

Annual Report

For the year ended 30 June 2022



WHANGANUI
DISTRICT COUNCIL
Te Kaunihera a Rōhono o Whanganui

Contents

	Page
Mayoral introduction	3
Governance structure	4
Chief Executive's overview	7
Performance Snapshots	8
Statement of compliance and responsibility	9
Impact of the COVID-19 pandemic	10
Our vision	11
Our communities' wellbeing	12
Our plans and framework	13
Building community with tangata whenua	14
Groups of activities	16
Water supply	17
Stormwater drainage	23
Sewerage and the treatment and disposal of sewage	29
Provision of roads and footpaths	35
Parks and recreation	41
Community and cultural	48
Economic development	62
Community facilities and services	66
Transportation	80
Investments	85
Corporate	89
Council Controlled Organisations	96
Exempt Council Controlled Organisations	134
Annual report disclosure statement	135
Statement of comprehensive revenue and expense	143
Statement of changes in equity	144
Statement of financial position	145
Statement of cash flows	146
Funding Impact Statement	147
Statement of accounting policies	148
Notes to the financial statements	161
Equal employment opportunities report	207
Audit Report	208

Message from the Mayor



Tēnā koutou katoa,

Welcome to Whanganui District Council's Annual Report for the 2021/22 financial year.

This was a year that saw us working within the government's alert level system for the management of COVID-19. It was a year of masks, online meetings and Rapid Antigen Testing. In August 2021, we were in lockdown.

Now, as I write, alert levels have been lifted and we look forward to summer events and some relief from the effects COVID-19 has had on our economy and social interactions.

Over the past year, the council has continued to work to ensure Whanganui continues to progress and thrive – economically, socially, culturally and environmentally.

We adopted our Long-Term Plan for 2021-2031, allocating budget for an extension to the Davis Library, youth spaces and places, town centre regeneration, a coastal plan and housing.

In November 2021 Whanganui was named as New Zealand's only UNESCO City of Design, recognising our city's historic and contemporary contributions to art and creativity.

The designation earns Whanganui a place in the UNESCO Creative Cities Network of 246 cities around the globe that put creativity at the heart of their development plans.

Our port revitalisation project, Te Pūwaha, is making significant progress and through this collective endeavour we are learning, understanding and upholding Tupua te Kawa, the intrinsic values enshrined into law by Te Awa Tupua (Whanganui River Claims) Act 2017.

The Sarjeant Gallery Redevelopment saw works continue on the earthquake strengthening and restoration of the original 1919 gallery along with an extension wing, Te Pataka o Sir Te Atawhai Archie John Tairaroa, which will house the gallery's extensive and nationally significant collection. The redevelopment is scheduled for completion at the end of 2023.

One of our key achievements this year was to approve and formally adopt a waste minimisation and management plan that will deliver a rates-funded kerbside recycling service and food waste collection, staged over the next two years. I'm very pleased we have been able to get it across the line and to continue to respond to climate change with a range of initiatives.

We engaged with the community to inform our inaugural Heritage Strategy, developed a Freedom Camping Bylaw and broadened our Open Spaces and Physical Activity Strategy through a review.

I'm also pleased that we've been able to complete a key roading project – the Fitzherbert Avenue extension through to Mosston Road – opening access to prime residential land and providing a strategic transportation link to Castlecliff and between the developing Industrial land around Mill Road and the State Highway.

In all of these achievements, I recognise the efforts of council staff and my fellow councillors who, despite many challenges, have continued to promote Whanganui's creativity, beauty and vibrancy while also maintaining it as a functional and well-serviced city.

A handwritten signature in blue ink, which appears to read 'Hamish McDouall'. The signature is fluid and cursive.

Hamish McDouall
Mayor of Whanganui

Governance structure

Mayor and Councillors as at 30 June 2022



Mayor Hamish McDouall



Deputy Mayor
Cr Jenny Duncan



Cr Charlie Anderson



Cr Philippa Baker-
Hogan



Cr James Barron



Cr Josh Chandulal-
Mackay



Cr Helen Craig



Cr Brent Crossan



Cr Kate Joblin



Cr Hadleigh Reid



Cr Alan Taylor



Cr Rob Vinsen



Cr Graeme Young

Whanganui Rural Community Board as at 30 June 2022



Chair, Peter Oskam
peter.oskam@whanganui.govt.nz
Whanganui

Whanganui subdivision



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

Whanganui subdivision



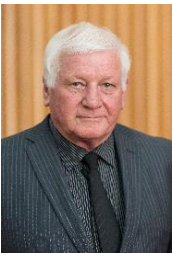
Bill Ashworth
bill.ashworth@whanganui.govt.nz
Fordell

