="list-style-type: none"> GasNet's Chair reported to all WDCHL Board meetings and responded to all additional information requests during the year. Total dividend payments of \$1,210,000 were paid by GasNet to WDCHL during the year.

Objective	Performance metric	Outcome
	<p>facilities, striving to achieve a zero-harm work place</p> <ul style="list-style-type: none"> its commitment to the principle of equal employment opportunity in the recruitment, employment, training and promotion of its employees how it is meeting WDC's preference that ways to reduce the carbon footprint of its activities are explored. 	
<p>7. Develop and implement a Strategic Plan to manage the impact of central and local government legislation and expected policy change in respect of climate change.</p>	<ul style="list-style-type: none"> Climate Change Strategic Plan completed, along with recommended short, medium and long-term actions and objectives. 	<ul style="list-style-type: none"> With the Government's draft Gas Transition Plan expected to be released for public consultation ahead of the general election in October 2023, this activity is now expected to be completed in FY24.
<p>6 Whanganui Port SPV's</p>		<p>7</p>
<p>8. Facilitate the formation of the Whanganui Port SPV's at the direction and under the guidance of WDC .</p>	<ul style="list-style-type: none"> Formation and implementation of the Whanganui Port SPV's. 	<ul style="list-style-type: none"> This was completed in FY23 following the appointment of inaugural directors to Port GP and Port Op Co in September 2022.
<p>8 Financial</p>		<p>9</p>
<p>9. Review the WDCHL Group's capital and governance structure to ensure it is prudent and suitable for the groups strategic path.</p>	<ul style="list-style-type: none"> Review completed and changes (if any) agreed with WDC. 	<ul style="list-style-type: none"> This was put on hold pending the outcome of the WDC-led review of its CCOs in late 2022.

Objective	Performance metric	Outcome
10. There is a shareholder expectation of a return of 6% on its paid up share investment in WDCHL.	<ul style="list-style-type: none"> Manage financial challenges within available cashflow. 	<ul style="list-style-type: none"> No Dividend payment was made during the year as the company's cashflow position and forecast did not meet the solvency criteria necessary for a dividend to be declared.
10 Other		11
11. Monitor the performance of the GasNet and NZICPA Boards of Directors.	<ul style="list-style-type: none"> Regular reporting, in person, by the Chairs of both GasNet and NZICPA at scheduled meetings of the WDCHL Board. Periodic reviews of the GasNet and NZICPA Boards and the appointed Directors by WDCHL. 	<ul style="list-style-type: none"> The Chairs of both Boards have provided reports for all scheduled WDCHL Board meetings. A formal recruitment process of Directors for GasNet and NZICPA commenced in 2022 but was put on hold pending the outcome of the WDC-led review of its CCOs in late 2022.
12. Review the remuneration of the Directors and Chair of WDCHL.	<ul style="list-style-type: none"> Remuneration review completed. 	<ul style="list-style-type: none"> This was completed in FY23 and new directors' fees applied from 1 August 2022.
13. Review the structure of the NZICPA Board and complete a review of the remuneration of the Directors and Chairs of GasNet & NZICPA.	<ul style="list-style-type: none"> Review of structure completed. Remuneration review completed. 	<ul style="list-style-type: none"> The review of the structure of the NZICPA Board is on hold as it manages its way out of the impact of COVID-19 on its business and pending the outcome of the WDC-led review of its CCOs. The remuneration review was completed in FY23 and new directors' fees applied from 1 August 2022 for both GasNet and NZICPA, although the NZICPA Board elected not to apply the increases at the time.
14. Ensure maximum safe utilisation of WDCHL-owned assets and identify opportunities to safely and appropriately	<ul style="list-style-type: none"> Acceptable commercial return on each investment property. 	<ul style="list-style-type: none"> WDCHL assets were not utilised to their maximum as NZICPA continues to recover and rebuild its business from the impact of COVID-19 and previous closure of the NZ borders to international students. NZICPA planning

Objective	Performance metric	Outcome
repurpose vacant or underutilised buildings.		for FY24 student intakes indicate WDCHL assets could be fully utilised later in FY24.
15. Undertake a comprehensive review of the WDCHL Constitution and consult with WDC as appropriate on any proposed changes.	<ul style="list-style-type: none"> Review completed and proposed amendments recommended to WDC as shareholder. 	<ul style="list-style-type: none"> Review of the WDCHL Constitution commenced in FY23 but was put on hold pending the outcome of the WDC-led review of its CCOs in late 2022.
16. Provide commercial and strategic advice to WDC on an 'as required basis'.	<ul style="list-style-type: none"> Advice provided as requested. 	<ul style="list-style-type: none"> WDCHL Directors and management met with WDC personnel on numerous occasions during the year to provide WDC with any commercial advice on reported matters or to raise any additional matters they seek advice on.

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

	Budget	Actual	Actual
	2022/23	2022/23	2021/22
Dividend paid	\$488,742*	\$0	\$500,000

*Shareholders request for a return of 6% on its paid up share investment in WDCHL ie 6% of \$8,145,700

WDCHL was unable to pay a dividend in 2022/23 due to the ongoing impact of COVID-19 on NZICPA and the financial support that was required to maintain it during its recovery.

GasNet Limited

Statement of Intent

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

The Statement of Corporate Intent (SoCI) sets out the overall intentions and objectives of the Company for the year beginning 1 July 2022.

Objectives

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

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

Activities

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

Performance targets

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

Key Performance Indicators (KPIs)

	SoCI Target 2022/23	Budget Target 2022/23	Actual 2022/23	Actual 2021/22
<u>Health and Safety</u>				
Incidents Reported (No)	5	5	11	10
Lost Time Incidents	0	0	2	1
Lost Time Rate	0	0	7.25	3
<u>Financial Performance</u>				
EBITDA (before Subvention payment)	\$2.8m	\$3.06m	\$2.83m	\$3.09m
Rate of Return (minimum)	8.10%	8.65%	8.39%	8.69%
Accumulated profits & capital reserves distributed to shareholders	\$1.0m	\$1.00m	\$1.21m	\$2.107m
<u>Network Throughput</u>				
Total Throughput	1.2 PJ	1.22 PJ	1.20 PJ	1.22 PJ
Non-Tou Throughput (PJ)	0.39 PJ	0.38 PJ	0.31 PJ	0.38 PJ
UFG (Unaccounted For Gas)	1.0%	1.0%	1.13%	1.54%
<u>Operational Financial Performance</u>				
Direct & Indirect Costs per consumer	\$315	\$199	\$226	\$237

Direct & Indirect Costs per GJ conveyed	\$2.57	\$2.17	\$2.51	\$2.06
<u>Network Reliability</u>				
<i>Planned Interruptions (Class B)</i>				
Consumer Hours Lost	580	370	184	225
	SoCI Target 2022/23	Budget Target 2022/23	Actual 2022/23	Actual 2021/22
<i>Unplanned Interruptions (Class C)</i>				
Consumer Hours Lost	80	80	58	38
<i>Unplanned Third Party Interruptions (Class I)</i>				
Consumer Hours Lost	90	40	25	75
<i>Total Interruptions</i>				
Consumer Hours Lost	750	490	267	338
Third Party Interference Damage (No)	30	25	19	21
Public Reported Gas Escapes (No)	50	50	39	29
Metering				
Total on-network (000)	10.0	10.10	10.67	10.08
Total off-network (000)	0.20	0.23	0.25	0.23

Assessment

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

The company advanced \$1,210,000 to the parent Whanganui District Council Holdings Limited as a planned dividend of \$1,000,000 and an unplanned \$210,000 as an extraordinary dividend. Year to year budget differences related to increased company financial commitments.

Health and safety performance KPI indicates that there were eleven incidents reported against a target of five. Five incidents were near miss incidents related to network incidents and not to safety as such. Of the six injury incidents, one was a groin strain, one was a re-aggravation of an old shoulder injury, one an eye irritation, one a hand laceration, one a rolled ankle and a paper cut.

The Public Safety Management system review visit was successfully completed in March this year by Telarc.

Throughput of gas in the networks was slightly lower than the previous year and slightly lower than target, and connection numbers were essentially static with new consumer connections made during the year being offset by Housing Corporation implementation of Government directive for electricity only accommodation.

The Company operated in a reduced pandemic mode for the most of 2022-23 financial year. It is GasNet's view that commercially, COVID-19 has had an insignificantly reduced impact on revenue while having increasing impacts relating to both cost of products and reduced availability of same. To potentially offset the availability impact, the Company has been buying in greater quanta for extended delivery timeframes which has introduced a further issue of storage space requirements. The Company does not see any quick fixes to inventory challenges given the global delivery chains are now undersized with airfreighting being so limited and access to raw materials being frustrated by country specific COVID-19 restrictions as well as equivalent supply chains constraints.

The company was stretched in labour resource a number of times over the year with COVID19 variants affecting mostly field workers in early 2022 and later in the year Influenza affecting office workers. An unprecedented level of sick and COVID leave was paid to employees during this year. Throughout the year the company enforced strict safety protocols through the agreed Pandemic Plan. Protocols included working from home, remote meetings, personal distancing, mask wearing, cleaning procedures and mandating initial vaccinations.

The Company views the emergent challenges from the Climate Change Commission final advice (end of May 2021) to the Government as being commercially significant. This follows because the emerging Government view appears to favour renewable electricity over natural gas. The natural gas industry has presented some ideas for the development of green gas options but these have met with muted response to date. Government support for any such transition is likely to be limited. Government has published its initial decisions on the direction forward at the end of May 2022 (originally December 2021).

Network reliability performance showed an improvement with the number of third party damage incidents but, public reported escapes are up. There has been a general reducing trend in the number of third party damage incidents. The number and duration of Interruptions is reflective of the type of work being undertaken during the year. Planned interruptions are typically related to new mains installation works of which there were few, reflective in the low hours. Unplanned interruptions are typically due to events requiring urgent works such as leak repair.

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

New Zealand International Commercial Pilot Academy Limited (NZICPA)

Description of entity's outcomes

The New Zealand International Commercial Pilot Academy (NZICPA) trains professional flight-deck crew for the global aviation industry. The business is a wholly-owned subsidiary of Whanganui District Council Holdings Limited (WDCHL). Aero Care Limited provides aircraft maintenance services for NZICPA. As a subsidiary it aligns with NZICPA Business objectives.

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 Group 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 the Tertiary Education Commission (TEC), the 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
- Category C Flight Instructor 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 Group 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 Group has completed the CAA audits for both certificates, including the Part 141 approved training organisation (ATO). The detailed and comprehensive audit was completed with no findings.
- The Group is also asignatory to the New Zealand Code of Practice for Tertiary-and-International-Learners-Code-2021..

Description and Quantification of the Entity's Outputs

Recognising the extraordinary impact that Covid-19 is having on the business, the Board has set a single financial target for 2022-23 to be as close to cash break-even as possible through the financial year. The Group made a loss of (\$685,034 from trading in the 2023 year (2022: (\$880,342)).

NZICPA also set some target success rates for each of the next three financial years:

Measure	2023 Result	2022 Result	Success rate for each of the next 3 financial years 2022-2024
CPL flight test pass rate	80%	68%	85%
CPL theory test pass rate	92%	71%	75%
Overseas Students in study or employed	Not Currently Available	Numbers not available due to delays caused by Covid-19	60%

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 the council in light of the CCO's economic value to Whanganui.

Achievement

	2019	2020	2021	2022	2023
Net Profit/(Loss)	-347,000	-387,000	-452,000	-409,000	-515,000

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 2019 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

Whanganui and Partners Limited

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

"Our mission is to lead and drive opportunity through business, education, and lifestyle.

We promote Whanganui as a destination to live, visit, work, study and invest. Our activities include supporting new and existing businesses, bringing events to Whanganui and providing the latest economic data, analysis and commentary on the Whanganui district.

We ensure visitors are informed, impressed and ready to return.

Whanganui & Partners measures their outcomes across 4 priority areas:

1. Business
2. Education & Capability
3. Brand & Marketing
4. Creative Industries & Arts

The outcomes aimed for in each priority are:

Business

A thriving business community – Our businesses and sectors are adapting, innovating, growing and operating sustainably.

Education & Capability

Our capability unlocked – Our workforce is skilled, engaged in lifelong learning and connected to opportunities.

Brand & Marketing

An aspirational brand – A distinguished, differentiated brand contributes to a strong reputation and experience, particularly for first-time visitors.

Creative Industries & Arts

A creative identity – A strong and vibrant creative sector generates employment, grows innovation and enhances Whanganui's attractiveness.

Whanganui & Partners sets out a number of outcomes for each of these priorities in their Statement of Intent these are listed below along with their status at 30 June 2023. The following tables cover the period 1 July 2022 through to 30 June 2023.

Priority: Business			
OUTCOME: A resilient business community – Our businesses and sectors are adapting, innovating, growing and operating sustainably.			
Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Statement of Service Performance
Support local enterprises and sectors to maximise economic potential Linkages to Council Strategy: EDS (1.1) (1.2) (3.4)	Drive economic	Economic initiatives defined and delivered in line with principles of Te Awa Tupua Develop an updated Business Development Case for the Whanganui Port focused on available land & the current working port(in collaboration with the Te Pūwaha partners) Business development and business attraction initiatives that are delivered in line with the Business Development Case and the aspirations of Te Pūwaha Partners	Partially Achieved
Support economic outcomes from Sarjeant Gallery Project	23 June: Supporting Sarjeant on EOI for café		Partially achieved
Identify key business	Host biennial business leader’s forum	Mid-August: Delivery in collaboration with WDC (Mayors Office), W&P, Te Manu Atatū and Business Whanganui	Not achieved
Engage regularly with key clusters to optimize retention and growth of existing businesses	2 key cluster groups operating that provide insight to W&P	Lead cluster group reengagements IT cluster group established	Achieved
Utilise Business Friendly Process to support new and growing businesses	Business Friendly Group. Engage businesses with the Business-Friendly Process and develop case studies to refine engagement and uptake of the project	1 case study completed (Papaiti Gin) 6 Business friendly group engagements	Achieved

Better use of smart approaches to drive innovation, collaboration and productivity Linkages to Council Strategy: EDS (2.7)(3.1)	Support businesses to innovate through a collaboration space	1 significant project leading to new business innovation established	Achieved
Drive uptake of IoT (Internet of Things) technology within manufacturing sector	2 workshops completed	13 April:Vaka 3D cultural prototyping workshop (13 participants) 18 May:Business Capability Data Workshop, facilitated by StatsNZ (10 participants)	Achieved
Small businesses have the support to start and grow sustainably. Linkages to Council Strategy: EDS (1.1)(1.2) (2.7) (2.8) (2.9)	Support growth and development of the business community	2 workshops or seminars completed	Achieved
Deliver the Regional Business Partners Network within Whanganui, Ruapehu and Marton	Programme delivered in line with contract KPIs	67/80 businesses engaged 1/3 Action plan peer reviewed 1/1 training workshop attended	Partially Achieved
Develop business skills and capability in start-up founders	8 business start-up workshops completed 8 businesses directly supported to start or grow	8 start-up workshops delivered 4 entrepreneur workshops delivered 8 business funded through business boost grants	Achieved
Foster a culture of entrepreneurship and capital investment within Whanganui	1 business accelerator/incubator programme completed	Innovate completed	Achieved

Grow the capability of local business mentors	Local business mentor network established	MOU with The Backhouse	Achieved
Businesses capitalise on opportunities and knowledge available through Whanganui & Partners Linkages to Council Strategy: EDS (3.2)(1.3)	Identify key businesses or industries to attract to Whanganui based on population projections	Conduct a gap analysis on Whanganui economy	Partially Achieved
Priority: Capability			
OUTCOME: Our capability amplified– Our workforce is skilled,engaged in lifelong learning and connected to opportunities.			
Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Statement of Service Performance
Education and training in Whanganui is a recognised pathway to employment. Linkages to Council Strategy: EDS (1.6)(1.7) (1.8) (3.1) (3.15) (3.16), TCR (8), DS (3)	Support the connection between people (including young people) &Whanganui businesses to create opportunities for fulfilling employment within our focus clusters	Lead the Local Skills& Talent Action Group and partner with the Regional Skills Leadership Group for 2 projects targeted at linking people (including young people) into vocational career pathways in Whanganui	Achieved
Develop a future-focuse dskills project to build capability for clusters within manufacturing, technology, education, and creative industries.	Ngā Rauru connected with Massey for Micro Credentials. Vaka workshop delivered 13th April 23. Te Rangitamiro Ki Whanganui run for year 9/10 Māori students 14th and 15th June 23.		Achieved
Partner with100% SWEET and Whanganui District Employment Training Trust (WDETT) to deliver a programme of work targeted at reducing Whanganui’s youth unemployment rate	The Work Ready Programme is delivered to Whanganui Secondary Schools and tertiary providers by 100% SWEET	100% SWEET contract signed. Mayor’s Taskforce for Jobs application successful.	Achieved

<p>Attract diverse skills, both domestic and international, into Whanganui training or workplaces</p>	<p>2 projects or programmes of work designed to support (stabilise, transform or grow)the attractiveness of education and training in Whanganui completed</p>	<p>Italian student delegation Hackathon delivered in Whanganui 31st Aug-2nd Sept22. International collateral refreshed 4 videos distributed to schools. Hongi site now live. Whanganui – Hongi NZ Nagaizumi sister city delegation visit March 2023. 2023 International student Mayoral Welcome completed5th April 23.</p>	<p>Achieved</p>
<p>Deliver on The Backhouse strategy which creates new employment, new business innovation and/or talent development</p>	<p>All projects from The Backhouse training and talent initiative delivered</p>	<p>Tech week workshop delivered 'Disruptive Technology in Business' on the 17th May23. EMBA run from The Backhouse in Aug 22.</p>	<p>Achieved</p>
<p>Strength and diversity of education/training provisions attracts local, regional, national and international students to study in Whanganui Linkages to Council Strategy: DS(2), EDS(1.9) (1.6) (2.1) (2.22) (2.23) (1.8) (1.6) (1.2)(3.17) DS(2) (3)</p>	<p>Work collaboratively with education providers to grow their offerings and diversify the way these offerings are delivered</p>	<p>The reform of vocational education& other government developments in tertiary education led and contributed to</p>	<p>Achieved</p>
<p>1 targeted project relating to the sustainability of student numbers and reputation of the New Zealand International Commercial Pilot Academy (NZICPA) delivered</p>	<p>Hongi site now live. Whanganui – Hongi NZ International collateral refreshed 4 videos distributed to schools.</p>		<p>Achieved</p>