Kaitoke subdivision



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

Kaitoke subdivision



Michael Dick
michael.dick@whanganui.govt.nz
Mowhanau

Kai Iwi subdivision



Sandra Falkner
sandra.falkner@whanganui.govt.nz
Westmere

Kai-Iwi subdivision



Grant Skilton
grant.skilton@whanganui.govt.nz

Kai Iwi subdivision



Cr Charlie Anderson
charlie.anderson@whanganui.govt.nz

Council representative on Board



Cr Brent Crossan
brent.crossan@whanganui.govt.nz

Council representative on Board

Committees

Committee	Chair	Deputy Chair
Audit and Risk	Susan Kosmala	Deputy Mayor Cr Jenny Duncan
Strategy and Finance	Cr Kate Joblin	Cr Josh Chandulal-Mackay
Infrastructure, Climate Change and Emergency Management	Cr Alan Taylor	Cr Hadleigh Reid
Property and Community Services	Cr Helen Craig	Cr James Barron
Policy and Bylaw	Mayor Hamish McDouall	Deputy Mayor Cr Jenny Duncan
Regulatory	Cr Josh Chandulal-Mackay	Cr Charlie Anderson
Chief Executive Review	Deputy Mayor Cr Jenny Duncan	Cr Alan Taylor

Advisory groups, Working parties, etc

Tupoho Working Party	Co-Chairs: Cr Jenny Duncan and John Maihi	
Tamaupoko Link	Co-Chairs: Te Aroha McDonnell and Cr Josh Chandulal-Mackay	
Waste Minimisation Advisory Group	Cr Rob Vinsen	
Town Centre Regeneration Advisory Group	Cr Helen Craig	
Sports and Recreation Advisory Group	Cr Philippa Baker-Hogan	

Chief Executive's review



Tēnā koutou katoa

I am pleased to present Whanganui District Council's Annual Report for 2021/22.

I joined Whanganui District Council as chief executive in March 2022 and in many ways this report provides a baseline for my new role. It sets out the council's activities over the past year, including progress on key projects and strategies and summarises our financial performance.

I would like to acknowledge the work that has taken place prior to my coming to Whanganui District Council and to recognise the efforts of our staff over the past year. Change has been the one constant during this time and this has had to be navigated in a demanding environment.

As we move forward from the impacts of COVID-19, while acknowledging that the virus is still very much with us at this point, we can see that the past year has left a legacy of challenges.

We're seeing significant pressure on staffing, for example, due to an increasingly competitive job market. Inflation, COVID-19 and supply chain issues have affected local businesses and had an impact on some of our major projects, such as the Sarjeant Gallery Redevelopment, which announced an estimated cost increase of \$9.6M in March 2022.

As we look to address these challenges, I am also excited about the opportunities presented to us at this time. We have all learned to become better at working flexibly and innovatively over the past few years – and I am committed to developing a really positive work environment that will help us retain and attract the skills and talent we need.

Good progress has been made on the Sarjeant Gallery Redevelopment and Te Awa Tupua legislation has been applied in a very real sense as the council has worked with our Te Pūwaha partners and the community towards the revitalisation of Whanganui's port.

Infrastructure improvements continued in 2021/22, with a fourth water bore installed at Kai Iwi and town centre parking meters upgraded. The 600-metre Fitzherbert Avenue extension to Mosston Road, including new reticulated and utility underground services, was completed and opened to the public.

Our built environment was prioritised with an increase to the Heritage Grant Fund pool from \$100,000 to \$250,000 annually. Initially proposed in the Waste Minimisation and Management Plan 2021, our Long-term Plan 2021-31 amendment adopted the introduction of kerbside recycling and food waste collection in 2023 and 2024 respectively.

Community wellbeing has understandably been a priority for the council in difficult times. This Annual Report highlights multiple programmes and initiatives that have been introduced to create a more welcoming community, to grow our understanding of equity issues in our district and to provide enriching experiences for families and whānau.

I look forward to building on this foundation as Whanganui District Council moves forward into 2022/23.



David Langford
Chief Executive

Performance Snapshots



Completed and opened the 600-metre Fitzherbert Ave extension to Mosston Road



Undertook seismic strengthening work at the Kowhai Park Castle



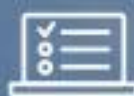
Became a UNESCO City of Design



Launched the Great Whanganui Play Trail



Installed an interactive art activity (large-scale tukutuku panel) outside the museum



Conducted a community digital survey covering household connectivity and digital confidence in Whanganui - we received over 790 responses



Completed an upgrade to the town centre parking meters. We reduced the number of existing meters from 216 to 53



Formally adopted Council's Waste Minimisation and Management Plan 2021 with a rates-funded kerbside recycling service to commence in 2023 and a food waste collection service in 2024



Launched our Tākaro Play Trailer with support from Sport Whanganui & YMCA



Commissioned a fourth water bore at Kai Iwi



NZ Glassworks celebrated its 5th birthday



Created a Summer Reading Programme for children



Received 24,644 phone calls with 19,533 service requests.



Held our first tea ceremony at the Japanese Tea House in Bason Reserve



Increased the Heritage Grant Fund funding pool from \$100,000 to \$250,000 annually and widened the scope of the funding criteria



Launched a Welcoming Activities Grant for community groups



Statement of compliance and responsibility

For the year ended 30 June 2022

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 2022 fairly reflect the financial position, results of operations and service performance achievements of Whanganui District Council.



Mayor
Andrew Tripe



David Langford
Chief Executive

20 December 2022

Ongoing impact of the COVID-19 pandemic

The impact of the coronavirus pandemic continued to be felt across all sectors of New Zealand to varying degrees during 2021/2022.