Increase higher-level education, research and innovation opportunities oriented around our “ports”, both aero and sea, and our manufacturing and agribusiness clusters	<p>1 ongoing project that focuses on bringing new higher-level, modern education opportunities supported.</p> <p>Central government and other investment to develop pilots, programmes and opportunities with research, education, training and innovation leveraged</p>	EMBA Delivered at The Backhouse on August 22.	Achieved
<p>Capability: employment & redeployment</p> <p>Strategies that work to rebuild a resilient Whanganui workforce</p> <p>Linkages to Council Strategy: EDS, DS(2), TCR(8)</p>	<p>Work collaboratively with Regional Skills Leadership Groups, sectors, education providers and government agencies to develop programmes that assist with employment & redeployment of the Whanganui workforce post Covid-19</p> <p>Contribute to growing the Māori and wider economy, giving effect to Te Tiriti principles and supporting more Māori into employment, education and training as we secure the recovery from COVID-19 (refer to govt Māori Employment Action Plan)</p>	<p>In collaboration with partners, at least 1 programme of work that targets pathways for new employment & talent development - specifically for Whanganui people –created.</p> <p>1 - 2 project in collaboration with hapū, iwi & partners to build capability of Māori Workforce</p>	Achieved
Priority: Primary Industries			
OUTCOME: Agricultural excellence - Growing a resilient and sustainable food and fibre sector.			
Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Statement of Service Performance

<p>New opportunities in agribusiness sector to increase productivity Linkages to Council Strategy: EDS(1.1)(1.2) (2.1)(2.2) (2.3) (2.4) (2.7) (2.9) (2.12) (2.13) (3.1) (3.2) (3.3) (3.4)</p>	<p>Support and promote higher-value food and fibre initiatives</p>	<p>2 scholarships for a Rural Leaders Programme part-funded</p>	<p>Not achieved</p>
<p>2 diversification projects/conference attendances supported</p>	<p>1. Whanganui Sheep & Beef farmers growing seed pumpkin for domestic market (first year) 2. Agritourist workshop held on 3 May (23 participants).</p>		<p>Achieved</p>
<p>2 sector clusters developed</p>	<p>1. Chemistry Cluster established. 2. Craft & High-end Alcoholic Beverage Cluster established. 3. AgriTourism Cluster established</p>		<p>Achieved</p>
<p>Funding access to 1 targeted event outside Whanganui</p>	<p>Two new businesses supported to attend seed forum in Christchurch on 23 May.</p>		<p>Achieved</p>
<p>2 webinars, workshops or field days supported</p>	<p>1. Beekeeping event supported, 22 November 2022 – 35 attendees. 2. Farmer event supported, 3 November – 60 attendees</p>		<p>Achieved</p>

Agri-tech initiatives promoted	3 agri-tech webinars or workshops held	AgriTechevent – held War Memorial Centre 19 May 2023 – 20 attendees Speakers: 1. Levno – Farming data and insights 2. Farm IQ – Management tool for livestock 3. Croptide – a smartwatch for plants 4. TracMap – online mapping 5. CropX – agronomic farm management system	Partially Achieved
Funding assistance for 1 agri-tech start up or businesses	Assisted 1 agribusiness to improve operations through technology		Achieved
Primary sector workforce needs supported	1 short course or road-trip for work readiness funded	Accelerator Academy programme cohort attended in-house W&P session to learn about roles, including pathway for Primary Industries.	Achieved
Food and fibre businesses assisted	Connecting 2 businesses with export channels	1. One new beauty product ready to distribute in Europe, with ingredients sourced locally. 2. Two businesses connected to MPI to work through export regulation and food compliance requirements	Achieved
Engagement and growth of Māori whenua development supported	3 workshops in ag-hort knowledge-building held	Seminars (29 Nov 2022) 1. AgResearch 2. MPI 3. Te Atawhai O Te Ao 4. Tahuri Whenua Māori Horticulture Collective Mara Kai workshop (12 Nov 2022)	Achieved
	Improving engagement through 1 project or initiative by Māori, for Māori	Massey agribusiness student completed writing report on models for Māori agribusiness and local collectives	Achieved

Collaboration of rural product development and growth supported	3 collaborations or research projects facilitated	<ol style="list-style-type: none"> 1. Assisting manufacturer with business retention 2. Local nursery assisted to expand. 3. Gin business up and running 	Achieved
Priority: Creative Industries			
<p>OUTCOME: Distinguished by design – A strong and vibrant creative sector generates employment, grows innovation and enhances Whanganui’s attractiveness.</p>			
Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Statement of Service Performance
Creative infrastructure and business are strong, resilient and diverse Linkages to Council Strategy:A&CSP (4),W:LE (3), EDS (2.14), WDDS (2)	The Whanganui Regional Film Office (RFONZ) advocates for the region as a screen destination and supports the development of the local screen industry	Film Whanganui Directory regularly updated with new locations, crew and assets	Achieved
Productions shooting locally supported to employ and upskill locals in the screen industry	Contractor to deliver piece of work on supply chain issues and map the local economic impact of productions on Whanganui who film in adjacent regions.		Partially Achieved
Local screen sector supported to attend national training and networking events	Three local film makers supported to attend the Big Screen Symposium.		Achieved
Active participation in the RFONZ network	Attendance at RFONZ National Hui as well as attending monthly online meetings. Film Whanganui profiled in the New Zealand Film Commission’s New Zealand Look Book.		Achieved

Creative sector knowledge strengthened and gaps addressed	1 long-term targeted project supported with seed funding	Local shelving designer contracted to manufacture a flagship zone to promote Whanganui's City of Design badge.	Partially Achieved
Support NZ Glassworks with outcomes arising from Whanganui Glass Art Action Plan	The Backhouse supported to deliver capability building programme in partnership with NZ Glassworks.		Achieved
Whanganui music industry Action Plan prepared for Town Centre Regeneration	Whanganui Music Industry Action Plan completed		Achieved
Creative Sector supported with business and professional development	Networking events delivered, each attended by 40 people	<ol style="list-style-type: none"> 1. August Film Industry cluster established and first event supported (15) 2. October Victoria University Museum Studies student presentations hosted TBH (30) 3. November Film Industry cluster event supported (12) 4. April Creatives Coffee Cake Networking event (50) 5. UNESCO NZ Whanganui Jazz event supported (15) 6. May CreativeTech event supported at TBH (18) 	Partially Achieved
Targeted professional development programmes for 30 participants delivered	<ol style="list-style-type: none"> 1. July TargetedMarket Workshop with Nicola Devine of Tanker Creative (13) 2. November Fuelup for social media with Nicola Devine of Tanker Creative (30) 3. March Tips on Navigating the Music Industry with Don McGlashan (15) 4. March Creative New Zealand Arts Development Hui supported (50) 		Achieved

Be responsive to mana whenua aspirations and expectations	11 Arts Hui with hapū arts representatives delivered, resulting in active partnerships and collaboration with iwi	Now configured as separate meetings with Te Rūnanga o Tūpoho and e Rūnanga o Tamaūpoko.	
Support Māori-led arts initiatives to deliver specialist incubator programmes to 20 Māori creatives	Supported Victoria Campbell of Longspur Creative towards two waning towards establishing a Māori Designers Network (Whanganui)		
Existing creative business supported to grow	Existing businesses funded for growth through contestable Amplify funding	Amplify now expanded to a W&P- wide initiative. Creative Industries grants to five businesses in areas of glass art, bookselling, landscape design, artist and product design	Achieved
Whanganui is seen as an attractive creative destination by visitors, residents and new arrivals Linkages to Council Strategy: ACSP (2) EDS (3.13) MWV (6)	City of Design brand is promoted locally, nationally and internationally	Support City of Design launch (carry over from last year)	Achieved
Support events to deliver innovative design thinking to specialist and general audiences	Sport Whanganui City of Play urban play design programme supported Whanganui Mumu City of Design exhibition supported – flagship exhibition for City of Design Delegation from Wuhan City of Design hosted to meet local creative organisations and businesses		Achieved

Whanganui Creative Champions	Creative icons of Whanganui are celebrated nationally	Supported creative icon to present at Next Generation at New York FashionWeek. Supported presentation at the upcoming Fourth International Print Biennale2023, Yerevan, Armenia.	Achieved
Increase Whanganui's national and international reputation as a niche opera hub	Opera Week and well attended	Complete and well attended.	Achieved

Whanganui Port Limited Partnership

The Whanganui Port Limited Partnership (WPLP) is a limited partnership formed by Whanganui Port Limited (WPL) and Whanganui District Council (WDC). WDC is the limited partner of the Partnership in accordance with the Act. WPGPL will be the initial general partner of the Partnership and will act on behalf of the Partnership to carry out the Project and carry on the Business, and to otherwise manage all aspects of the Partnership's affairs. WDC will initially contribute towards the capital of the Partnership on the basis set out in agreement. WPLP is a Council Controlled Organisation (CCO) of the Whanganui District Council (WDC) as defined by section 6 of the Local Government Act 2002.

The objectives of WPLP are to manage and operate the Whanganui Port, including upgrades and developments as part of the larger Whanganui Port Infrastructure Revitalisation Project. The larger port revitalisation project has been developed in terms of both economic development for the region, as well as increasing recreational and commercial activity at the port. WPLP essentially exists to manage and operate the Whanganui Port and manage the Endowment Land in accordance with the Whanganui Harbour Act 1988. If WPLP did not exist, then it is considered that WDC would continue to perform this function. The creation of WPLP has arisen due to the requirements of the Provincial Growth Fund funding for the restoration of the port.

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 the 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 Sarjeant Gallery Te Whare o Rehua Whanganui and the interests of Whanganui's art and artists.

The 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 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.

Annual report disclosure statement

For the year ending 30 June 2023

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

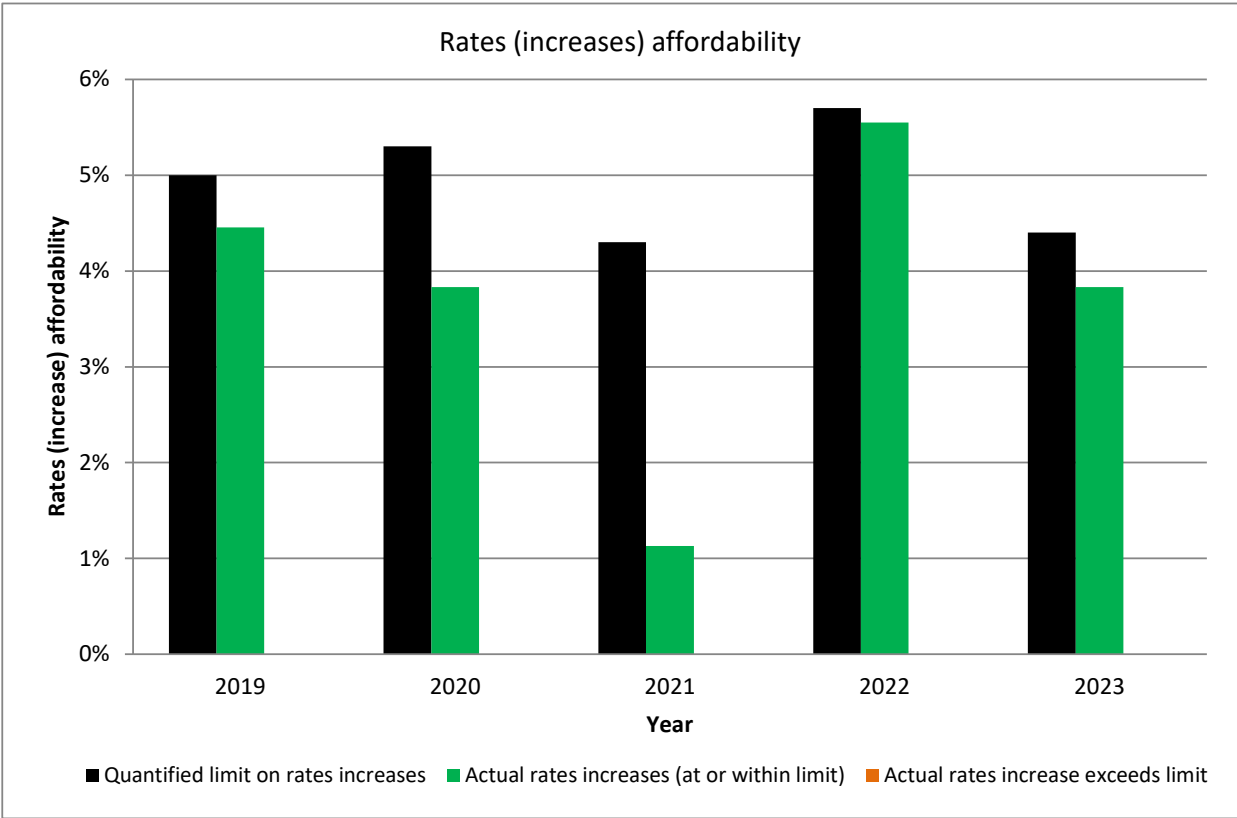
The council meets the rates affordability benchmark if—

- its actual rates increases equal or are less than each quantified limit on rates increases.

Following an amendment to the Local Government Act 2002 in 2019, the council has not included a quantified limit on rates in the financial strategy for the 10-year Budget 2021-31.

Rates (increases) affordability

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



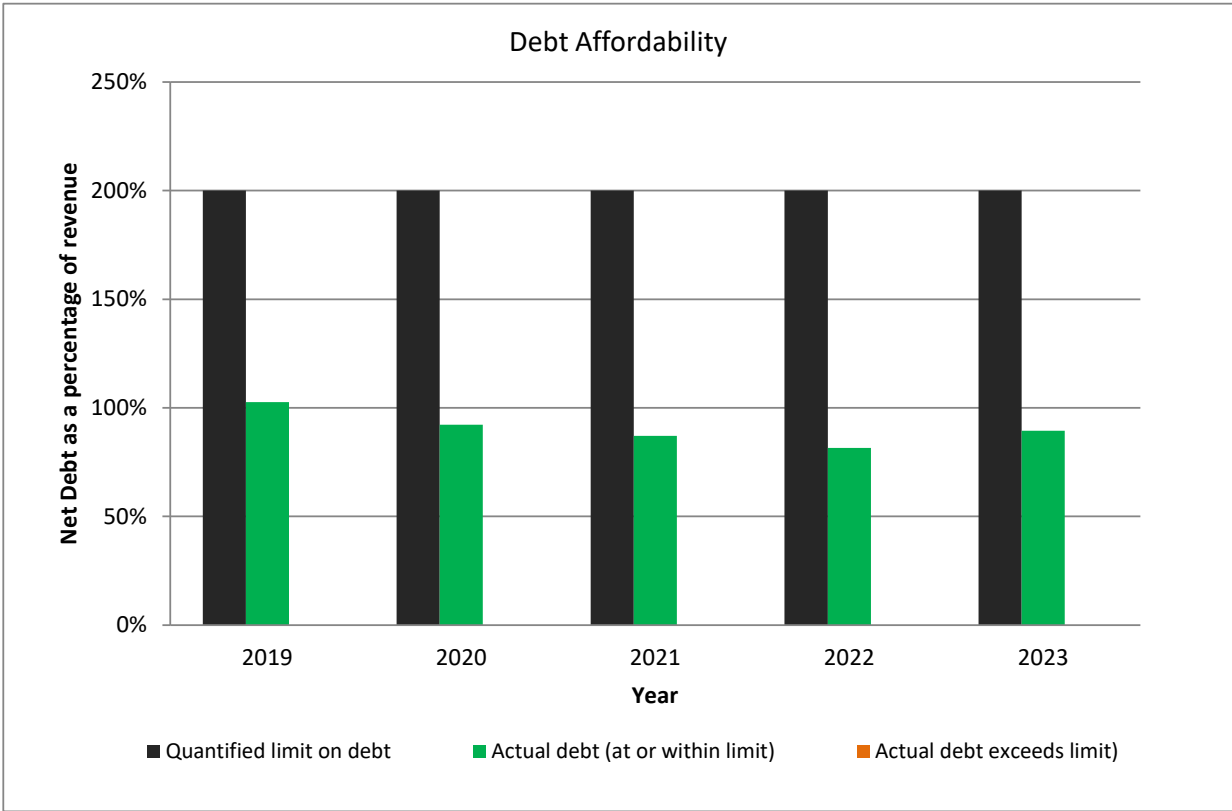
Debt affordability benchmark

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

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

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

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

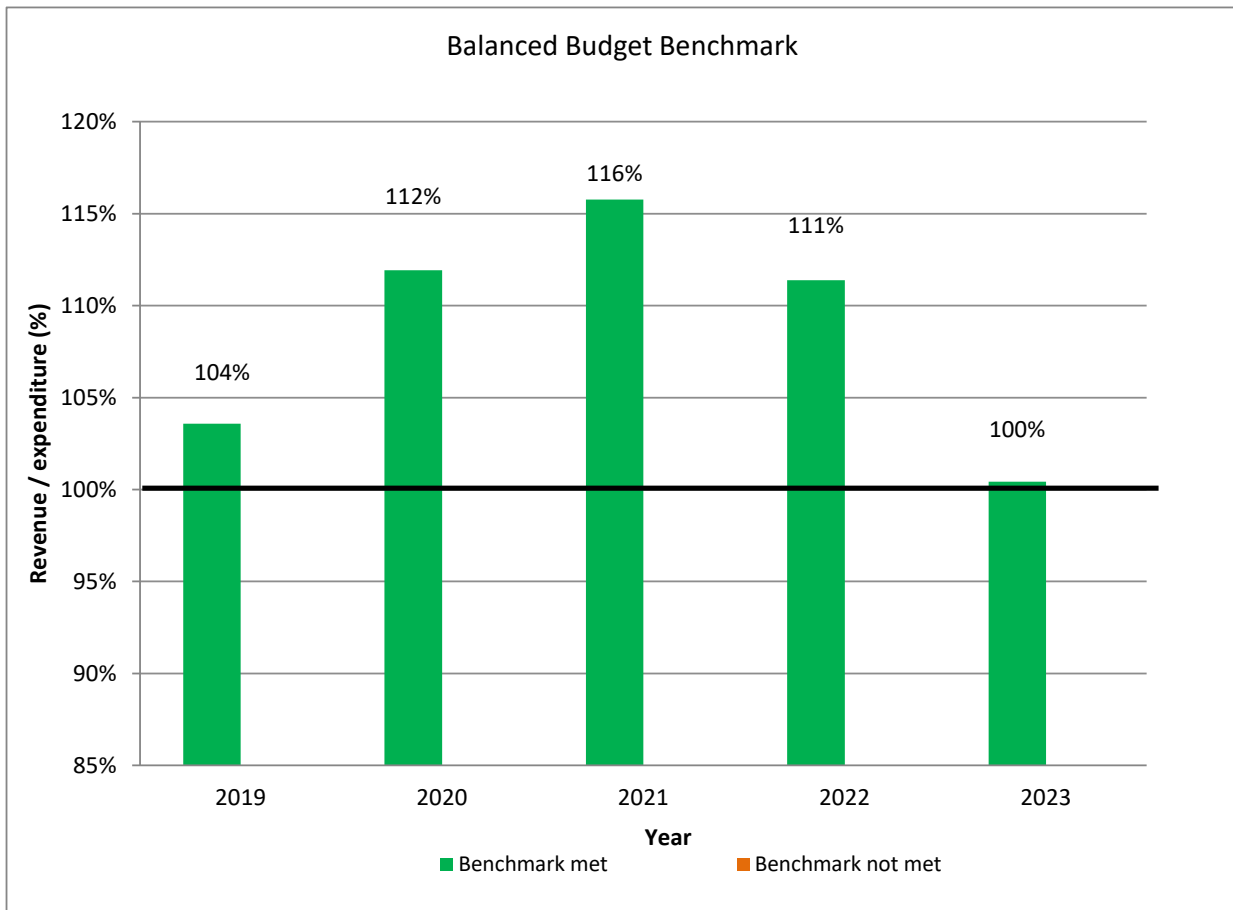


SUSTAINABILITY BENCHMARKS

Balanced budget benchmark

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

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



SUSTAINABILITY BENCHMARKS

Essential Services Benchmark

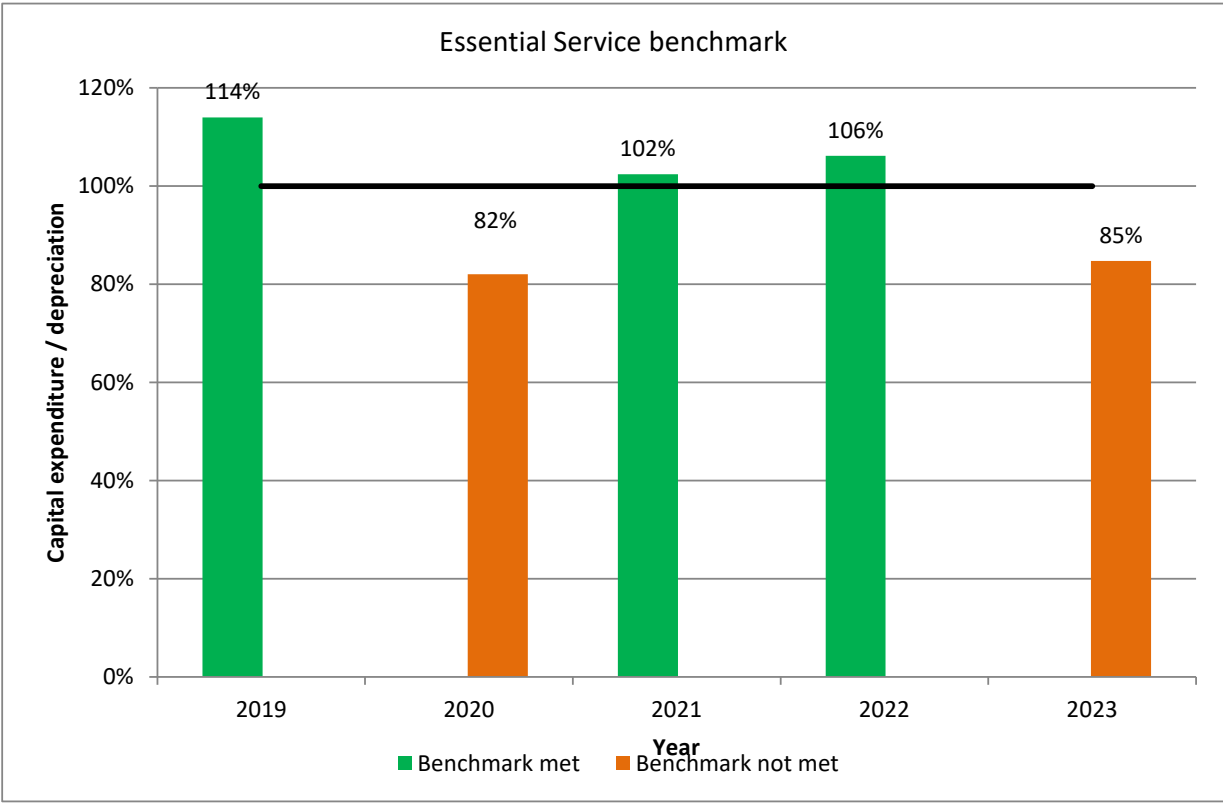
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

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

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

Council did not meet the essential services benchmark in 2022/23 due to significant increases depreciation as a result of the 2021/22 infrastructure revaluations.

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

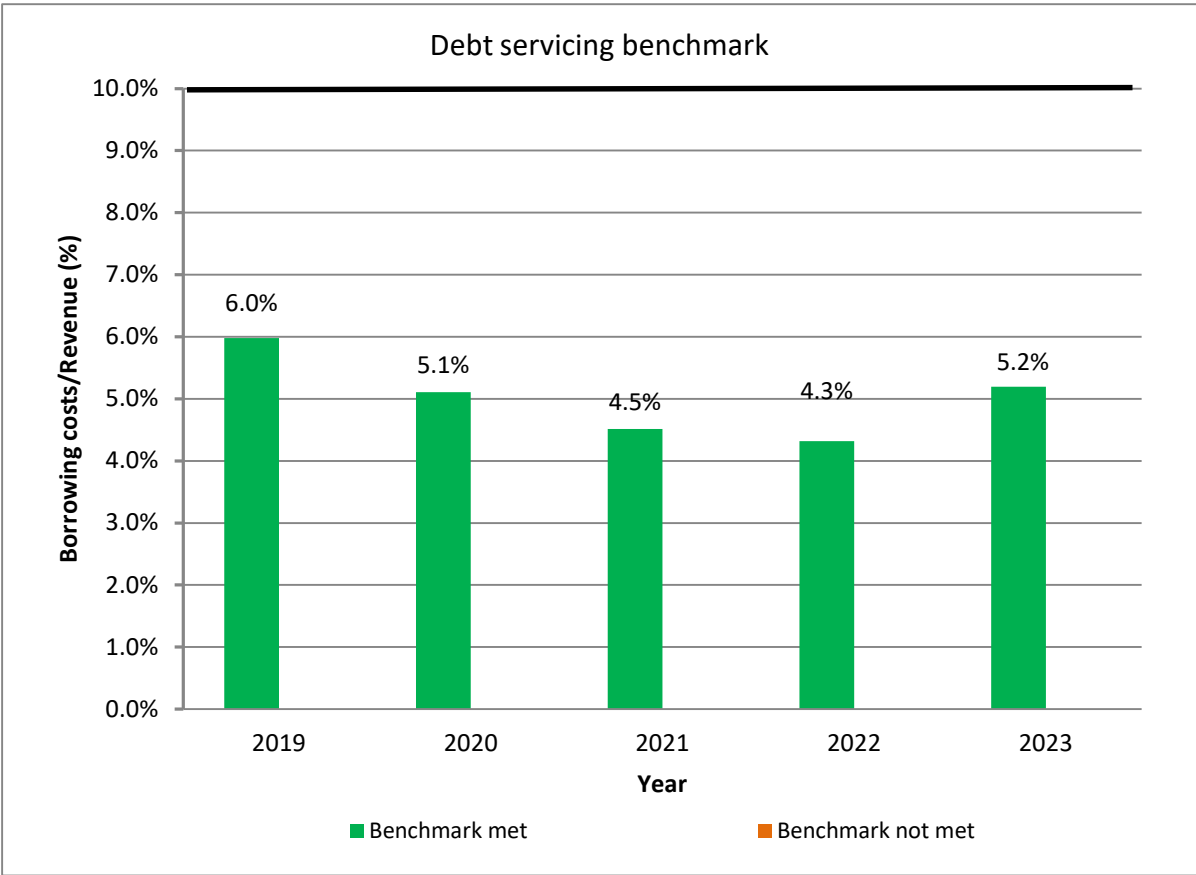


SUSTAINABILITY BENCHMARKS

Debt servicing benchmark

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

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

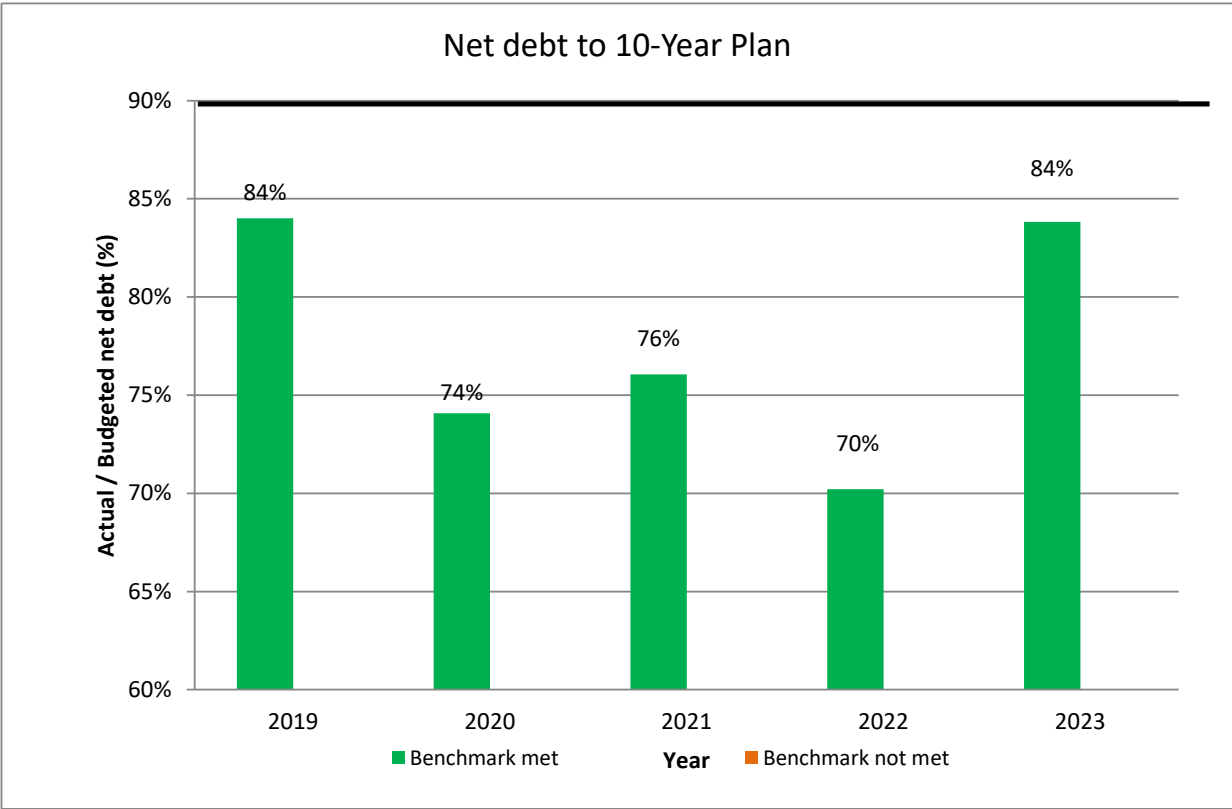


PREDICTABILITY BENCHMARKS

Debt control benchmark

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

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



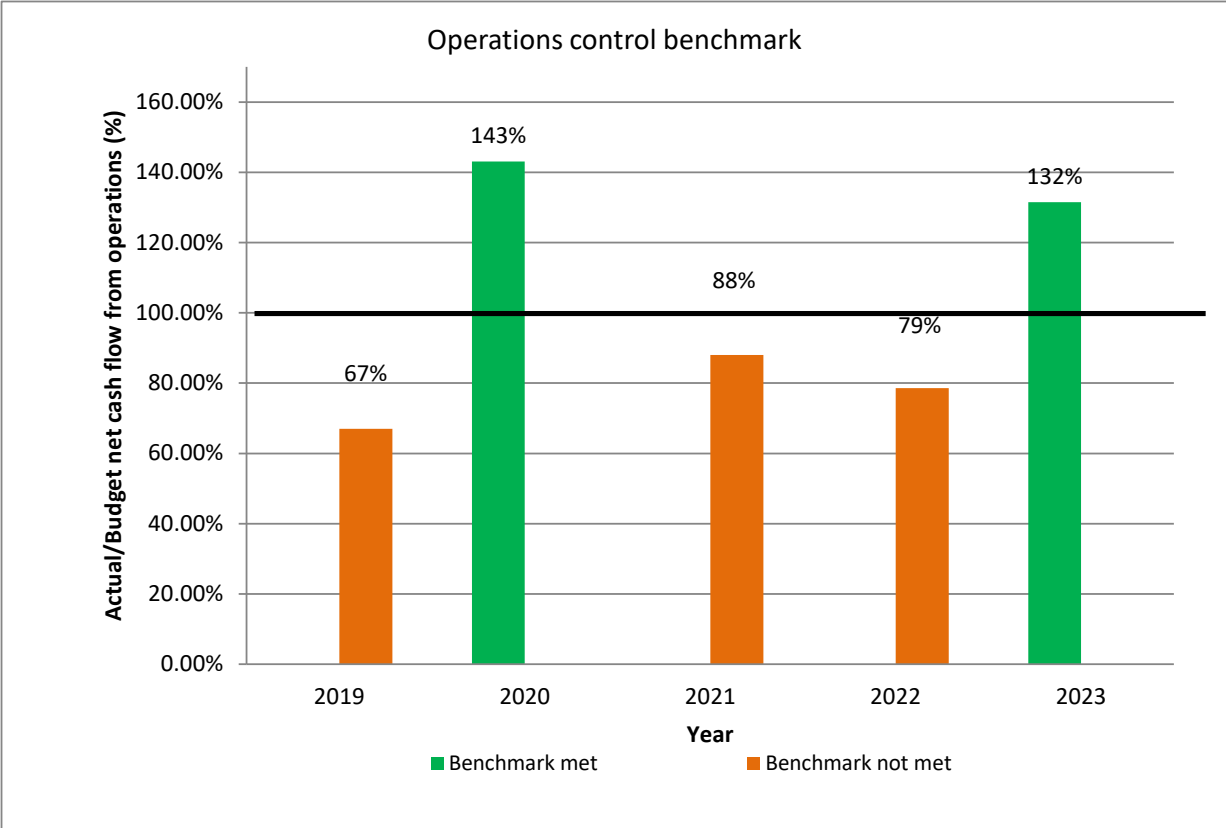
PREDICTABILITY BENCHMARKS

Operations control benchmark

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

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

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



Statement of comprehensive revenue and expense

For the year ended 30 June 2023

	Note	Council		Group		
		Budget 2023 \$000	Actual 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Actual 2022 \$000
Revenue						
Rates revenue (including metered water, trade waste and penalties) split as below:						
Rates (excluding water supply and trade waste)	1	67,563	67,507	64,655	67,507	64,655
Rates from metered water supply and trade waste	1	2,973	2,802	2,843	2,802	2,843
Total Rates		70,536	70,309	67,497	70,309	67,497
Finance revenue	2	690	1,607	396	1,216	362
Development and financial contributions		1,003	19	106	19	106
Other revenue:	3				-	-
Subsidies and grants		12,018	20,903	25,764	17,801	25,705
User fees and other revenue		11,324	17,568	18,827	27,878	26,524
Gains	4	292	2,472	8,372	8,877	13,211
Total revenue		95,863	112,878	120,962	126,100	133,406
Expenses						
Personnel costs	5	20,709	21,464	20,339	26,208	23,365
Depreciation and amortisation expense	6	22,967	26,545	23,213	29,013	25,133
Finance costs	2	4,721	5,597	4,522	6,450	5,014
Other expenses	7	46,910	53,634	52,614	55,954	50,311
Total expenses		95,307	107,240	100,689	117,624	103,823
Share of associate surplus/(deficit)		-	(5)	14	(5)	14
Surplus/(deficit) before tax		556	5,633	20,288	8,471	29,598
Income tax expense	8	-	-	25	833	(874)
Surplus/(deficit) after tax		556	5,633	20,263	7,638	30,471
Surplus/deficit attributable to:						
Whanganui District Council		556	5,633	20,263	7,638	30,471
Other comprehensive revenue and expense						
Gain/(loss) on property plant & equipment revaluations		42,137	27,867	183,166	23,988	183,166
Gain/(loss) on carbon credits revaluation		-	(1,221)	1,135	(1,221)	1,135
Financial assets at fair value through other comprehensive revenue and expense		-	(22)	53	(22)	53
Adjustments from CCO through retained earnings		-	(57)	-	(57)	(2)
Income tax re components of other comprehensive income		-	-	-	1,086	-
Total other comprehensive revenue and expense		42,137	26,567	184,354	23,774	184,352
Total comprehensive revenue and expense		42,693	32,200	204,617	31,412	214,824
Total comprehensive revenue and expense attributable to:						
Whanganui District Council		42,693	32,200	204,617	31,677	214,559
Non-controlling interest		-	-	-	(265)	265
		42,693	32,200	204,617	31,412	214,824

Explanations of major variances against budget are detailed in note 38.