Commencing the financial year sitting at Alert Level 1, all of New Zealand was forced to move into Alert Level 4 on 17 August 2021 with a complete lockdown for a two-week period. Alongside all regions south of Auckland, Whanganui progressively moved through Alert Levels 3 and 2 over subsequent months until the COVID-19 Alert System was replaced by the COVID-19 Protection Framework, also known as the traffic lights, on 2 December 2021.

Initially identified as a 'red' region, Whanganui moved to the 'orange' setting on 30 December 2021 until 23 January 2022 when all of New Zealand was moved to the 'red' setting in response to community transmissions of the Omicron variant. Several 'red' setting restrictions were eased in March 2022, and all New Zealand regions returned to the 'orange' setting with effect 13 April 2022. New Zealand remained at the 'orange' setting as at 30 June 2022.

Under the red traffic light setting, all facilities, including those that were customer-facing, were able to remain open. There were, however, limits on numbers attending indoor events, and capacity limits based on one-metre social distancing for all public facilities (e.g. libraries, galleries, museums, swimming pools) with council facilities and venues requiring a My Vaccine Pass for entry. The graduated move to the orange setting on 13 April 2022 saw restrictions lift on gathering numbers, My Vaccine Pass requirements, and capacity limits at venues.

The council remained focused on keeping critical services (such as wastewater, drinking water, roading, and compliance services) running as the COVID-19 outbreak continued throughout the year. All council facilities remained open although the Splash Centre had to adjust its opening hours at times to accommodate for staff being required to isolate. Health and safety protocols included regular rapid antigen testing for council staff who had been identified as critical workers under the business continuity plan.

Although not a lead agency in a pandemic, the council's Civil Defence staff continued to support local organisations. Implementation and maintenance of the various COVID-19 alert level and protection framework controls in support of community and staff safety, and the continuity of service delivery, was paramount. These outcomes were also enabled by the council's Crisis Management Team. The council's various media channels continued to actively publish and endorse key messages in support of Government and community-led COVID-19 management initiatives.

Building on lessons learned from the previous year, the council continued its resurgence planning across the organisation and improved on its digital capacity and software. In addition to providing online payment services, other improvements included the remote processing of building consents during lockdowns and the remote verifications of food and health audits wherever possible to reduce staff exposure. Online learning resources and opportunities were made available such as the Library Learning Resource webpage, and increased digital access to collections at the Whanganui Regional Museum and the Sarjeant Gallery Te Whare o Rehua Whanganui. Contactless services were promoted wherever possible to ensure the safety of both staff and users.

Our vision

Te Kaunihera a Rohe o Whanganui
Whanganui District Council

Tangata Whenua partnership
Uphold our obligations arising from Te Awa Tupua (Whanganui River Claims Settlement) Act 2017
Transparency and accountability • Inclusion • Diversity • Intergenerational thinking

Our Leading Edge Strategy Vision
An energised, united and thriving district offering abundant opportunities for everyone.

Our goals				
<p>Community Community spirit - a united community that champions cultural diversity</p>	<p>Connectivity A connected district that is accessible</p>	<p>Creativity Humming with cultural personality</p>	<p>Environment Safeguarding our natural resources and unique environment</p>	<p>Economy Employment and development opportunities for everyone</p>
Key strategies and plans				
Overarching plans: Long-Term Plan, District Plan, Infrastructure Plan				
<ul style="list-style-type: none"> • Welcoming Communities • Youth places • Safer Whanganui • Housing 	<ul style="list-style-type: none"> • Digital • Active Transport • Urban Transport • Rural communities 	<ul style="list-style-type: none"> • Public art • Arts and culture • Town Centre Regeneration 	<ul style="list-style-type: none"> • Climate change • Open spaces and physical activity • Heritage • Waste management • Coastal management 	<ul style="list-style-type: none"> • Economic development • Finance and infrastructure • Urban growth • Port
Current priorities and challenges				
<ul style="list-style-type: none"> • Improving community wellbeing and celebrating diversity • Working with other agencies on addressing our housing crisis • Civil defence emergency preparedness, response and recovery 	<ul style="list-style-type: none"> • Supporting active and healthy communities • Supporting digital equity - including in the rural area 	<ul style="list-style-type: none"> • Growing Whanganui's reputation as an arts destination • Affirming and supporting traditional art, culture and our unique heritage 	<ul style="list-style-type: none"> • Protecting our unique environment and maintaining infrastructure in the face of climate change • Upholding our obligations under Te Awa Tupua 	<ul style="list-style-type: none"> • Rising costs and limited income. Keeping rates affordable and managing growth well



Our communities' wellbeing

Improving our communities' quality of life is at the very essence of our organisation. Whether we are providing multiple 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.



Our plans and framework

Our planning and reporting framework

Long-Term Plan (LTP)

In 2021, the council adopted a Long-Term Plan (LTP) for the period 2021-2031 that outlined the services and projects we planned to deliver for the district for that 10-year period. We review the LTP every three years.

Annual Plan

In years two and three of the Long-Term Plan, we produce an 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 LTP.

Annual Report

At the end of each financial year we produce an Annual Report that provides details of our activities and financial performance. It compares what we did against what we planned to do in our LTP.

Summary Annual Report

This document provides a summary of information contained in the Annual Report.