Some of the long Term 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 2023

	Council		Group	Group	
	Budget	Actual	Actual	Actual	Actual
	2023	2023	2022	2023	2022
Note	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	1,043,504	1,243,749	1,039,132	1,284,257	1,067,932
Net surplus / (deficit)	556	5,633	20,263	7,638	30,471
Other comprehensive revenue and expense	42,137	26,567	184,354	23,774	184,352
Adjustments from CCO through equity	-	-	-	-	-
Total comprehensive revenue and expense for the year	42,693	32,200	204,617	31,412	214,824
Non-Controlling interest - funds introduced	-	-	-	(1,500)	1,500
Balance at 30 June	24	1,086,197	1,275,949	1,314,169	1,284,257
<i>Total comprehensive revenue and expense attributable to:</i>					
Whanganui District Council	42,693	32,200	204,617	31,677	214,559
Non-controlling interest	-	-	-	(265)	265

Explanations of major variances against budget are detailed in note 38.

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2023

	Note	Council		Group		
		Budget	Actual	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	9	7,012	14,834	8,566	21,872	18,385
Receivables	10	6,640	8,203	8,159	12,180	11,600
Other financial assets	11	-	10,728	17,440	3,358	11,460
Inventories	12	-	1	1	811	609
Non-current assets held for sale	13	-	-	1,400	-	1,400
Taxation		-	-	-	8	70
<i>Total current assets</i>		13,652	33,766	35,566	38,229	43,525
Non-current assets						
Derivative financial instruments	14	-	1,257	667	1,257	667
Investments in associates	15	-	152	157	152	157
Other financial assets	11	61,568	42,554	40,796	5,426	3,461
Property, plant and equipment	16	1,146,693	1,313,037	1,269,487	1,373,414	1,333,337
Intangible assets	17	1,901	1,804	3,065	10,033	11,256
Investment property	18	14,537	18,925	16,913	48,740	40,698
<i>Total non-current assets</i>		1,224,699	1,377,729	1,331,084	1,439,022	1,389,576
Total assets		1,238,351	1,411,495	1,366,651	1,477,251	1,433,101
Liabilities						
Current liabilities						
Payables and deferred revenue	20	10,694	15,590	11,967	20,753	16,992
Derivative financial instruments	14	-	30	179	30	205
Borrowings & other financial liabilities	21	14,000	25,250	17,500	25,276	20,509
Employee entitlements	22	2,372	2,451	2,363	2,953	2,801
Provisions	23	-	-	-	-	-
<i>Total current liabilities</i>		27,066	43,321	32,009	49,012	40,507
Non-current liabilities						
Payables and deferred revenue	20	-	-	-	-	-
Derivative financial instruments	14	2,000	25	964	25	964
Borrowings & other financial liabilities	21	122,884	92,000	89,750	108,079	101,561
Employee entitlements	22	154	152	131	152	131
Deferred tax liability	8	50	48	48	5,813	5,681
<i>Total non-current liabilities</i>		125,088	92,225	90,893	114,070	108,337
Total liabilities		152,154	135,546	122,901	163,081	148,844
Net assets		1,086,197	1,275,949	1,243,749	1,314,169	1,284,257
Equity						
Retained earnings	24	617,726	617,662	608,008	650,333	638,408
Restricted reserves		47,353	68,328	72,407	68,328	72,407
Revaluation reserves		419,466	588,362	560,495	593,911	568,837
Other reserves		1,652	1,597	2,840	1,597	2,840
<i>Total equity attributable to WDC</i>		1,086,197	1,275,949	1,243,749	1,314,169	1,282,493
<i>Non-controlling interest</i>		-	-	-	-	1,765
Total equity		1,086,197	1,275,949	1,243,749	1,314,169	1,284,257
Investments in CCOs and similar entities	36	50,327	38,117	38,139		

Explanations of major variances against budget are detailed in note 38.

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2023

	Note	Council		Group	Group
		Budget	Actual	Actual	Actual
		2023	2023	2022	2023
		\$000	\$000	\$000	\$000
Cash flows from operating activities					
Receipts from rates revenue		70,536	69,966	67,432	69,966
Interest received		185	1,127	404	1,147
Dividends received		505	505	3	5
Subvention receipt		-	-	-	(32)
Receipts from other revenue		24,127	36,198	37,330	50,326
Payments to suppliers		(47,141)	(50,814)	(50,074)	(62,348)
Payments to employees		(20,140)	(21,355)	(20,081)	(24,316)
Goods and services tax (net)		-	213	(372)	371
Interest paid		(4,721)	(5,126)	(4,402)	(5,889)
Income tax paid		-	-	-	203
<i>Net cash from operating activities</i>	25	23,351	30,714	30,241	29,433
Cash flows from investing activities					
Receipts from sale of property, plant and equipment		-	23	-	23
Purchase of property, plant and equipment		(39,027)	(40,562)	(34,267)	(42,792)
Acquisition of investments		-	(1,828)	(8,953)	(8,759)
Receipts for sale and maturity of investments		-	8,000	11,277	15,174
Purchase of intangible assets		(50)	(79)	(118)	(169)
<i>Net cash from investing activities</i>		(39,077)	(34,446)	(32,061)	(36,523)
Cash flows from financing activities					
Proceeds from borrowings		25,159	20,000	11,000	21,657
Dividends paid		-	-	-	-
Non-Controlling interest - funds introduced		-	-	-	-
Repayment of borrowings		(9,414)	(10,000)	(6,000)	(11,080)
<i>Net cash from financing activities</i>		15,745	10,000	5,000	10,577
Net (decrease)/increase in cash and cash equivalents		19	6,268	3,180	3,487
<i>Cash and cash equivalents at the beginning of the year</i>		6,993	8,566	5,386	18,385
Cash and cash equivalents at the end of the year	9	7,012	14,834	8,566	21,872

Explanations of major variances against budget are detailed in note 38.

The accompanying notes form part of these financial statements.

Funding Impact Statement for the Whole of Council

For the year ended 30 June 2023

	Annual Plan 2023 \$000	Annual Report 2023 \$000	Annual Plan 2022 \$000	Annual Report 2022 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	40,190	40,183	35,222	35,196
Targeted rates	30,346	30,126	32,506	32,301
	-	-	-	-
Subsidies and grants for operating purposes	4,941	6,705	5,277	12,547
Fees and charges	8,749	10,312	8,081	8,555
Interest and dividends from investments	690	1,607	690	396
Local authorities fuel tax, fines, infringement fees and other receipts	2,558	4,693	2,437	2,708
Total operating funding (A)	87,474	93,626	84,213	91,703
Application of operating funding				
Payments to staff and suppliers	67,619	75,097	62,533	65,795
Finance costs	4,720	5,597	4,903	4,522
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	72,339	80,694	67,436	70,317
Surplus (deficit) of operating funding (A - B)	15,135	12,932	16,777	21,386
Sources of capital funding				
Subsidies and grants for capital expenditure	7,066	10,876	20,436	12,398
Development and financial contributions	1,003	19	1,248	106
Increase (decrease) in debt	15,745	10,000	(206)	5,000
Gross proceeds from asset sales	-	23	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	29	3,200	29	578
Total sources of capital funding (C)	23,843	24,118	21,507	18,082
Application of capital funding				
Capital expenditure				
-to meet additional demand	3,155	508	2,950	1,842
-to improve the level of service	12,217	24,426	21,424	21,510
-to replace existing assets	23,705	15,809	13,860	10,930
Increase (decrease) in reserves	(100)	(3,694)	50	5,187
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	38,977	37,049	38,284	39,468
Surplus (deficit) of capital funding (C - D)	(15,134)	(12,931)	(16,777)	(21,386)
Funding balance ((A - B) + (C - D))	-	-	-	-

Explanations of major variances against budget are detailed in note 38.

Statement of accounting policies

For the year ended 30 June 2023

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 (the council) and its subsidiaries, Whanganui and Partners Limited (100% owned), Whanganui Port Limited Partnership (95% owned), Whanganui District Council Holdings Limited (100% owned) which in turn owns 100% of GasNet Limited and the New Zealand International Commercial Pilot Academy (NZICPA), and Whanganui Airport Joint Venture (50%). Its 49% equity share of New Zealand Masters Games Limited, its 15% interest in the Manawatu Wanganui LASS Limited and its 33% interest in the Whanganui River Enhancement Trust are equity accounted. All WDC subsidiaries and associates are domiciled in New Zealand.

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

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

The financial statements of the council are for the year ended 30 June 2023. The financial statements were authorised for issue by the council on 31 October 2023.

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 and service performance information of the council 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 the council is New Zealand dollars.

Standards adopted

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. The group has adopted PBE IPSAS 41 Financial Instruments, and the adoption did not result in any significant impact on the group financial statements

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Council has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

Standards issued and not yet effective and not early adopted

There are no standards issued and not yet effective and not early adopted

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

The council consolidates as subsidiaries in the group financial statements all entities where the council 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 the council 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 the council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the council'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 the council's own "parent entity" financial statements.

Associates

The council accounts for investments in associates in the group financial statements using the equity method. An associate is an entity over which the council has significant influence and that is neither a subsidiary nor an interest

in a joint venture of the council. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the council's share of the surplus or deficit of the associate after the date of acquisition. The council's share of the surplus or deficit of the associate is recognised in the council's statement of comprehensive income. Distributions received from an associate reduce the carrying amount of the investment.

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

Where the council transacts with an associate, surplus or deficits are eliminated to the extent of the council'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 the council'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, the council 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 the 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 the 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 the 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

The council receives central government grants from Waka Kotahi NZ Transport Agency which subsidises part of the council'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 the council 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 two-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 contributions are recognised as revenue when the council provides, or is able to provide, the service for which the contribution was charged. Otherwise development 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 the council 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 council'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, the council 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 the council 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

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

The ECL rates for other receivables are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant. There have been no changes since 1 July 2022 in the estimation techniques or significant assumptions in measuring the loss allowance.

Other Financial Assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group’s management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category are the Council and group's listed bonds.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council and group has no instruments in this category

Expected credit loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue

cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Derivative financial instruments

The council uses derivative financial instruments to manage exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the council 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.

GasNet Limited 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.

The council 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.

The council 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 the council and the cost of the item can be measured reliably.

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

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

Derecognition and disposals

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

Subsequent costs

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

Depreciation

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

Asset type	Useful life	Depreciation rate
-------------------	--------------------	--------------------------

Land (including Restricted properties)		Not a Depreciable item
Buildings and leasehold improvements (including Restricted properties)	5 to 50 years	2-20%
Plant, vehicles and equipment	3 to 20 years	5-33%
Furniture & Fittings	5 to 10 years	10-20%
Library books	10 years	10%
Art Works		Not a Depreciable item
<i>Infrastructural assets</i>		
Roading network		Weighted average 3.6%
Pavement	4-18 years	
Basecourse	80-100 years	
Formation and berm		Not a Depreciable item
Footpaths	8-50 years	
Bridges & large culverts	100 years	
Kerb and channel	20-100 years	
Retaining Walls	50-100 years	
Street lighting	15-50 years	
Culverts	80 years	
Traffic signals and under road assets	5-50 years	
Wastewater system	20 to 120 years	2.5%
Storm water system	20 to 120 years	1.7%
Water system	9 to 100 years	2.6%
Gas distribution network mains and services	7 to 100 years	1% - 15%
Gas distribution network condition renewals	50 years	2%
Gas measurement systems and distribution network customer stations	10 to 100 years	1% - 10%
Airport runway	10 years	10%

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

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the council'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 the council, 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, the council 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 the council 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 the council 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.

The council 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 the council anticipates it will be used by staff to cover those future absences.

The council 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
- 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 the council 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 the council.

Restricted reserves are those subject to specific conditions accepted as binding by the council and which may not be revised by the council 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.

The council's objectives, policies and processes for managing capital are described in note 37.

Goods and Services 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, Inland Revenue – Te Tari Taake (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from 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 2022-23 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the council for the preparation of the financial statements.

Cost allocation

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

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that 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 Waka Kotahi NZ Transport Agency subsidies.

Critical accounting estimates and assumptions

In preparing these financial statements the council 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:

Council 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 the 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 the council could be over- or under-estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk, the council's infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructure 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 council's asset management planning activities, which gives the council further assurance over its useful life estimates.

Valuations of infrastructural assets are performed externally by experienced independent experts.

GasNet Limited infrastructural assets

At each balance date GasNet Limited 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 GasNet Limited to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by GasNet Limited, and expected disposal proceeds from the sale of the asset.

An incorrect estimate of the useful life or residual value will affect 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. GasNet Limited 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 programmes
- review of second-hand market prices for similar assets
- analysis of prior assets sales
- completing a revaluation of the infrastructure assets every third year.

GASNET LIMITED has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying the council's accounting policies

Management has exercised the following critical judgements in applying the council's accounting policies for the period ended 30 June 2023.

Classification of property

The council owns a number of properties, which are maintained primarily to provide housing to older persons. 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 on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. The council 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 2023

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
CBD rate	448	448	448	448
General rate	40,240	35,239	40,240	35,239
Roading and footpath rates	7,832	7,937	7,832	7,937
Stormwater rate	4,443	5,168	4,443	5,168
Wastewater rate	7,738	7,837	7,738	7,837
Water charge (excluding metered water)	3,910	4,369	3,910	4,369
Storm damage rate	-	-	-	-
Roading Resilience rate	884	875	884	875
Fire capacity rate	978	1,102	978	1,102
Debt retirement rate	-	625	-	625
Earthquake strengthening rate	928	922	928	922
Exotic forestry rate	135	135	135	135
Rates Penalties	356	304	356	304
Rates discounts	(313)	(298)	(313)	(298)
Rates remissions	(72)	(9)	(72)	(9)
Total rates revenue (excluding metered water and trade waste)	67,507	64,655	67,507	64,655
Tradewaste fees	1,553	1,503	1,553	1,503
Metered water supply charges	1,249	1,340	1,249	1,340
Total rates revenue (including metered water and trade waste)	70,309	67,497	70,309	67,497

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$1.5M (2022 \$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 2022)	21,864	10,053,342	4,363,203
Last year (i.e. 30 June 2021)	21,705	9,969,146	4,342,839

Notes to the financial statements

For the year ended 30 June 2023

2. Finance revenue and finance costs

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Finance revenue				
Interest revenue:				
- money market and term deposits	689	252	774	265
- related party loans	337	123	-	-
- other	76	18	437	94
Subvention receipt	-	-	-	-
Dividend revenue	505	3	5	3
Total finance revenue	1,607	396	1,216	362
Finance costs				
Interest expense:				
- interest on borrowings and swaps	5,597	4,522	6,450	5,014
- interest on finance leases	-	-	-	-
Total finance costs	5,597	4,522	6,450	5,014
Net finance costs	3,990	4,126	5,234	4,652

3. Other revenue

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Subsidies and Grants				
Waka Kotahi (New Zealand Transport Agency) subsidies	10,345	8,414	10,345	8,414
Gallery Redevelopment project	3,200	-	676	-
Three water grants (DIA)	890	4,510	890	4,510
Provincial Growth Fund (MBIE)	1,500	8,500	1,500	8,500
Ministry for Culture and Heritage	3,000	-	3,000	-
Three water transition (DIA)	459	-	459	-
Better off Funding (DIA)	598	-	598	-
Other grants	911	4,340	333	4,281
Subsidies and grants Total	20,903	25,764	17,801	25,705
User fees and other revenue				
Other user charges	3,094	1,811	6,167	2,052
Regulatory revenue	3,338	2,737	3,338	2,737
Rental from investment properties	584	587	584	1,370
Rental from other properties	2,980	2,998	2,980	2,998
Infringements and fines	483	300	483	300
Rendering of services	695	104	695	104
Petrol tax	308	322	309	322
Trade waste user fees	1,106	1,014	1,106	1,014
Vested assets	2,662	5,457	2,662	5,457
Property, plant and equipment gain on disposal	23	2,348	23	68
Other (includes trading revenue from GasNet Limited)	2,295	1,148	9,531	10,101
Total User fees and other revenue	17,568	18,827	27,878	26,524
Total other revenue	38,471	44,591	45,679	52,229

There are no unfulfilled conditions and other contingencies attached to Waka Kotahi NZ Transport Agency subsidies or any government grant recognised (2022 nil).

Notes to the financial statements

For the year ended 30 June 2023

4. Gains

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Non-financial instruments				
Investment property revaluation gains/(losses) (note 18)	794	1,387	4,783	6,008
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)	-	-	2,416	218
<i>Total non-financial instruments gains</i>	794	1,387	7,199	6,226
Financial instruments				
Gains/(losses) on derivative financial instruments	1,678	6,985	1,678	6,985
<i>Total financial instruments gains</i>	1,678	6,985	1,678	6,985
Total gains	2,472	8,372	8,877	13,211

5. Personnel costs

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Salaries and wages	20,897	19,502	25,566	22,461
Employer contributions to defined contribution plans	629	656	722	722
Increase/(decrease) in employee entitlements/liabilities	(62)	181	(80)	181
Total personnel costs	21,464	20,339	26,208	23,365

Council received employment subsidies of \$176,718 (2022 \$354,996)

Notes to the financial statements

For the year ended 30 June 2023

6. Depreciation and amortisation expense by group of activity

	Council	
	2023	2022
	\$000	\$000
Water supply	2,831	2,148
Stormwater drainage	3,125	1,945
Sewerage and the treatment and disposal of sewage	4,186	3,922
Provision of roads and footpaths	11,202	10,105
Parks and recreation	1,314	1,266
Community and cultural	1,332	1,297
Economic development	7	18
Community facilities and services	1,594	1,485
Transportation	15	156
Investments	3	1
Corporate	936	871
Total depreciation and amortisation expense	26,545	23,213

7. Other expenses

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Fees to auditors:				
- Audit New Zealand for financial statement audit	253	198	426	310
- Audit New Zealand for 10-Year Plan audit & Consultation Document	-	15	-	15
- Audit New Zealand for audit related fees for disclosure regulations	-	-	55	61
- Audit New Zealand for audit related fees for Debenture Trust Deed	4	4	-	-
- Audit New Zealand for joint venture financial statement audit	16	10	16	10
- Road Alliance Contract - Brian Smith Advisory Services	11	10	11	10
- Other financial auditors	-	-	-	12
Donations	4	1	4	1
General grants	1,045	995	1,040	1,099
Contractors	24,205	19,253	24,277	19,332
Maintenance	2,876	3,701	3,130	3,906
Electricity	3,627	2,648	3,627	2,650
Planned maintenance	2,499	2,309	2,499	2,309
Insurance premiums	2,622	1,977	2,858	2,269
Directors' fees	-	-	126	113
Consultancy	3,053	2,755	3,165	2,755
Legal fees	465	392	529	392
Rates Expense	1,731	1,779	1,910	1,780
Property, plant and equipment losses on disposal	-	6,705	-	-
Losses from derivative financial instruments	-	-	(26)	(139)
Impairment of receivables (note 10)	56	114	56	114
Minimum lease payments under operating leases	39	43	275	263
Other operating expenses	11,128	9,703	11,976	13,046
Total other expenses	53,634	52,614	55,954	50,311

Notes to the financial statements

For the year ended 30 June 2023

8. Tax

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Components of tax expense				
Current tax expense	-	-	519	585
Deferred tax expense		25	1,218	(816)
Prior year adjustment	-	-	(904)	(642)
Income tax expense		25	833	(874)
impairment of receivables (note 10)				
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	5,633	20,288	8,471	29,598
Tax at 28%	1,577	5,681	2,372	8,287
Non-deductible expenditure	(1,667)	(6,273)	(3,810)	(9,639)
Loss not recognised	91	618	-	-
Prior year adjustment to deferred tax	-	-	522	(623)
Deferred tax adjustment	-	-	1,749	1,101
Total tax expense		25	833	(874)

Council

Council has not recognised a deferred tax asset in relation to tax losses of \$1,244,000 (2022 \$376,000). However, the tax income has been recognised at group level.

Deferred tax liability

	Property, plant and equipment	Financial instruments	Tax losses	Employee entitlements	Total
	\$000	\$000	\$000	\$000	\$000
Council					
Balance 30 June 2021	612	-	(525)	(68)	23
Charged to profit and loss	25	-	-	-	25
Charged to equity	-	-	-	-	-
Balance 30 June 2022	637	-	(525)	(68)	48
Charged to profit and loss	(1)	-	-	-	(1)
Charged to equity	-	-	-	-	-
Balance 30 June 2023	636	-	(525)	(68)	48
Group					
Balance 30 June 2021	8,011	(53)	(1,174)	(193)	6,596
Charge/(credit) to revenue	343	38	(1,197)	-	(816)
Charge/(credit) to equity	(99)	-	-	-	(99)
Balance 30 June 2022	8,256	(16)	(2,371)	(193)	5,681
Charged to profit and loss	436	2	780	-	1,218
Charged to equity	(1,086)	-	-	-	(1,086)
Balance 30 June 2023	7,606	(14)	(1,591)	(193)	5,813

Notes to the financial statements

For the year ended 30 June 2023

9. Cash and cash equivalents

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash at bank and on hand	14,834	8,566	21,872	18,385
Term deposits with maturities less than 3 months at acquisition	-	-	-	-
Total cash and cash equivalents	14,834	8,566	21,872	18,385

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 (2022 \$nil).

10. Receivables

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Rates receivables	4,341	3,922	4,341	3,942
Other receivables:				
- related party receivables	-	-	-	-
- New Zealand Transport Agency subsidies	-	124	-	124
- interest receivable	-	25	-	25
- other	5,116	5,444	9,093	8,865
Gross Receivables	9,457	9,515	13,434	12,956
Allowance for credit losses	(1,254)	(1,356)	(1,254)	(1,356)
Total Receivables	8,203	8,159	12,180	11,600
<i>Total receivables comprise:</i>				
Receivables from exchange transactions	972	846	4,763	4,100
Receivables from non exchange transactions	7,231	7,313	7,417	7,500
Gross Receivables	8,203	8,159	12,180	11,600

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.

Notes to the financial statements

For the year ended 30 June 2023

The ageing profile of receivables as at 30 June 2023 and 2022 are detailed below:

	2023			Net \$000
	Gross \$000	Expected loss rate %	Expected credit loss \$000	
Council				
Not past due	4,598	0.00%	-	4,598
Past due 1-60 days	207	1.53%	(3)	204
Past due 61-120 days	199	0.00%	-	199
Past due > 120 days	4,453	28.09%	(1,251)	3,202
Total	9,457		(1,254)	8,203

	2022			Net \$000
	Gross \$000	Expected loss rate %	Expected credit loss \$000	
Council				
Not past due	5,063	0.00%	-	5,063
Past due 1-60 days	301	1.38%	(4)	297
Past due 61-120 days	38	0.00%	-	38
Past due > 120 days	4,113	32.87%	(1,352)	2,761
Total	9,515		(1,356)	8,159

	2023			Net \$000
	Gross \$000	Expected loss rate %	Expected credit loss \$000	
Group				
Not past due	7,769	0.00%	-	7,769
Past due 1-60 days	632	0.50%	(3)	629
Past due 61-120 days	201	0.00%	-	201
Past due > 120 days	4,832	25.89%	(1,251)	3,581
Total	13,434		(1,254)	12,180

	2022			Net \$000
	Gross \$000	Expected loss rate %	Expected credit loss \$000	
Group				
Not past due	8,110	0.00%	-	8,110
Past due 1-60 days	312	1.34%	(4)	308
Past due 61-120 days	38	0.00%	-	38
Past due > 120 days	4,496	30.07%	(1,352)	3,144
Total	12,956		(1,356)	11,600

Notes to the financial statements

For the year ended 30 June 2023

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

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
At 1 July	1,356	1,505	1,356	1,513
Additional provisions made during the year	177	271	(102)	(149)
Provisions reversed during the year	-	-	-	-
Receivables written-off during period	(279)	(420)	-	(8)
At 30 June	1,254	1,356	1,254	1,356

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

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 totalling \$0 in 2023 (2022 \$0)

Notes to the financial statements

For the year ended 30 June 2023

11. Other financial assets

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current portion				
Loans to subsidiaries and associates	10,728	9,440	425	78
Term deposits with maturities greater than 3 months at acquisition	-	8,000	2,933	11,382
<i>Total current portion</i>	10,728	17,440	3,358	11,460
Non-current portion				
Community loans	2,182	793	2,182	793
Loans to subsidiaries and associates	-	-	-	-
Government Indexed Bonds	-	-	-	-
NZ Local Government Funding Agency borrower notes	2,306	1,916	2,306	1,916
Unlisted shares in NZ Local Government Insurance Corporation Limited	262	288	262	288
Unlisted shares in NZ Local Government Funding Agency Limited	469	465	469	465
Sarjeant Gallery (Craigs Investment Partners & Term Deposits)	-	-	207	-
Shares in subsidiary (at cost - WDCHL)	8,146	8,146	-	-
Units in Whanganui Port Limited Partnership	29,189	29,189	-	-
<i>Total non-current portion</i>	42,554	40,796	5,426	3,461
Total other financial assets	53,282	58,236	8,784	14,921

Fair value

Community loans

The fair value of community loans is their carrying value of \$2,182,499 (2022 \$802,500), which is carried at face value. The terms of the loans may be discretionary as a result of a Council decision.

Loans to related parties

The fair value of loans to related parties is their carrying value of \$10,728,370 (2022 \$9,0160,023).

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 2023.

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 2023

12. Inventories

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
<i>Held for distribution/Commercial inventories</i>				
Inventory	1	1	18	15
Network	-	-	793	594
Total inventories	1	1	811	609

Network Inventories are pledged as security for liabilities 2023 \$685,000 (2022 \$605,000). There has been no write-down of commercial inventories to net realisable value (2022 \$nil).

13. Non-current assets held for sale

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Land	-	1,385	-	1,385
Buildings	-	15	-	15
Forestry Assets	-	-	-	-
Port Assets	-	-	-	-
Total non-current assets held for sale	-	1,400	-	1,400

14. Derivative financial instruments

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
Non-current asset portion				
Interest rate swaps - cash flow hedges	1,257	667	1,257	667
Total derivative financial instrument assets	1,257	667	1,257	667
Current liability portion				
Interest rate swaps - cash flow hedges	30	179	30	205
Non-current liability portion				
Interest rate swaps - cash flow hedges	25	964	25	964
Total derivative financial instrument liabilities	55	1,143	55	1,169

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 \$70,000,000 (2022 \$83,000,000) and for the WDC group were \$72,000,000 (2022 \$85,000,000). At 30 June 2023 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 2023

15. Investments in associates

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Whanganui River Enhancement Charitable Trust (WRET)	70	81	70	81
New Zealand Masters Games Limited (NZMGL)	30	25	30	25
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	52	52	52	52
Total investments in associates	152	157	152	157

Summarised financial information of associate entities

	WRET	
	2023 \$000	2022 \$000
Assets	454	426
Liabilities	242	181
Revenues	176	151
Surplus/(deficit)	(33)	32
Group's interest	33%	33%

	NZMGL	
	2023 \$000	2022 \$000
Assets	62	49
Liabilities	5	1
Revenues	39	
Surplus/(deficit)	8	(13)
Group's interest	49%	49%

	MW LASS	
	2023 \$000	2022 \$000
Assets	696	696
Liabilities	336	336
Revenues	1,652	1,652
Surplus/(deficit)	103	103
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 2023

16. Property, plant and equipment

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

Council 2023	Cost/ revaluation 30/6/2022	Accumulated depreciation and impairment charges 30/6/2022	Carrying amount 30/6/2022	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 30/6/2023	Accumulated depreciation and impairment charges 30/6/2023	Carrying amount 30/6/2023
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets														
Land	94,779	-	94,779	-	350	-	-	-	-	-	-	95,129	-	95,129
Buildings	90,347	(2,980)	87,367	520	-	-	-	(3,205)	18	-	-	90,886	(6,185)	84,701
Leasehold Improvements	3,684	(963)	2,721	95	-	-	-	(135)	-	-	-	3,779	(1,098)	2,681
Plant, equipment and motor vehicles	18,360	(15,511)	2,850	1,811	-	(90)	90	(1,262)	3	-	-	20,084	(16,683)	3,401
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-
Furniture and fittings	4,731	(3,243)	1,487	127	-	-	-	(194)	-	-	-	4,858	(3,438)	1,420
Library books	4,701	(3,382)	1,319	277	-	-	-	(279)	-	-	-	4,979	(3,661)	1,318
Artworks - Sarjeant Gallery	36,850	-	36,850	-	88	-	-	-	-	-	-	36,938	-	36,938
Artworks - Sculptures/Monuments	381	-	381	-	-	-	-	-	-	-	-	381	-	381
Capital work in progress (see breakdown below)	28,461	-	28,461	19,525	-	-	-	-	(21)	-	-	47,965	-	47,965
Total operational assets	283,473	(27,257)	256,216	22,356	438	(90)	90	(5,076)	-	-	-	306,176	(32,242)	273,934
Infrastructural assets														
Stormwater and Drainage	211,298	-	211,298	1,920	943	-	-	(3,125)	-	-	-	214,161	(3,125)	211,036
Wastewater Other	137,225	(18)	137,207	3,245	363	-	-	(2,735)	-	-	-	140,833	(2,753)	138,080
Waste Water Treatment Plants & Facilities	72,498	-	72,498	324	-	-	-	(1,417)	-	-	-	72,822	(1,417)	71,405
Water Other	126,747	-	126,747	2,556	138	-	-	(2,408)	-	-	-	129,440	(2,408)	127,032
Water Treatment Plants & Facilities	19,145	-	19,145	272	-	-	-	(372)	-	-	-	19,417	(372)	19,045
Roading network	412,464	-	412,464	8,759	780	-	11,193	(11,193)	-	-	16,674	438,677	-	438,677
Land under roads	8,386	-	8,386	-	-	-	-	-	-	-	-	8,386	-	8,386
Airport runway	2,457	(195)	2,262	-	-	-	-	-	-	-	-	2,457	(195)	2,262
Total infrastructural assets	990,219	(213)	990,006	17,076	2,224	-	11,193	(21,250)	-	-	16,674	1,026,192	(10,270)	1,015,922
Restricted assets														
Land	20,932	-	20,932	-	-	-	-	-	-	-	-	20,932	-	20,932
Buildings	2,656	(323)	2,333	15	-	-	-	(100)	-	-	-	2,671	(423)	2,248
Total restricted assets	23,587	(323)	23,265	15	-	-	-	(100)	-	-	-	23,602	(423)	23,179
Total property, plant and equipment	1,297,279	(27,793)	1,269,487	39,447	2,662	(90)	11,283	(26,426)	-	-	16,674	1,355,972	(42,935)	1,313,037

Note: Vested assets to Whanganui District Council; \$2662k (2022 \$3812k).

Notes to the financial statements

For the year ended 30 June 2023

Group 2023	Cost/ revaluation 30/6/2022 \$000	Accumulated depreciation and impairment charges 30/6/2022 \$000	Carrying amount 30/6/2022 \$000	Current Years		Current year disposals \$000	Accumulated depreciation & Impairments eliminated on disposals / revaluations \$000	Current year depreciation \$000	Transfers \$000	Depreciation Transfers \$000	Revaluation surplus \$000	Cost/ revaluation 30/6/2023 \$000	Accumulated depreciation and impairment charges 30/6/2023 \$000	Carrying amount 30/6/2023 \$000
				Current year additions \$000	Vesting Additions \$000									
Operational assets														
Land	94,819	-	94,819	-	350	-	-	-	-	-	-	95,169	-	95,169
Buildings	101,772	(3,135)	98,637	754	-	(595)	-	(3,214)	364	-	-	102,296	(6,349)	95,946
Leasehold Improvements	3,684	(963)	2,721	95	-	-	-	(135)	-	-	-	3,779	(1,098)	2,681
Plant, equipment and motor vehicles	25,984	(18,424)	7,560	2,362	-	(177)	90	(2,074)	3	-	-	28,172	(20,407)	7,764
Leased equipment	1,178	(1,178)	(-)	-	-	-	-	-	-	-	-	1,178	(1,178)	(-)
Furniture and fittings	5,129	(3,395)	1,734	149	-	(40)	-	(229)	-	-	-	5,239	(3,624)	1,614
Library books	4,702	(3,382)	1,320	277	-	-	-	(279)	-	-	-	4,979	(3,661)	1,319
Art work	37,231	-	37,231	-	88	-	-	-	-	-	-	37,319	-	37,319
Whanganui Port Limited Partnership Assets	13,625	(106)	13,519	1,031	-	-	-	(356)	-	-	-	14,656	(462)	14,194
Capital work in progress	28,459	-	28,459	19,525	-	-	-	-	(21)	-	-	47,963	-	47,963
Total operational assets	316,584	(30,583)	286,000	24,194	438	(812)	90	(6,287)	346	-	-	340,749	(36,780)	303,969
Infrastructural assets														
Stormwater and Drainage	211,298	-	211,298	1,920	943	-	-	(3,125)	-	-	-	214,161	(3,125)	211,036
Wastewater Other	137,224	(18)	137,206	3,245	363	-	-	(2,735)	-	-	-	140,832	(2,753)	138,079
Waste Water Treatment Plants & Facilities	72,498	-	72,498	324	-	-	-	(1,417)	-	-	-	72,822	(1,417)	71,405
Water Other	126,747	-	126,747	2,556	138	-	-	(2,408)	-	-	-	129,440	(2,408)	127,032
Water Treatment Plants & Facilities	19,145	-	19,145	272	-	-	-	(372)	-	-	-	19,417	(372)	19,045
Roading network	412,463	-	412,463	8,759	780	-	11,193	(11,193)	-	16,674	-	438,676	-	438,676
Land under roads	8,386	-	8,386	-	-	-	-	-	-	-	-	8,386	-	8,386
Airport runway	2,457	(195)	2,262	-	-	-	-	-	-	-	-	2,457	(195)	2,262
Gas network infrastructure	38,760	(4,692)	34,068	2,034	-	-	5,895	(1,204)	(676)	-	(3,879)	30,343	-	30,343
Total infrastructural assets	1,028,977	(4,905)	1,024,072	19,110	2,224	-	17,088	(22,453)	(676)	-	12,795	1,056,534	(10,270)	1,046,264
Restricted assets														
Land	20,932	-	20,932	-	-	-	-	-	-	-	-	20,932	-	20,932
Buildings	2,656	(323)	2,333	15	-	-	-	(100)	-	-	-	2,671	(423)	2,248
Total restricted assets	23,587	(323)	23,265	15	-	-	-	(100)	-	-	-	23,602	(423)	23,179
Total property, plant and equipment	1,369,148	(35,811)	1,333,337	43,318	2,662	(812)	17,178	(28,840)	(330)	-	12,795	1,420,885	(47,473)	1,373,414