The planning cycle



Building community with Tangata Whenua

The council works with Tangata Whenua, Hapū and Iwi to build community in a mutually appropriate way. This approach is especially important in infrastructure planning, environmental management and development. The council's policy direction and planning processes takes into account effective engagement with Hapū and Iwi entities as well as marae and whānau as required. 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 allow for the voice of Hapū to be heard clearly and the values and effects to be considered at the source. 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 Tamaupoko Relationship Document Framework guides the formal partnership agreement between the council and Te Rūnanga o Tamaupoko. This document is due for review in 2025.

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

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 attend 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 the Te Awa Tupua Act, the intrinsic values Tupua te Kawa through Te Pūwaha – Port Revitalisation Project, and the relationships being built with Iwi and the council's internal Collaborative Culture programme.

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.

A long-standing Treaty grievance for mana whenua was addressed in February 2022 when the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa formally changed Maxwell to Pākaraka. The council worked alongside Ngāti Maika of Ngaa Rauru Kītahi to undertake consultation to inform their application to the Geographic Board. The Ngaa Rauru Deed of Settlement encourages conversations between Ngaa Rauru and the council in relation to the naming and renaming of streets and place names, and specifically refers to Maxwell (Pākaraka).

Partnerships and relationships

The council engages with Iwi and Hapū 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 joint 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.
- Provision of council support to the Whanganui Māori Regional Tourism Organisation for its Pūanga programme in 2021 and Whakawhanake (Waitangi Day) although the latter event was not held in 2021 following a decision by Iwi and community leaders.
- 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 leading 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.

Operational engagement

Operational engagement hui are conducted on a monthly basis with both 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. Updates are provided to the six-weekly strategic meetings.

Terms of reference were developed for a newly established Road Naming Panel with the panel's membership to include two representatives of Te Rūnanga o Tūpoho. One representative of Tamaupoko, 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.

Membership of the Waste Advisory Group was increased during the year to include Iwi representation to achieve a more inclusive insight into waste issues.

Collaborative Culture

Internally, a three-year Collaborative Culture programme, developed for the organisation, has been progressively rolled out to staff since the 2020/21 reporting year. This tranche of the programme was completed at the end of 2021 with delivery expectations delayed due to the impacts of COVID-19.

The purpose of the programme is to build culturally competent council staff with effective community engagement strategies and an increased understanding of Whanganuitanga, Te Awa Tupua and Tupua Te Kawa, Te Tiriti o Waitangi in a modern-day context, and local Whānau, Hapū and Iwi. It is also intended to inform the council's development of a Cultural Tool Kit and content for the council's staff induction process.

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

The 2022/23 reporting year will provide continuity of Collaborative Culture for staff and the Executive Leadership Team, and an introduction for the new elected members following the 2022 local government elections.

Groups of activities

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

- 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

Whanganui: Leading Edge	Community	Connectivity	Creativity	Environment	Economy
					
Water supply	✓			✓	✓
Stormwater drainage				✓	
Sewerage and the treatment and disposal of sewage				✓	
Provision of roads and footpaths	✓	✓			✓
Parks and recreation	✓	✓	✓	✓	✓
Community and cultural	✓	✓	✓	✓	✓
Economic development	✓	✓	✓	✓	✓
Community facilities and services	✓	✓	✓	✓	✓
Transportation	✓	✓		✓	✓
Investments					✓
Corporate	✓				

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.

What we did

- We completed the installation of the 3.8km water supply connection between Fordell and the main city supply.
- A fourth water bore at Kai Iwi was commissioned. This bore will add resilience to the city's water supply.
- Pipe installation work on the Whanganui Airport supply upgrade project (stage 1, 2 and 3) was completed. The final stage of the Airport supply upgrade included the installation of 380 metres of pipe from the northern side of Cobham Bridge to Taupo Quay, with the entire project incorporating a total renewal length of 870 metres. This project will ensure adequate supply and improved resilience in the airport water zone and specifically, critical assets, including the Wastewater Treatment Plant and the airport.
- We introduced bulk water supply filling stations in Ridgway and Peat Streets using a permit system.
- Work continued towards implementing a global consent for all water-take consents from Horizons Regional Council – a resource application was submitted with a detailed Assessments of Environmental Effects. A consolidation of water permits into a single global consent will promote efficiency in consenting and monitoring procedures and recognises the interconnectedness of the groundwater system and the wider environment.

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 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	67.76 ✓
	<i>Comment: The target was met. There were 1251 complaints in the period (18,462 connections). (Source: Council CRM) 2020/21: Target (<40) was not met – 65.5</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: The target was met. All discharge and take consents were compliant. (Source: Horizons Regional Council) 2020/21: Target was met – 100%</i>		
Economy, Community	The percentage of hydrants tested by Fire and Emergency New Zealand (FENZ) that comply with the New Zealand Fire Service’s code of practice for water supply and pressure	> 95 %	100 % ✓
	<i>Comment: The target was met. FENZ has commenced with monthly testing of fire hydrants reporting to council. (Source: FENZ) 2020/21: Target was met – 95%</i>		
Economy, Community	Median response time for attending urgent call-outs (water supply)	< 1 hrs	3.4 hrs ✗
	<i>Comment: The target was not met. Median response time for attending urgent call-outs was 3hrs 24 mins. Work has been undertaken to improve the accuracy of reporting times - however response times have been impacted by resource limitations, delayed logging of arrival times, and a need to reclassify requests based on officer onsite assessment (from non-urgent to urgent and vice versa) (Source: Council CRM) 2020/21: Target was not met – 5 hrs 12 mins</i>		
Economy, Community	Median response time for resolution of urgent call-outs (water supply)	< 22 hrs	15.49 hrs ✓
	<i>Comment: The target was met. Median response time for resolution of urgent call-outs was 15 hrs 29 min. (Source: Council CRM) 2020/21: Target was not met – 23 hrs 30 mins</i>		
Economy, Community	Median response time for attending non-urgent call-outs (water supply)	< 24 hrs	2.92 hrs ✓
	<i>Comment: The target was met. Median response time for attending non-urgent call-outs 2 hrs 55 min (Source: Council CRM)</i>		

	2020/21: Target was met – 12 hrs 15 mins		
Economy, Community	Median response time for resolution of non-urgent call-outs (water supply)	< 4 Days	6.28 Days X
	<p><i>Comment: Target was not met. Work has been undertaken to improve the accuracy of reporting times however response times have been impacted by resource limitations, delayed logging of arrival times, and a need to reclassify requests based on officer onsite assessment (from non-urgent to urgent and vice versa). (Source: Council CRM)</i></p> <p>2020/21: Target was met – 14 hrs 54 min</p>		
Economy, Community	The percentage of real water loss from the network reticulation system	< 40 %	28 % ✓
	<p><i>Comment: The target was met. This is an estimation based on average minimum nightly flows to the average water consumption. (Source: Council Infrastructure group)</i></p> <p>2020/21: Target was met – 36%</p>		
Economy, Community	The average amount of water consumed per resident per day	< 350 L	228 L ✓
	<p><i>Comment: The target was met. This is calculated through the total consumption from the reservoir, excluding industrial consumption, divided by 365 days, divided by the total population. (Source: Council Infrastructure group)</i></p> <p>2020/21: Target was met – 337</p>		
Economy, Community	The extent to which the water supply will comply with part 4 of the New Zealand drinking-water standards (bacteria compliance criteria)	100 %	100 % ✓
	<p><i>Comment: The target was met. Compliance was achieved with part 4 of the New Zealand drinking-water standards (bacteria compliance criteria). (Source: Taumata Arowai)</i></p> <p>2020/21: Target was met – 100%</p>		
Economy, Community	The extent to which the water supply will comply with part 5 of the New Zealand drinking-water standards (protozoal compliance criteria)	100 %	100 % ✓
	<p><i>Comment: The target was met. Compliance was achieved with part 5 of the New Zealand drinking-water standards (protozoal compliance criteria). (Source: Taumata Arowai)</i></p> <p>2020/21: Target was met – 100%</p>		

Water supply group

Capital expenditure

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

Activity	LTP Yr 1 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	-	-	-	37	-
Capital expenditure to improve the level of service :					
Water Supply					
Zone remote metering	50	-	50	-	-
Meters, valves, hydrants, mains, etc	254	-	254	275	-
Westmere Rural Scheme	26	-	26	4	-
Kai Iwi Bore, Pumps and Mains	30	-	30	44	-
Fordell Rural Scheme	-	-	-	437	-
Airport Road Upgrade - Stimulus funded	-	-	-	702	-
Peakes - Aiken Rd Watermain - Stimulus fund	-	-	-	189	-
Sundry Projects	34	-	34	19	-
	393	-	393	1,670	-
Capital expenditure to replace existing assets :					
Water Supply					
Meters, valves, hydrants, mains, etc	626	33	659	675	-
Steel Pipe Replacements	200	188	388	204	185
State Highway 3 - Symes Rd	205	102	307	31	95
Kai Iwi Bore, Pumps and Mains	-	-	-	177	-
Spiral welded replacement	150	-	150	53	15
Roading coordinated projects	130	-	130	261	-
Tawa Street to Kings Ave	110	-	110	16	-
Westmere Rural Scheme	-	120	120	116	-
Bastia Tower Upgrade	90	-	90	-	-
Eastown-Rangitiki St	135	-	135	-	-
Castlecliff Road	95	-	95	113	-
Fordell Rural Scheme	6	20	26	2	-
Aramaho Bore & Pumps	30	-	30	29	-
Sundry Projects	95	-	95	105	-
	1,872	463	2,335	1,780	295
Total Capital Expenditure for the Group	2,265	463	2,728	3,487	295

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

The council participated in the three waters stimulus programme, which funded a number of unplanned and unbudgeted projects. This programme was announced by central government in late 2020 and provided funding for enhancing the three waters infrastructure within the district. This funding is time-limited and these projects were prioritised over planned work to maximise the funding.

Water supply

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

The capital replacements budget was underspent for the year, driven by prioritisation of the stimulus-funded projects. Roading coordinated projects exceeded budget as work was brought forward to coincide with roading works. The Bastia Hill Water Tower upgrade and Eastown Road-Rangitikei Street projects were placed on hold while the focus was on delivering the stimulus-funded projects.