Notes to the financial statements

For the year ended 30 June 2023

Council 2022	Accumulated depreciation and impairment charges		Carrying amount 30/6/2021 \$000	Current Years			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 30/6/2022 \$000
	Cost/ revaluation 30/6/2021 \$000	30/6/2021 \$000		Current year additions \$000	Vesting Additions \$000	Current year disposals \$000						Cost/ revaluation 30/6/2022 \$000	30/6/2022 \$000	
Operational assets														
Land	98,397	-	98,397	339	-	-	-	-	(3,957)	-	-	94,779	-	94,779
Buildings	89,566	()	89,566	13,525	-	()	-	(3,207)	(12,744)	227	-	90,347	(2,980)	87,367
Leasehold Improvements	3,682	(830)	2,851	-	-	-	-	(132)	3	-	-	3,684	(963)	2,721
Plant, equipment and motor vehicles	17,806	(14,744)	3,061	1,019	-	(617)	296	(1,062)	153	-	-	18,360	(15,511)	2,850
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-
Furniture and fittings	4,670	(3,077)	1,592	108	-	(47)	31	(197)	-	-	-	4,731	(3,243)	1,487
Library books	4,482	(3,106)	1,376	220	-	-	-	(276)	-	-	-	4,701	(3,382)	1,319
Artworks - Sarjeant Gallery	31,472	-	31,472	77	204	-	-	-	8	-	5,090	36,850	-	36,850
Artworks - Sculptures/Monuments	381	-	381	-	-	-	-	-	-	-	-	381	-	381
Capital work in progress (see breakdown below)	17,993	-	17,993	-	-	-	-	-	10,468	-	-	28,461	-	28,461
<i>Total operational assets</i>	269,626	(22,937)	246,689	15,287	204	(665)	326	(4,874)	(6,069)	227	5,090	283,473	(27,257)	256,216
Infrastructural assets														
Stormwater and Drainage	137,999	(1,906)	136,093	2,662	1,166	-	3,849	(1,943)	-	-	69,472	211,298	-	211,298
Wastewater Other	132,803	(2,531)	130,272	3,752	475	-	5,116	(2,603)	-	-	195	137,225	(18)	137,207
Waste Water Treatment Plants & Facilities	65,796	(1,269)	64,527	-	-	-	2,540	(1,270)	-	-	6,702	72,498	-	72,498
Water Other	76,487	(1,654)	74,833	3,080	648	-	3,377	(1,723)	-	-	46,533	126,747	-	126,747
Water Treatment Plants & Facilities	16,834	(364)	16,470	355	-	-	742	(378)	-	-	1,956	19,145	-	19,145
Roading network	379,368	(9,647)	369,721	9,027	2,790	-	19,743	(10,096)	783	-	20,496	412,464	-	412,464
Land under roads	8,211	-	8,211	-	175	-	-	-	-	-	-	8,386	-	8,386
Airport runway	2,457	(98)	2,359	-	-	-	-	(97)	-	-	-	2,457	(195)	2,262
<i>Total infrastructural assets</i>	819,953	(17,469)	802,484	18,875	5,254	-	35,367	(18,110)	783	-	145,354	990,219	(213)	990,006
Restricted assets														
Land	20,932	-	20,932	-	-	-	-	-	()	-	-	20,932	-	20,932
Buildings	4,689	-	4,689	-	-	-	-	(96)	(2,033)	(227)	-	2,656	(323)	2,333
<i>Total restricted assets</i>	25,621	-	25,621	-	-	-	-	(96)	(2,033)	(227)	-	23,587	(323)	23,265
Total property, plant and equipment	1,115,199	(40,405)	1,074,794	34,162	5,457	(665)	35,693	(23,081)	(7,319)	-	150,443	1,297,279	(27,793)	1,269,487

Notes to the financial statements

For the year ended 30 June 2023

Group 2022	Cost/ revaluation 30/6/2021	Accumulated depreciation and impairment charges 30/6/2021	Carrying amount 30/6/2021	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 30/6/2022	Accumulated depreciation and impairment charges 30/6/2022	Carrying amount 30/6/2022
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets														
Land	98,437	-	98,437	339	-	-	-	-	(3,957)	-	-	94,819	-	94,819
Buildings	100,621	(153)	100,469	13,895	-	(-)	-	(3,209)	(12,744)	227	-	101,772	(3,135)	98,637
Leasehold Improvements	3,682	(830)	2,851	-	-	-	-	(132)	3	-	-	3,684	(963)	2,721
Plant, equipment and motor vehicles	23,970	(17,076)	6,894	2,464	-	(603)	296	(1,643)	153	-	-	25,984	(18,424)	7,560
Leased equipment	1,178	(1,178)	(-)	-	-	-	-	-	-	-	-	1,178	(1,178)	(-)
Furniture and fittings	5,025	(3,188)	1,837	152	-	(47)	31	(238)	-	-	-	5,129	(3,395)	1,734
Library books	4,482	(3,106)	1,376	220	-	-	-	(276)	-	-	-	4,702	(3,382)	1,320
Art work	31,853	-	31,853	77	204	-	-	-	8	-	5,090	37,231	-	37,231
Whanganui Port Limited Partnership Assets	-	-	-	0	-	-	-	(106)	13,625	-	-	13,625	(106)	13,519
Capital work in progress	17,991	-	17,991	-	-	-	-	-	10,468	-	-	28,459	-	28,459
Total operational assets	287,239	(25,532)	261,707	17,146	204	(651)	326	(5,605)	7,556	227	5,090	316,584	(30,583)	286,000
Infrastructural assets														
Stormwater and Drainage	137,999	(1,906)	136,093	2,662	1,166	-	3,849	(1,943)	-	-	69,472	211,298	-	211,298
Wastewater Other	132,802	(2,531)	130,271	3,752	475	-	5,116	(2,603)	-	-	195	137,224	(18)	137,206
Waste Water Treatment Plants & Facilities	65,796	(1,269)	64,527	-	-	-	2,540	(1,270)	-	-	6,702	72,498	-	72,498
Water Other	76,487	(1,654)	74,833	3,080	648	-	3,377	(1,723)	-	-	46,533	126,747	-	126,747
Water Treatment Plants & Facilities	16,834	(364)	16,470	355	-	-	742	(378)	-	-	1,956	19,145	-	19,145
Roading network	379,368	(9,647)	369,721	9,027	2,790	-	19,743	(10,096)	783	-	20,496	412,463	-	412,463
Land under roads	8,211	-	8,211	-	175	-	-	-	-	-	-	8,386	-	8,386
Airport runway	2,457	(98)	2,359	-	-	-	-	(97)	-	-	-	2,457	(195)	2,262
Gas network infrastructure	37,730	(3,512)	34,218	1,619	-	-	-	(1,180)	(589)	-	-	38,760	(4,692)	34,068
Total infrastructural assets	857,681	(20,980)	836,703	20,494	5,254	-	35,367	(19,290)	194	-	145,354	1,028,977	(4,905)	1,024,072
Restricted assets														
Land	20,932	-	20,932	-	-	-	-	-	(-)	-	-	20,932	-	20,932
Buildings	4,689	-	4,689	-	-	-	-	(96)	(2,033)	(227)	-	2,656	(323)	2,333
Total restricted assets	25,621	-	25,621	-	-	-	-	(96)	(2,033)	(227)	-	23,587	(323)	23,265
Total property, plant and equipment	1,170,540	(46,512)	1,124,031	37,640	5,457	(651)	35,693	(24,991)	5,718	-	150,443	1,369,148	(35,811)	1,333,337

Notes to the financial statements

For the year ended 30 June 2023

16. Property, plant and equipment (continued)

Valuation

Operational and restricted land and buildings

Under NZ IFRS, this portfolio is being held for operational purposes, is valued and accounted for under the public Benefit Entity International Public Sector Accounting Standard 17 (PBE IPSAS 17) Property Plant and Equipment. The most recent valuation was performed by Mr KD Pawson (ANZIV, SPINZ, Bcom (VPN), of Morgans Property Advisors, Valuers and the valuation is effective as at 30 June 2021.

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

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

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

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

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

No allowance has been made for any liability for taxation which may arise on disposal of the property, nor any allowance for capital based Government grants investments allowances which may apply if the property was being built at the date of valuation.

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

Leasehold improvements are held at cost less depreciation.

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

These are valued at fair value determined on a depreciated replacement cost basis. The most recent valuation of water assets, as at 30 June 2022, was performed by Rawlinsons Limited (3 waters) with roading assets being valued as at 30 June 2023 by Downer, and peer reviewed by Brian Smith. Three water assets wherever possible were valued based on a "bottom up" rate build up, making suitable allowances for, labour, plant, materials and Preliminary and General costs as well as contractors Margin. Remaining three water assets were valued based on indices published by Stats NZ. Roading asset unit rates were updated using RCI index values. RCI index values were peer received and compared to current contracts to ensure reasonableness of the rates.

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. The network was revalued as at 30 June 2023 by David Morgan of Deloitte. The network is revalued on a five yearly cycle.

Art collection

The art collection of the Sarjeant Gallery has been valued by Mr Ben Plumbly the Director of Art at Art + Object on 30 June 2022. Subsequent additions are shown at cost.

Sculptures/Monuments are held on the cost model basis.

Notes to the financial statements

For the year ended 30 June 2023

Impairment

There are no impairments to Property, plant and equipment for the year ending 30 June 2023 (2022 \$Nil).

Work in progress

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Operational Buildings & improvements	47,326	28,441	47,326	28,441
Plant & Equipment	-	-	-	-
Art Works	-	-	-	-
Waste Water Other	-	-	-	-
Storm Water	421	-	421	-
Water Other	-	-	-	-
Roading	114	20	114	20
Waterways & Natural Drainage	-	-	-	-
Gas distribution network	-	-	19	19
Restricted Buildings & improvements	-	-	-	-
Intangible	-	-	-	-
Land under Roads	104	-	-	-
Total work in progress	47,965	28,461	47,882	28,481

Nixon Street Wastewater Upgrade project is ongoing at 30 June 2023, with costs to date of \$2,508K.

This is not reported as Work In Progress above, because the wastewater network remained functioning throughout the project.

Leasing

The net carrying amount of plant and equipment held under finance leases is \$Nil (2022 \$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	Additions constructed by Council	Additions transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
2023				
Stormwater & Drainage	210,615	1,920	943	310,883
Wastewater Other	138,080	3,245	363	270,990
Wastewater Treatment Plants & Facilities	71,405	324	-	98,108
Water Other	127,032	2,556	138	241,403
Water Treatment Plants & Facilities	19,045	272	-	19,056
Roading network	438,582	8,759	780	848,808
2022				
Stormwater & Drainage	211,298	2,662	1,166	211,301
Wastewater Other	137,207	3,752	475	137,030
Wastewater Treatment Plants & Facilities	72,498	-	-	72,499
Water Other	126,747	3,080	648	138,979
Water Treatment Plants & Facilities	19,145	355	-	6,911
Roading network	412,464	9,027	2,790	713,036

Notes to the financial statements

For the year ended 30 June 2023

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 2022						
Cost	3,589	2,839	6,428	1,300	9,496	17,224
Accumulated amortisation and impairment	(3,363)	-	(3,363)	(1,070)	(1,535)	(5,968)
Opening carrying amount	227	2,839	3,065	230	7,960	11,256
Year ended 30 June 2023						
Additions	46	33	79	91	-	170
Amortisation / Impairment charge	(119)	-	(119)	-	(53)	(172)
Disposals/Transfers	-	-	-	-	-	-
Amortisation charge eliminated on disposal	-	-	-	-	-	-
Revaluation increment	-	(1,221)	(1,221)	-	-	(1,221)
Closing carrying amount	154	1,651	1,804	321	7,907	10,033
Year ended 30 June 2023						
Cost	3,635	1,651	5,286	1,391	9,496	16,173
Accumulated amortisation and impairment	(3,482)	-	(3,482)	(1,070)	(1,588)	(6,140)
Closing carrying amount	154	1,651	1,804	321	7,908	10,033
Balance at 1 July 2021						
Cost	3,522	1,699	5,222	1,189	9,496	15,907
Accumulated amortisation and impairment	(3,251)	-	(3,251)	(1,070)	(1,526)	(5,847)
Opening carrying amount	272	1,699	1,971	119	7,970	10,060
Year ended 30 June 2022						
Additions	114	4	118	111	-	229
Amortisation / Impairment charge	(132)	-	(132)	-	(9)	(142)
Disposals/Transfers	(47)	-	(47)	-	-	(47)
Amortisation charge eliminated on disposal	20	-	20	-	-	20
Revaluation increment	-	1,135	1,135	-	-	1,135
Closing carrying amount	227	2,839	3,065	230	7,960	11,256
Year ended 30 June 2022						
Cost	3,589	2,839	6,428	1,300	9,496	17,224
Accumulated amortisation and impairment	(3,363)	-	(3,363)	(1,070)	(1,535)	(5,968)
Closing carrying amount	227	2,839	3,065	230	7,960	11,256

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.

Notes to the financial statements

For the year ended 30 June 2023

Impairment

Goodwill

Goodwill arises on the consolidation of GasNet Limited in the books of Whanganui District Council Holdings Limited. 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 expense. There is no impairment of goodwill as the cost of the business combination, the difference will be recognised immediately in the statement of comprehensive revenue and net book value of of assets, cashflows all in line with the expectations contained in the Council's 10 year plan 2021-31.

Work in progress

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Software	-	-	-	-
Easements	-	-	-	-
	-	-	-	-

Notes to the financial statements

For the year ended 30 June 2023

18. Investment property

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Balance at 1 July	16,913	13,454	40,698	12,409
Additions from acquisitions	1,218		1,218	20,209
Disposals/Transfers	-	2,072	-	2,072
Fair value gains/(losses) on valuation	794	1,387	6,824	6,008
Balance at 30 June	18,925	16,913	48,740	40,698
Less Impairment of earthquake prone buildings	-	-	-	-
Balance at 30 June	18,925	16,913	48,740	40,698

WDC's investment properties are valued annually at fair value effective 30 June. All investment properties were valued independently based on open market evidence. The valuation was performed by Bruce David Mainwaring (ANZIV, SPINZ) and Garry Mark Dowse (FNZIV, FPINZ) of CBRE Limited t/a Telfer Young from CBRE. The Valuers have satisfied professional education requirements and are well experienced in the locations and categories of properties being valued.

Valuation reporting reflects market conditions and data available to current reporting date.

After a sustained period of upward movement in urban property markets (early 2018-2022), market activity within the wider Manawatu Whanganui region has stilled in 2023. Property markets both locally and nationally are being heavily impacted by rapid interest rate rises instigated by the Reserve Bank to combat high inflation. Markets are also impacted by ongoing disruptions to supply chains, major weather events, and political uncertainties leading into end of year central Government elections. In respect to the hospitality and education sectors, rental growth remains hard fought. The effects of Covid-19 have severely affected profitability and thus rental affordability. Over time it is reasonable to expect an improvement in market performance with the re-opening of international borders albeit economic headwinds will be interrupting factors. In our opinion the long term outlook for Whanganui itself is relatively bright. Population employ revolves around Whanganui's established industrial base and the fertile farming hinterland. The industrial sector will be enhanced by central Government's confirmed investment of \$28.6 million from the Provincial Growth Fund into the Whanganui Port vitalisation. Such investment will likely have a positive flow-on impact for the local economy.

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	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
<u>Revenue and expenses in relation to investment properties:</u>				
Rental revenue	585	587	585	587
Expenses from investment property generating revenue	(300)	(211)	(300)	(193)
Expenses from investment property not generating revenue	-	(19)	-	(19)
Contractual obligations for capital expenditure	-	-	-	-
Contractual obligations for operating expenditure	-	-	-	-

Notes to the financial statements

For the year ended 30 June 2023

19. Joint ventures

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

	Council and Group	
	2023	2022
	\$000	\$000
Current assets	76	78
Non-current assets	5,539	5,520
Current liabilities	455	478
Non-current liabilities	1	49
Revenue	249	147
Expenses	485	469

Joint venture commitments and contingencies

Details of any commitments and contingencies arising from the group's involvement in the joint ventures are disclosed separately in notes 26 and 27.

20. Payables and deferred revenue

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current portion				
<i>Payables under exchange transactions</i>				
Trade payables	8,091	6,441	10,005	8,260
Deposits and bonds	1,681	1,852	1,681	1,852
Accrued expenses	1,847	327	1,864	377
Amounts due to related parties	-	-	-	-
Accrued interest payable	1,226	755	1,449	847
Revenue in advance	1,433	1,418	3,842	4,046
<i>Payables under non exchange transactions</i>				
Income tax payable	-	-	760	760
Other taxes payable	296	179	137	(144)
Rates in advance	1,016	995	1,016	995
Grants and funding with conditions	-	-	-	-
	15,590	11,967	20,753	16,992
Non-current portion				
<i>Payables under non exchange transactions</i>				
Grants and funding with conditions	-	-	-	-
	-	-	-	-
Total payables and deferred revenue	15,590	11,967	20,753	16,992

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

Notes to the financial statements

For the year ended 30 June 2023

21. Borrowings & other financial liabilities

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Current portion				
Secured loans	25,250	17,500	25,276	20,509
Finance leases	-	-	-	-
<i>Total current portion</i>	25,250	17,500	25,276	20,509
Non-current portion				
Secured loans	92,000	89,750	108,079	101,561
Finance leases	-	-	-	-
<i>Total non-current borrowings</i>	92,000	89,750	108,079	101,561
Total borrowings	117,250	107,250	133,356	122,070

Secured loans

WDC's secured debt of \$117,250,000 (2022 \$107,250,000) is mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bill rate plus a margin of 0.15%-1.05% for credit risk.

There is a multi option credit facility of \$10,000,000 (2022 \$10,000,000) available with Westpac. At year end there had been drawdowns of \$750,000 (2022 \$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 (2022 \$Nil).

WDC has debt raised with the New Zealand Local Government Funding Agency. At 30 June 2023, \$116,500,000 is outstanding (2022 \$106,500,000) with maturities from 2022 to 2029.

Security

Council loans are secured over rates revenue or property. WDC adopted a new Liability Management Policy during the 2020/21 year.

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

Fair values

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

Notes to the financial statements

For the year ended 30 June 2023

22. Employee entitlements

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Current portion				
Accrued pay	855	683	1,020	828
Annual leave	1,471	1,549	1,796	1,831
Retirement and long service leave	113	119	125	130
Sick leave	12	12	12	12
<i>Total current portion</i>	2,451	2,363	2,953	2,801
Non-current portion				
Retirement and long service leave	152	131	152	131
<i>Total non-current portion</i>	152	131	152	131
Total employee entitlements	2,603	2,494	3,105	2,932

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 3.6% (2022 3.6%) and an inflation factor of 3.2% (2022 3.2%) were used.

23. Provisions

Council has not made any provisions during the 2022/23 or 2021/22 periods.

Notes to the financial statements

For the year ended 30 June 2023

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
24. Equity				
Retained earnings				
Balance at 1 July	608,008	584,070	638,408	604,529
Transfers (to)/from restricted reserves	4,079	3,675	4,079	3,675
Adjustment to equity from CCO's	(57)	-	(57)	-
Transfers from property revaluation reserves on disposal	-	-	-	-
Transfers from other revaluation reserves on disposal	-	-	-	-
Surplus/(deficit) for the year	5,633	20,263	7,902	30,206
Balance at 30 June	617,662	608,008	650,333	638,408
Restricted reserves				
Balance at 1 July	72,407	76,081	72,407	76,081
Transfers (to)/from retained earnings	(4,079)	(3,675)	(4,079)	(3,675)
Balance at 30 June	68,328	72,407	68,328	72,407
Asset revaluation reserves				
Balance at 1 July	560,495	377,329	568,837	385,671
Revaluation gains/(losses)	27,867	183,166	23,988	183,166
Impairment of roading assets	-	-	-	-
Transfer to retained earnings on disposal of property	-	-	-	-
Tax on property revaluations	-	-	1,086	-
Balance at 30 June	588,362	560,495	593,911	568,837
Asset revaluation reserves consist of:				
Operational assets:				
- land	77,020	77,021	77,020	77,021
- buildings	36,448	36,449	36,448	36,449
- Artworks	12,159	12,159	12,159	12,159
Infrastructural assets:				
- wastewater system (including stormwater)	248,061	248,061	248,061	248,061
- water system	81,502	81,502	81,502	81,502
- roading network	101,200	73,333	101,200	73,333
- Airport runway	405	405	405	405
- gas network infrastructure	-	-	5,549	8,342
Restricted assets:				
- land	28,645	28,645	28,645	28,645
- buildings	2,922	2,922	2,922	2,922
Balance at 30 June	588,362	560,495	593,911	568,837
Other reserves				
Balance at 1 July	2,840	1,652	2,840	1,651
Valuation gains/(losses) taken to equity	(22)	53	(22)	53
Transfer to accumulated funds on disposal of carbon credits	-	-	-	-
Gain/(loss) on carbon credits revaluation	(1,221)	1,135	(1,221)	1,135
Balance at 30 June	1,597	2,840	1,597	2,840
Other reserves consist of:				
- Fair value through equity	167	189	167	189
- Carbon credit reserve	1,430	2,651	1,430	2,651
Balance at 30 June	1,597	2,840	1,597	2,840
Non-controlling interest				
Balance at 1 July	-	-	1,765	-
Share of surplus/(deficit)	-	-	(265)	265
Capital introduced	-	-	(1,500)	1,500
Balance at 30 June	-	-	-	1,765
Total Equity	1,275,949	1,243,749	1,314,169	1,284,257

Notes to the financial statements

For the year ended 30 June 2023

Restricted Reserves consists of:

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2022 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance at 30 June 2023 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	2,182	88	(41)	2,230
City Endowment	Investments	To provide alternative income for funding of Council activities	26,218	139	-	26,357
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	27,690	-	-	27,690
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of artworks	723	47	(17)	752
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	4	-	-	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	13	1	-	13
Gallery Redevelopment project	Community & cultural	Lotteries Board funds to go towards Gallery project	6,129	9,828	(15,957)	-
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	21	1	-	22
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	573	524	(184)	913
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	618	(310)	-	308
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	12	167	-	179
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	610	25	(122)	513
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	30	1	-	31
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	11	-	-	11
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	9	-	-	9
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	110	4	-	114
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	19	1	(1)	18
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	12	-	-	13
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	6	-	-	6
Mars Bequest	Parks and recreation	To fund improvements at Durie Hill	101	4	-	106
Nagaizumi Donation	Parks and recreation	For qualifying expenditure	9	-	-	10
Nicholson bequest	Parks and recreation	For qualifying expenditure	36	1	-	37
Tree Planting contribution	Parks and recreation	For qualifying expenditure	4	-	-	4
Reserve Management Plans	Parks and recreation	For qualifying expenditure	89	4	-	93
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,785	-	-	6,785
CJ Alexander Bequest	Parks and recreation	To fund maintenance of Glen Logie gardens	194	9	()	203
Rural road special rate - Whangaehu No 1	Roads, footpaths and pathways	Rural rates specifically collected for future works	87	14	-	101
Rural road special rate - Whangaehu No 2	Roads, footpaths and pathways	Rural rates specifically collected for future works	114	13	-	127
CUVL renewals fund	Economic development	To fund renewals of community under-veranda lighting	192	8	-	200
International Education	Economic development	To fund education initiatives	82	3	-	86
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	40	2	-	41
Aged Citizens Benefit Trust	Corporate	To benefit aged citizens	6	-	-	6
Tram Fund	Community & cultural	To fund the Tram project	11	-	()	10
Welcoming Communities grant	Community & cultural	To administer the Welcoming Communities scheme	55	2	(3)	55
Community Development grants	Community & cultural	To fund Youth Committee projects	10	-	-	10
Tylee Cottage	Community & cultural	To fund the Artists in Residence scheme	83	84	(48)	120
Opera House Friends	Community & cultural	To fund future Friends projects	-	3	(2)	1
LI Smith Bequest	Community & cultural	To fund an arts award	75	3	-	78
3 Water transition fund	Corporate	To fund 3 water transition programme	-	567	-	567
AMOS working group fund	Corporate	To fund AMOS working group	-	130	-	130
Better off Funding	Corporate	To fund projects that enable Better Off principle	-	374	-	374
			72,964	11,740	(16,376)	68,328

Notes to the financial statements

For the year ended 30 June 2023

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2021 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance at 30 June 2022 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	2,279	32	(129)	2,182
City Endowment	Investments	To provide alternative income for funding of Council activities	26,170	48	-	26,218
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	27,690	-	-	27,690
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of artworks	711	12	-	723
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	4	-	-	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	12	-	-	13
Gallery Redevelopment project	Community & cultural	Lotteries Board funds to go towards Gallery project	9,359	9,173	(12,403)	6,129
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	20	-	-	21
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	352	343	(122)	573
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	938	11	(331)	618
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	23	86	(98)	12
De-sexing program	Community facilities and services	To fund future dog de-sexing program	1	-	-	1
MA Larsen Bequest	Parks and recreation	To finance improvements at the Bason Reserve	602	9	-	610
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	30	-	-	30
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	11	-	-	11
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	9	-	-	9
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	108	2	-	110
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	23	-	(4)	19
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	12	-	-	12
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	6	-	-	6
Mars Bequest	Parks and recreation	To fund improvements at Durie Hill	100	1	-	101
Nagaizumi Donation	Parks and recreation	For qualifying expenditure	10	-	(1)	9
Nicholson bequest	Parks and recreation	For qualifying expenditure	42	1	(7)	36
Tree Planting contribution	Parks and recreation	For qualifying expenditure	4	-	-	4
Reserve Management Plans	Parks and recreation	For qualifying expenditure	100	1	(12)	89
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,785	-	-	6,785
CJ Alexander Bequest	Parks and recreation	To fund maintenance of Glen Logie gardens	-	194	-	194
Rural road special rate - Whangaehu No 1	Roads, footpaths and pathways	Rural rates specifically collected for future works	76	11	-	87
Rural road special rate - Whangaehu No 2	Roads, footpaths and pathways	Rural rates specifically collected for future works	104	10	-	114
CUVL renewals fund	Economic development	To fund renewals of community under-veranda lighting	190	3	-	192
International Education	Economic development	To fund education initiatives	81	1	-	82
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	39	1	-	40
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	57	1	(3)	55
Community Development grants	Community & cultural	To fund Youth Committee projects	10	-	-	10
Tylee Cottage	Community & cultural	To fund the Artists in Residence scheme	34	81	(31)	83
Opera House Friends	Community & cultural	To fund future Friends projects	1	1	(2)	
LI Smith Bequest	Community & cultural	To fund an arts award	74	1	-	75
			76,081	10,025	(13,144)	72,964

Notes to the financial statements

For the year ended 30 June 2023

25. Cash flow reconciliations

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Surplus/(deficit) after tax	5,633	20,263	7,638	30,471
Add/(less) non-cash items				
Share of associate surplus/(deficit)	5	(14)	5	(14)
Interest credited directly to investments	-	-	243	2,909
Depreciation and amortisation expense	26,545	23,213	28,986	25,124
Vested assets	(2,662)	(5,457)	(2,662)	(5,457)
(Gains)/losses in fair value of biological assets	-	-	-	-
Movement in fair value of investment property	(794)	(1,387)	(6,824)	(6,088)
(Gains)/losses on derivative financial instruments	(1,678)	(6,985)	(1,705)	(7,125)
(Gains)/losses on shares held in WDC Holdings Ltd	-	-	-	-
(Gains)/losses in fair value of plant, property and equipment	(23)	4,357	(87)	23
Increase/(decrease) in deferred tax	-	25	805	(828)
(Gains)/losses on other investments	-	-	-	-
	21,393	13,751	18,761	8,544
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	-	-	(243)	(2,883)
	-	-	(243)	(2,883)
Add/(less) movements in working capital items				
Accounts receivable	(44)	(1,822)	(580)	(1,097)
Inventories	-	-	(92)	(151)
Accounts payable	3,711	(1,949)	3,949	(1,694)
Employee benefits	21	(2)	-	52
	3,688	(3,773)	3,277	(2,891)
Net cash inflow/(outflow) from operating activities	30,714	30,241	29,433	33,241

Reconciliation of Liabilities Arising from Financing Activities

Borrowings:

	Council		Group	
	2023	2022	2023	2022
Balance at 1 July 2021	107,250	102,250	115,862	115,862
Cash inflows	20,000	11,000	11,237	11,237
Cash outflows	(10,000)	(6,000)	(6,232)	(6,232)
Non-cash changes	-	-	12,489	1,202
Balance at 30 June 2022	117,250	107,250	133,356	122,070

26. Capital commitments and operating leases

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Capital commitments				
Plant & Equipment	227	326	227	326
Software	-	35	-	35
Parks	-	-	-	-
Building & Improvements	24,380	21,859	24,380	21,859
Water System	13	408	13	408
Storm Water & Drainage System	32	734	32	734
Waste Water System	632	2,922	632	2,922
Roading Network	60,828	80,425	60,828	80,425
Wastewater Treatment Plant (see note 22)	-	-	-	-
Investment property	-	-	-	-
Library Stock	451	142	451	142
Total capital commitments	86,563	106,850	86,563	106,851

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

Roading network commitment is the alliance contract which includes both operating and capital. The total is included in the disclosure above.

Notes to the financial statements

For the year ended 30 June 2023

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	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Not later than one year	310	121	310	413
Later than one year and not later than five years	183	168	189	545
Later than five years	249	256	266	564
Total non-cancellable operating leases	742	545	765	1,522

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2022 \$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 \$75,238 (2022 \$77,562). The lease expenditure is for photocopiers 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	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Not later than one year	705	657	705	657
Later than one year and not later than five years	1,368	1,520	1,368	1,520
Later than five years	2,536	2,711	2,536	2,711
Total non-cancellable operating leases	4,609	4,888	4,609	4,888

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 2023

27. Contingencies

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Litigation	-	-	-	-
Building Act claims	-	-	-	-
Total contingent liabilities	-	-	-	-

Building act claims

The Building Act (2004) imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done.

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 are currently no properties 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 AAA.

WDC is one of 71 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 2023, NZLGFA had borrowings totalling \$17,684M (2022: \$15,789M).

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 2023

28. Related party transactions

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

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

Related party transactions required to be disclosed

Tax losses of \$250,000 were transferred to the Whanganui Gas Group by loss offset (2022 \$1,173,000)

The Council paid MWLASS for shared services \$65,454 (2022 \$69,123).

The Council made equity contributions to Whanganui Joint Venture Airport totalling \$280,019 (2022 \$223,000).

The Council provided Whanganui & Partners Limited funding of \$3,076,204 (2022: \$2,298,468).

Council paid the Whanganui Vintage Weekend Trust by the way of a grant \$Nil (2022 \$34,500).

The Council received from the Sarjeant Gallery Trust grants/donations totalling \$2,400,000 (2022 \$Nil). An amount of \$Nil was outstanding at 30 June 2023 (2022 \$Nil).

Key management personnel compensation

	2023	2022
	\$000	\$000
<i>Councillors</i>		
Remuneration	692	663
Full-time equivalent members	13	13
<i>Senior Management, including the Chief Executive</i>		
Remuneration	1,905	1,783
Full-time equivalent members	7	9
	2,597	2,446
Total full-time equivalent personnel	20	22

Key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel. The above remuneration for senior management personnel includes payment of leave entitlements to two senior managers who left during the year.

Notes to the financial statements

For the year ended 30 June 2023

29. Remuneration

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$348,789 (2022 \$402,674 including leave entitlements for the outgoing Chief Executive)

Elected representatives

	Council		WGL/WDCHL	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Elected representatives received the following remuneration:				
<i>Whanganui District Council as elected on 8 October 2022</i>				
Mayor Andrew Tripe (includes car) (8/10/22 - 30/6/23)	107	-	-	-
Councillor Charlie Anderson (1/7/22 - 30/6/23)	40	39	-	-
Councillor Philippa Baker-Hogan (1/7/22 - 30/6/23)	46	43	-	-
Councillor Glenda Brown (8/10/22 - 30/6/23)	30	-	-	-
Councillor Josh Chandulal-Mackay (1/7/22 - 30/6/23)	46	43	-	-
Councillor Helen Craig (1/7/22 - 30/6/23)	53	49	-	-
Councillor Jenny Duncan (1/7/22 - 30/6/23)	52	50	-	-
Councillor Ross Fallen (8/10/22 - 30/6/23)	29	-	-	-
Councillor Kate Joblin (1/7/22 - 30/6/23)	51	47	-	-
Councillor Michael Law (8/10/22 - 30/6/23)	30	-	-	-
Councillor Charlotte Melser (8/10/22 - 30/6/23)	30	-	-	-
Councillor Peter Oskam (8/10/22 - 30/6/23)	28	-	-	-
Councillor Rob Vinsen (1/7/22 - 30/6/23)	50	43	-	-
	592	314	-	-
<i>Not re-elected on 8 October 2022</i>				
Mayor Hamish McDouall (includes car)	40	141	-	-
Councillor James Barron	13	43	-	-
Councillor Brent Crossan	11	39	-	-
Councillor Hadleigh Reid	12	43	-	-
Councillor Alan Taylor	13	47	-	-
Councillor Graeme Young	11	39	-	-
	100	352	-	-
	692	663	-	-
<i>Whanganui Rural Community Board as elected on 8 October 2022</i>				
Chairperson David Wells (1/7/22 - 30/6/23, chair from 8/10/22)	13	6	-	-
Bill Ashworth (1/7/22 - 30/6/23)	6	6	-	-
Judd Bailey (8/10/22 - 30/6/23)	4	-	-	-
Michael Dick (1/7/22 - 30/6/23)	6	6	-	-
Sandra Falkner (1/7/22 - 30/6/23)	6	6	-	-
Grant Skilton (1/7/22 - 30/6/23)	6	8	-	-
<i>As elected unopposed on 23 December 2022</i>				
Jenny Tamakehu (23/12/22 - 30/6/23)	3	-	-	-
	44	32	-	-
<i>Not re-elected on 8 October 2022</i>				
Chairperson Peter Oskam	5	9	-	-
Alistair Duff	2	6	-	-
	7	15	-	-
	51	45	-	-
Total	743	708	-	-

Notes to the financial statements

For the year ended 30 June 2023

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:

	2023
	Number of employees
\$0 - \$59,999	163
\$60,000 - \$79,999	72
\$80,000 - \$99,999	48
\$100,000 - \$119,999	31
\$120,000 - \$139,999	11
\$140,000 - \$159,999	7
\$160,000 - \$219,999	6
\$220,000 - \$399,999	4
Total number of employees as at 30 June 2023	342
	2022
	Number of employees
\$0 - \$59,999	124
\$60,000 - \$79,999	73
\$80,000 - \$99,999	42
\$100,000 - \$119,999	20
\$120,000 - \$139,999	10
\$140,000 - \$199,999	7
\$200,000 - \$340,000	3
Total number of employees as at 30 June 2022	279

At 30 June, WDC employed 196 (2022 193) full time employees, with the balance of staff representing 59 (2022 44) full-time equivalent employees. A full-time equivalent employee is determined on the basis of a 40 hour working week. Employee numbers for 2023 include the Splash Centre staff who became direct employees of Council during the year.

30. Severance payments

A severance payment was made to one employee during the year. The payment amount totalled \$34,000 (2022 one payment totalling \$17,352).