Steel pipe replacements, Symes Road renewal, spiral welded replacements and Tawa Street to Kings Avenue made some progress – however the focus remained on stimulus-funded projects.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	505,679	894,539
Borrowings raised	0	0
Borrowings repaid	(15,542)	(388,859)
Interest paid	13,522	0
Carried forward	503,659	505,679

Water supply group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	7,198	6,956	6,815
Subsidies and grants for operating purposes	-	-	1,870
Fees and charges	132	65	50
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	44
Total operating funding (A)	7,330	7,020	8,780
Application of operating funding			
Payments to staff and suppliers	3,321	3,597	3,727
Finance costs	754	427	537
Internal charges and overheads applied	691	728	758
Other operating funding applications	-	-	-
Total application of operating funding (B)	4,766	4,751	5,022
Surplus (deficit) of operating funding (A - B)	2,564	2,269	3,758
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	8	37	10
Increase (decrease) in debt	(659)	(67)	(293)
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	27	27	12
Total sources of capital funding (C)	(624)	(3)	(271)
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	37
-to improve the level of service	500	393	1,670
-to replace existing assets	1,440	1,872	1,780
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	1,940	2,266	3,487
Surplus (deficit) of capital funding (C - D)	(2,564)	(2,269)	(3,758)
Funding balance ((A - B) + (C - D))	-	-	-

Stormwater drainage

Stormwater

Stormwater collection and its disposal are necessary in order to protect the health and safety of people, land and property.

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.

What we did

Stormwater

- Although delayed due to COVID-related delivery issues, we completed stormwater works in Raupo Street. This work has provided a level of service to the Heads Road industrial area, and additional capacity for the effective completion of the wastewater system separation.
- We commenced consultation with Hapū, Ngā Tāngata Tiaki and Horizons Regional Council (Horizons) on the stormwater quality assessment programme. This will form an underlying basis for further guiding activities within the Healthy Streams Initiative.
- Design work and consultation with Tangata Whenua was progressed on the capital works needed in the Mosston Road / Mill Road attenuation area.
- We kicked off two important new capital works projects from the Long-Term Plan, one for Separation Completion (Hinai Street), and one for Stormwater Levels of Service Improvement (Smithfield Road). These are scheduled for completion early 2023.

Waterways and natural drainage

- Collaborating with a number of organisations and funded through the Healthy Streams Initiative, we commenced / undertook a number of stream enhancement projects during the year. This initiative focuses on erosion and vegetation control, removal of obstructions, improved fish passage, enhanced habitat and the uplifting of the general health of urban streams that flow into Te Awa o Whanganui. This included:
 - Karaka Street / Seafront Road reserve (Port Bowen Reserve), and Waiherowhero Stream – in collaboration with Horizons, Ngā Rauru, Progress Castlecliff, and Aranui School
 - Tutaeika Stream (by the entrance to Hyltons Pit, Field Street) – in collaboration with Te Rūnanga o Tupoho
 - Awarua Stream (Bates Road and Wikitoria Road) – stream planting work was carried out by the council, Horizons, landowners and the Department of Conservation (DOC) with funding provided by the council, Horizons, DOC and the Whanganui River Enhancement Trust
 - Matarawa Stream (Raine Street) – funded by the council and Horizons, and planted in partnership with the Matipo Community Charitable Trust
 - Titoki Reserve and Watercourses (Stage 1) – funded by the council and Horizons, and in partnership with Tangata Whenua and a local school
 - Kokohuia wetland watercourse (Stage 1) – funded by the council and Horizons, and in partnership with Tangata Whenua, the Matipo Community Charitable Trust and Te Kura O Kokohuia.

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	0.5 hrs ✓
	<i>Comment: The target was met. The median response time to attend a flooding event was 30 minutes. (Source: Council CDEM) 2020/21: Target was met – no flood events occurred</i>		
Environment	Number of flooding events	< 5	1 ✓
	<i>Comment: The target was met. One flood event occurred during the period. (Source: Council CDEM) 2020/21: Target was met – 0</i>		
Environment	The number of complaints received about the performance of the stormwater system (expressed per 1000 properties connected to the stormwater system)	< 5.5	3.75 ✓
	<i>Comment: The target was met. There were 65 complaints in the period (17,333 connections). (Source: Council CRM) 2020/21: Target was not met – 2.63</i>		
Environment	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the stormwater system)	< 0.5	0.52 ✗
	<i>Comment: The target was not met. There was one flooding event with nine habitable floors flooded during the period. (Source: Council CDEM)</i>		

	<i>2020/21: Target was met – no flood events occurred</i>			
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> <i>2020/21: Target was met – 0</i>			
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>2020/21: Target was met – 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>2020/21: Target was met – 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>2020/21: Target was met – 0</i>			
Environment	Number of urban floor-levels at risk, during the flood design-event	< 2200	1715	✓
	<i>Comment: The 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>2020/21: Target was met – 1,720</i>			

Waterways and natural drainage				
Community outcomes	Performance measure	Target	Result	
Environment	Compliance with the Whanganui River Flood Action Plan	100 %	100 %	✓
	<i>Comment: The target was met. The Whanganui River Flood Action plan did not need to be activated. (Source: Council CRM)</i> <i>2020/21: Target was met – 100%</i>			

Stormwater group

Capital expenditure

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

Activity	LTP Yr 1 Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to meet additional demand :					
Stormwater					
Springvale Structure Plan	-	-	-	78	-
Wetland Development	200	-	200	108	-
Swale Construction	150	-	150	168	-
North West Attenuation & Retention	650	-	650	340	238
Stormwater Attenuation & Retention	200	-	200	17	-
Land Acquisition	200	-	200	339	-
Capacity augmentation	50	600	650	127	525
	1,450	600	2,050	1,177	763
Capital expenditure to improve the level of service :					
Stormwater					
Integrated catchment management	150	-	150	62	-
Separation Completion	500	260	760	33	476
Inflow & Infiltration Investigations	100	-	100	19	-
Land Acquisition	-	-	-	-	-
Raupo St - Stimulus funded	-	-	-	1,467	-
Swale Construction	-	-	-	-	-
Watercourse enhancements	60	125	185	-	-
Stormwater attenuation	500	-	500	7	450
City wide hotspots	-	80	-	-	-
Sundry Projects	102	-	182	124	60
	1,412	465	1,877	1,711	986
Capital expenditure to replace existing assets :					
Stormwater					
Network replacements	350	-	350	16	-
Non-critical assets replacement	50	-	50	97	-
Sundry Projects	10	-	10	-	-
	410	-	410	113	-
Total Capital Expenditure for the Group	3,272	1,065	4,337	3,001	1,749

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

The council participated in the three waters stimulus programme, which funded a number of unplanned and unbudgeted projects. This programme was announced by Central Government in late-2020 and provided funding for enhancing the three waters infrastructure within the district. This funding is time-limited and these projects

were prioritised over planned work to maximise the funding. Funded stormwater projects are planned to proceed in the 2022/23 year.

Stormwater, waterways and natural drainage

The capital growth and acquisition programmes made some progress, as the focus was on delivering the stimulus funded projects. Augmentation, attenuation and retention projects have been scheduled to proceed in 2022/23. The Raupo Street augmentation project and associated land acquisition were funded from the three waters stimulus programme.

The capital replacements were lower than budget, with the bulk spent on non-critical asset replacements. No budget will be carried over to 2022/23, as work on the growth and acquisition programmes has been prioritised for the coming year.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	1,399,349	2,451,853
Borrowings raised	0	0
Borrowings repaid	(82,516)	(1,052,504)
Interest paid	36,328	0
Carried forward	1,353,162	1,399,349

Stormwater drainage group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	458	432	432
Targeted rates	6,308	5,735	5,736
Subsidies and grants for operating purposes	-	-	1,038
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	5	-	-
Total operating funding (A)	6,771	6,167	7,207
Application of operating funding			
Payments to staff and suppliers	1,429	1,590	1,369
Finance costs	1,875	1,210	836
Internal charges and overheads applied	345	368	384
Other operating funding applications	-	-	-
Total application of operating funding (B)	3,649	3,169	2,589
Surplus (deficit) of operating funding (A - B)	3,122	2,998	4,618
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	112	662	46
Increase (decrease) in debt	(560)	(391)	(1,662)
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	2	2	-
Total sources of capital funding (C)	(446)	274	(1,616)
Application of capital funding			
Capital expenditure			
-to meet additional demand	763	1,450	1,177
-to improve the level of service	1,485	1,412	1,711
-to replace existing assets	428	410	113
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	2,676	3,272	3,002
Surplus (deficit) of capital funding (C - D)	(3,122)	(2,998)	(4,618)
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 the Whanganui urban system servicing the city, and two rural systems for Mowhanau and Marybank. The systems are comprised of service lines, pipe networks, pump stations, treatment plants and outfalls.

What we did

- Completed the Carlton Avenue (SH3) wastewater relining project using Three Waters stimulus funding.
- Completed the Beach Road pre-treatment gantry renewal project.
- Completed installation of the renewed twin-step screens at Beach Road following COVID-related delays for the manufacturer and delivery to site.
- Fitted newly-made “duckbill” effluent diffusers to the ocean outfall stage of the wastewater treatment plant. The new diffusers will help to ensure ideal discharge conditions prevail at the outfall. This project was part of central government’s Three Waters Stimulus Project funding.
- Three waters stimulus project funding also saw the replacement of the Westway Pipe Bridge (between Durie Hill and Putiki), – a critical asset that was at the end of its useful life. This project required construction of a new 64-metre concrete-lined wastewater main and replacement of its support structure.
- Three waters stimulus project funding also saw the retrofit of scum baffles to the clarifiers at the council’s Wastewater Treatment Plant to capture floating scum and remove it from the final discharge.
- As part of the Three Waters stimulus project funding, we have extended the life of more than 1600 metres of wastewater mains by the way of relining.

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.

Community outcomes	Performance measure	Target	Result
Environment	The number of dry weather sewerage overflows from the system (expressed per 1000 sewerage connections)	< 5	1.07 ✓
	<i>Comment: Target was met. There were 17 dry weather overflows in the period (15,951 connections). (Source: Council CRM)</i> <i>2020/21: Target was met – 0.96</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	1.36 hrs ✓
	<i>Comment: Target was met. The median response time for attending sewerage overflows resulting from blockages or other faults was 1 hour 21 minutes. (Source: Council CRM)</i> <i>2020/21: Target was met – 1 hour 5 minutes (1.08)</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	26.79 Days ✗
	<i>Comment: The target was not met. Median response time for resolution of blockages or other faults was 26 days, 18 hours, 11 minutes. Response times have been impacted by resource limitations and delayed logging of resolution times. (Source: Council CRM)</i> <i>2020/21: Target was not met – 7 days, 15 minutes (7.01)</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)</i> <i>2020/21: Target was met – 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)</i> <i>2020/21: Target was met – 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)</i> <i>2020/21: Target was met – 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) 2020/21: Target was met – 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 the council's response to any of these issues	< 5	17.37	✗
	<i>Comment: Target was not met. There were 277 complaints received in the period (15,951 connections). The collection of data has become more detailed over the reporting period and complaints are being more accurately recorded as such. (Source: WDC CRM system) 2020/21: Target was not met – 16.9</i>			

Sewerage and the treatment and disposal of sewage group

Capital expenditure

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

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

Activity	LTP Yr 1 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	-	1,000	40	960
Sundry Growth projects	-	-	-	113	-
	1,000	-	1,000	153	960
Capital expenditure to improve the level of service :					
Wastewater					
New standby generator	-	428	428	193	-
CCTV condition assessments	50	-	50	153	-
Scum baffles at WWTP - Stimulus funded	-	-	-	449	-
Westway Pipe Bridge - Stimulus funded	-	-	-	560	-
Ocean Outfall upgrade - Stimulus funded	-	-	-	402	-
Mains Relining - Stimulus funded	-	-	-	598	-
Trenchless Renewals - Stimulus funded	-	-	-	574	-
Treatment plant odour control	-	-	-	65	-
Sundry Projects	60	-	60	65	-
	110	428	538	3,059	-
Capital expenditure to replace existing assets :					
Wastewater					
Mains, valves, meters, etc	750	673	1,483	156	1,120
Vehicle Replacement	60	-	-	-	-
Beach Road screen replacement	-	-	-	45	-
Beach Road Station control systems	-	1,400	1,400	-	1,400
Pump & Pump station renewals	90	-	90	116	-
Hydraulic gate replacement	-	300	300	-	300
Pre-treatment area refurbishment	-	-	-	13	-
Non-critical assets replacement	150	-	150	211	-
Beach Road Station flood repairs	-	98	98	-	98
	1,050	2,471	3,521	540	2,918
Total Capital Expenditure for the Group	2,160	2,899	5,059	3,752	3,878

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

Wastewater

The capital growth budget of \$1M for the Mill Road industrial area had minor spend, due to the focus on stimulus-funded projects. The balance will be carried over to 2022/23 to continue the project. There was \$113k of unplanned spend on various minor network upgrades in development around the city, mainly in the Fitzherbert Avenue extension.

Capital acquisitions was significantly higher than planned, driven by the stimulus-funded projects. These include the Westway pipe bridge, scum baffle upgrades at the wastewater treatment plant, upgrade to the ocean outfall, as well as accelerated mains relining and trenchless renewals. There was a corresponding increase in CCTV assessments to inform the relining and renewal works. A standby generator was bought and installed for less than originally budgeted.

The total capital replacements expenditure of \$540k is well under budget as the focus was on delivering the stimulus funded projects. The balance remaining for mains renewals, Beach Road pump station renewals and hydraulic gate replacement is being carried over to 2022/23 to proceed as needed.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	1,897,456	3,196,912
Borrowings raised	380,593	0
Borrowings repaid	0	(1,299,455)
Interest paid	62,846	0
Carried forward	2,340,896	1,897,456

Sewerage and the treatment and disposal of sewage group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	9,678	9,394	9,341
Subsidies and grants for operating purposes	-	-	1,603
Fees and charges	1,269	1,000	1,014
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	609	100	444
Total operating funding (A)	11,556	10,494	12,402
Application of operating funding			
Payments to staff and suppliers	6,941	6,616	7,066
Finance costs	1,417	1,326	1,300
Internal charges and overheads applied	854	837	872
Other operating funding applications	-	-	-
Total application of operating funding (B)	9,212	8,778	9,238
Surplus (deficit) of operating funding (A - B)	2,344	1,716	3,164
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	31	161	19
Increase (decrease) in debt	(349)	284	570
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(318)	444	588
Application of capital funding			
Capital expenditure			
-to meet additional demand	177	1,000	153
-to improve the level of service	115	110	3,059
-to replace existing assets	1,734	1,050	540
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	2,026	2,160	3,752
Surplus (deficit) of capital funding (C - D)	(2,344)	(1,716)	(3,164)
Funding balance ((A - B) + (C - D))	-	-	-

Provision of roads and footpaths

Roading transportation is a core essential service for the council. This group includes the management of the district's roads, bridges, traffic management and control systems, and streetlights, and contributes to our economic and social enhancement. 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).

What we did

Roading

- We completed the 600-metre Fitzherbert Avenue extension to Mosston Road and opened the road to the public on 11 March 2022. The extension work involved heavy underground services (water, sewer and stormwater), road sealing, trenching for utility services, and footpaths. The project – majority-funded (\$2.04M) through the Ministry of Business, Innovation and Employment's Provincial Growth Fund – will not only benefit residential expansion in Whanganui, but will provide a strategic transportation link to the Mill Road industrial area.

We secured funding approval of almost \$10 million from Waka Kotahi NZ Transport Agency for a group of significant safety projects in our roading programme to