The value of each of the severance payments was \$34,000 (2022 \$17,352)

31. Events after the balance date

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Notes to the financial statements

For the year ended 30 June 2023

32. Financial instruments

Financial instrument categories

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	14,834	8,566	21,872	18,385
Receivables	8,203	8,159	12,180	11,600
Loans to related parties	10,728	9,440	425	78
Community loans	2,182	793	2,182	793
Term Deposits	-	8,000	2,933	11,382
Fair value through other comprehensive revenue and expense				
Other financial assets:				
- unlisted shares	731	753	731	753
Fair value through surplus or deficit				
LGFA borrower notes	2,306	1,916	2,306	1,916
Derivatives	1,257	-	1,257	-
Financial liabilities				
Fair value through surplus or deficit				
Derivative financial instrument liabilities	56	1,143	56	1,170
Financial liabilities at amortised cost				
Payables	15,590	11,967	20,753	16,992
Borrowings:				
- secured loans	117,250	107,250	133,356	122,070

The measurement categories and carrying amounts for financial assets and liabilities have not changed on transition to PBE IPSAS 41

33. Fair value hierarchy disclosures

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

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

Notes to the financial statements

For the year ended 30 June 2023

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

	Valuation technique			
	Total	Quoted	Observable	Significant non-observable
	\$000	market price \$000	inputs \$000	inputs \$000
30 June 2023 - Council				
Financial assets				
Unlisted shares	730		730	
LGFA borrower notes	2,306		2,306	
Derivatives	1,257	-	1,257	
Financial liabilities				
Derivatives	56		56	
30 June 2023 - Group				
Financial assets				
Shares unlisted	731		731	
LGFA borrower notes	2,306		2,306	
Derivatives	1,257	-	1,257	
Financial liabilities				
Derivatives	56		56	
30 June 2022 - Council				
Financial assets				
Shares unlisted	752		752	
LGFA borrower notes	1,916		1,916	
Government indexed bonds	-	-		
Financial liabilities				
Derivatives	1,143		1,143	
30 June 2022 - Group				
Financial assets				
Shares unlisted	753		753	
LGFA borrower notes	1,916		1,916	
Government indexed bonds	-	-		
NJ Young bequest with Craigs Investment Partners / Term Deposits	-			
Financial liabilities				
Derivatives	1,170		1,170	

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

Notes to the financial statements

For the year ended 30 June 2023

34. Financial instrument risks

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

Market risk

Price risk

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

Currency risk

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

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at floating rates exposes WDC to fair value interest rate risk. WDC's Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Floating to fixed interest rate swaps are entered into to hedge the fair value interest rate risk arising where WDC has borrowed at floating rates. In addition, investments at fixed interest rates expose the WDC to fair value interest rate risk. If interest rates on investments at 30 June 2023 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus by \$Nil (2022 Nil). If interest rates on borrowings at 30 June 2023 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$491,250 (2022 \$441,250) as a result of higher/lower interest expense on floating-rate borrowings.

Cash flow interest rate risk

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

Credit risk

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

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

Notes to the financial statements

For the year ended 30 June 2023

Maximum exposure to credit risk

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

	Council		Group	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Cash at bank and term deposits	14,834	16,566	24,805	29,768
Receivables	8,203	8,159	12,180	11,600
LGFA borrower notes	2,306	1,916	2,306	1,916
Related party and community loans	12,911	10,233	2,608	870
Total credit risk	38,254	36,874	41,899	44,154

WDC is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 27.

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	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Counterparties with credit ratings				
Cash at bank, term deposits and sinking funds:				
AA	-	-	-	-
AA-	14,834	16,566	24,805	29,768
<i>Total cash at bank, term deposits and sinking fund</i>	14,834	16,566	24,805	29,768
LGFA borrower notes:				
AA+	2,306	1,916	2,306	1,916
AA-	-	-	-	-
<i>Total LGFA borrower notes:</i>	2,306	1,916	2,306	1,916
Counterparties without credit ratings				
Community and related party loans:				
Existing counterparty with no defaults in the past	12,911	10,233	2,608	870
Existing counterparty with defaults in the past	-	-	-	-
<i>Total long term receivables and related party loans</i>	12,911	10,233	2,608	870

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.

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 2023

	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 2023						
Payables	15,590	15,590	15,590	-	-	-
Secured loans	117,250	139,050	30,580	17,272	77,817	13,381
Total	132,840	154,640	46,170	17,272	77,817	13,381
Group 2023						
Payables	20,753	20,753	20,753	-	-	-
Secured loans	133,356	150,910	33,580	17,272	86,678	13,381
Total	154,109	171,663	54,333	17,272	86,678	13,381
Council 2022						
Payables	11,967	11,967	11,967	-	-	-
Secured loans	107,250	111,327	14,883	11,322	45,313	39,810
Total	119,217	123,294	26,850	11,322	45,313	39,810
Group 2022						
Payables	16,992	16,992	16,992	-	-	-
Secured loans	122,070	129,830	27,283	11,322	51,415	39,810
Total	139,061	146,822	44,275	11,322	51,415	39,810

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 2023					
Contracts:					
Council	55	55	11	26	19
Group	55	55	11	26	19
Council and group 2022					
Contracts:					
Council	1,143	1,143	48	542	553
Group	1,169	1,169	48	631	490

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 27.

Notes to the financial statements

For the year ended 30 June 2023

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 2023				
Cash and cash equivalents	14,834	14,834		
Receivables	8,203	8,203		
Other financial assets:				
- term deposits	-	-		
- related party loans	10,728	10,728		-
- community loans	2,182	782	1,400	
Total	35,948	34,548	1,400	-
Group 2023				
Cash and cash equivalents	21,872	21,872		
Receivables	12,180	12,180		
Other financial assets:				
- term deposits	2,933	2,933		
- related party loans	425	425		
- community loans	2,182	782	1,400	
Total	39,593	38,193	1,400	-
Council 2022				
Cash and cash equivalents	8,566	8,566		
Receivables	8,159	8,159		
Other financial assets:				
- term deposits	8,000	8,000		
- related party loans	9,440	9,440		-
- community loans	793	793		
Total	34,959	34,959	-	-
Group 2022				
Cash and cash equivalents	18,385	18,385		
Receivables	11,600	11,600		
Other financial assets:				
- term deposits	11,382	11,382		
- related party loans	78	78		
- community loans	793	793		
Total	42,238	42,238	-	-

Notes to the financial statements

For the year ended 30 June 2023

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

2023 \$'000

		- 50bps Other Equity		+ 100bps Other Equity
Interest rate risk	Surplus		Surplus	
<i>Financial assets</i>				
Cash and cash equivalents	(74)		148	
Other financial assets:	(54)		107	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(536)		1,073	
- Derivatives	(215)		430	
Total sensitivity to interest rate risk	(879)	-	1,757	-

Council

2022 \$'000

		- 50bps Other Equity		+ 100bps Other Equity
Interest rate risk	Surplus		Surplus	
<i>Financial assets</i>				
Cash and cash equivalents	(43)		86	
Other financial assets:	(47)		94	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(441)		883	
- derivatives	(280)		560	
Total sensitivity to interest rate risk	(811)	-	1,622	-

Notes to the financial statements

For the year ended 30 June 2023

Group

2023 \$'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	(109)		219	
Other financial assets:	(54)		4	
<i>Financial liabilities</i>				
<i>Borrowings:</i>				
- bank overdraft	-		-	
- term loans	(548)		1,097	
- derivatives	(225)		450	
Total sensitivity to interest rate risk	(936)	-	1,770	-

Group

2022 \$'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	(92)		184	
Other financial assets:	(47)		1	
<i>Financial liabilities</i>				
<i>Borrowings:</i>				
- bank overdraft	-		-	
- term loans	(453)		907	
- derivatives	(290)		580	
Total sensitivity to interest rate risk	(882)	-	1,671	-

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 (2022 -50bps/+100bps).

Notes to the financial statements

For the year ended 30 June 2023

35. Insurance Contracts

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

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

Material Damage - full replacement value \$470,814,003

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 \$41,850,380

This cover is for the total replacement value of art, artifacts owned or on loan to WDC, as follows;
\$36,850,380 for all WDC owned art.
\$1,500,000 for Whanganui Visitor Information Centre.
\$1,000,000 for art on temporary loan to WDC.
\$1,000,000 Trans/Other Locations
\$30,000 2 Rutland Street
\$1,332,750 for the Edith Collier collection, which is on long term custodial care with WDC.

Commercial Motor Vehicles - full replacement value \$2,434,440

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

Infrastructure (3 Waters) -full replacement value \$1,422,425,046

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 \$848,080,172

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 \$2,267,570. This fund covers excesses for the Material Damage and Commercial Motor Vehicle policies.

Notes to the financial statements

For the year ended 30 June 2023

36. Investments in CCOs and similar entities

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

	Council	
	2023	2022
	\$000	\$000
Shares in subsidiary (at cost - WDCHL)	8,146	8,146
Unlisted shares in NZ Local Government Funding Agency Limited	469	465
Unlisted shares in NZ Local Government Insurance Corporation Limited	262	288
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	52	52
Units in Whanganui Port Limited Partnership	29,189	29,189
	<u>38,117</u>	<u>38,139</u>

37. Capital management

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

Council has the following Council created reserves:

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

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

Notes to the financial statements

For the year ended 30 June 2023

38. Explanation of major variances to budget

Statement of comprehensive revenue and expense

Revenue

Total rates revenue of \$70.3M is marginally lower than budget (0.3%), the main driver being slightly lower metered water charges.

Finance revenue is \$917k higher than budget (133%), driven by more cash held on term deposit and higher interest rates.

Development contributions are \$984k lower than budget (98%) as most completed developments vested the associated assets to Council, instead of paying cash.

Subsidies and grants are \$8.9M higher than planned. The main drivers are higher Sarjeant Gallery redevelopment grants, additional Roding emergency works subsidy from Waka Kotahi and unplanned funding for 3 water transition programme.

User fees and other revenue is \$6.2M higher than budget (55%). The main drivers are the following transactions:

- unplanned vested assets from completed developments (\$2.5M). This is a non-cash transaction.
- unplanned tankered waste revenue at the wastewater treatment plant (\$1.1M).
- unplanned user fees at the Splash Centre (\$853k), due to Council taking over the operation of the facility.
- higher consent fees in Resource Management (\$143k) and Building Control (\$108k).
- insurance proceed settlements (\$480k) from current and prior year events.
- unplanned funding (\$144k) for the Mayoral Taskforce for jobs.
- higher user fees in Cemeteries (\$108k), Wastewater trade waste charges (\$106k) and Sportground rental (\$52k).
- higher Parking fees and infringement revenue (\$244k).

Gains are \$2.2M higher than originally budgeted, driven by significant valuation increase in derivative financial instruments (swaps) and investment real property.

Expenditure

Personnel costs are \$754k higher than budget (3.6%), driven by unplanned transition of the Splash Centre to in house. This is partially offset by various savings throughout Council as some roles remain vacant.

Depreciation is \$3.6M higher than planned (16%), driven higher depreciation on infrastructure and property assets after the revaluation in late 2021/22.

Finance costs are \$877k higher than budgeted (19%), driven by increasing interest rates. This is partially offset by holding less debt than planned.

Other expenses are \$6.7M higher than budget (14%). The main drivers are:

- higher maintenance and response costs (\$3.8M) on roading assets, driven by emergency works and additional sealed pavement maintenance.
- higher insurance premiums and unplanned excess deductions (\$658k).
- higher maintenance and contract costs on the water- (\$646k) and wastewater reticulation (\$566k) network.
- unplanned contracted consent processing in Resource Management (808k) and Building Control (\$244k) activities due to a lack of in-house staff.
- higher maintenance costs in pensioner housing (\$312k) to meet rental tenancy standards.
- unplanned 3 water transition programme costs (\$268k). This is fully subsidised by Central Government.

This is partially offset by the following:

- lower Iwi engagement expenditure (\$286k)
- lower expenditure on the Housing strategy (\$100k) and public transport (\$83K) strategy.

Notes to the financial statements

For the year ended 30 June 2023

Statement of financial position

Assets

Cash and cash equivalents are \$7.8M higher than budget (112%), driven by higher pre-funding loans.

Receivables is \$1.5M (24%) higher than planned, however fluctuates regularly due to timing of invoicing and workloads.

The current portion of other financial assets (\$10.7M) is made up of loans to subsidiaries and cash from subsidies and pre-funding held on term deposit.

Total non-current assets is \$153M higher than budget (12%), mainly due to a significant valuation increase (\$166M) for Council's infrastructure assets. This is partially offset by less shares in the Whanganui Port Limited Partnership than expected (\$19M), as capital works have not progressed to the original planned timeline.

Liabilities

Payables is \$4.9M (46%) higher than planned, however fluctuates regularly due to the timing of invoicing and workloads.

Total borrowings are \$19.6M lower than budget (14%), mainly due to lower capital expenditure and unplanned subsidy funding. This is partially offset higher loans to subsidiaries.

The favourable variance to budget of \$1.9M (97%) in derivative financial instruments is due to changing market conditions affecting the revaluation of these instruments, driven by growing interest rates.

Statement of cash flows

Operating activities

Cash flows from operating activities is an indication of whether an entity is able to finance its normal operations from short-term funds. Council generated a \$30.7M cash surplus from operating activities. This is an favourable variance to budget of \$7.4M (32%), mainly due to higher subsidies and grants.

Investing activities

Cash flows from investing activities show net asset purchases to be \$34.4M, which is \$4.6M (12%) less than budget. The main reason for this relates to lower than planned Capital Expenditure. Capital variances to budget are discussed in detail in the 'Groups of Activities' section of this Annual Report.

Financing activities

Cash flows from financing activities shows a net debt increase of \$10M, with greater borrowings than repayments. This is \$5.7M lower than budgeted, driven by a combination of lower capital expenditure and higher external funding

Notes to the financial statements

For the year ended 30 June 2023

Mayor's Relief Fund

	Actual	
	2023	2022
	\$000	\$000
Balance at 1 July	4	4
Money Received	-	-
Interest received	-	-
Payments made	-	-
Balance at 30 June	4	4

WDC administers the Mayor's Relief Fund which is held in a separate bank account from the Council's normal banking facilities. Transactions and balances are not recognised in the Group financial statements.

Additional information

For the year ended 30 June 2023

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 2023 \$000	Annual Report 2023 \$000	Long Term Plan 2022 \$000	Annual Report 2022 \$000
Operating funding in the FIS	87,474	93,626	84,213	91,703
Subsidies and grants for capital expenditure	7,066	10,876	20,436	12,398
Development and financial contributions	1,003	19	1,248	106
Vested Assets	-	2,662	-	5,457
Property, plant and equipment gain on disposal	-	23	-	2,348
Other dedicated capital funding	29	3,200	29	578
Net gains not included in the FIS	292	2,472	359	8,372
Total Revenue in the Statement of Comprehensive revenue and expense	95,863	112,878	106,284	120,962
Application of operating funding in the FIS	72,339	80,694	67,436	70,317
Depreciation not included in the FIS	22,967	26,545	22,363	23,213
Losses from derivative financial instruments	-	-	-	-
Prior years Work in Progress transferred to Operating expense	-	-	-	454
Property, plant and equipment losses on disposal	-	-	-	6,705
Total expenditure in the statement of revenue and expense	95,307	107,240	89,799	100,689

Equal employment opportunities (EEO) report

Over the past year the attainment of EEO goals has been continued and reviewed regularly 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. We continue to review our EEO policy regularly 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.
- Ensuring EEO principles are adhered to, and part of the council's recruitment and selection policy.
- Giving staff the opportunity to feed issues to senior management through operational leaders meetings and staff team meetings.
- We undertook a stocktake with Diversity Works NZ in June 2021. We are now in a position to progress the development of our Diversity, Equity and Inclusion Programme along with any additional supporting strategies, policies and staff training.
- Internally, we have completed our three-year Collaborative Culture programme, developed for the organisation and progressively rolled out to staff in the 2020/21 reporting year. This tranche of the programme was completed at the end of 2022 with delivery expectations delayed due to the impacts of COVID-19. Further investment for staff and elected members is currently being planned and delivered for this half of 2023 and into 2024.

We continue to build culturally competent council staff with effective community engagement strategies and an increased understanding of Whanganuitanga, Te Tiriti o Waitangi and local Whānau, Hapū and Iwi. It is also intended to inform council's development of a Cultural Tool Kit and content for council's staff induction process.

Current and future programmes includes waiata, te reo, tikanga, and cultural activities, which continue to be very valuable in providing staff with the tools to navigate two world-views, provide insight into the importance of Iwi / Hapū engagement and to develop knowledge so that we can become more responsive in a way that achieves a positive outcome for everyone.

- Having in place an Employees Assistance Programme that 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 2023

The Auditor-General is the auditor of Whanganui District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2023. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the statement of service provision

In our opinion:

- the financial statements on pages 143 to 146 and pages 148 to 206:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2023;
 - 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 147, 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 statement about capital expenditure for each group of activities on pages 32 to 104, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Long-term plan; and
- the funding impact statement for each group of activities on pages 32 to 104, 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.

Qualified opinion on the statement of service provision

In our opinion, except for the possible effects of the matter described in the “Basis for our opinion on the audited information” section of our report, the statement of service provision on pages 12 to 17 and 20 to 104:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, 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.

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 135 to 142, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s and Group’s audited information and, where applicable, the District Council’s Long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Statement of service provision: Our work was limited with respect to the performance measures on the number of complaints and fault response times for some services

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to:

- The number of complaints received in relation to its wastewater system, drinking water supply, and performance of the stormwater system (per 1,000 connections).
- The time taken to attend and resolve water supply and wastewater faults.

Our audit testing of these performance measures identified significant issues with the District Council's systems and processes for completely and accurately recording the number of complaints and the time taken to attend and resolve faults. As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

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.

Emphasis of matter – uncertainty over the water services reform programme

Without further modifying our opinion, we draw attention to Note 31 on page 194, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three water services and related assets and liabilities currently controlled by local

authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

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 and Long-term 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 statement of service provision, 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 auditor's 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 audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 10 and 207 to 209 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements we have performed a limited assurance engagement related to the District Council's debenture trust deed. This engagement is compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



Chris Webby
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand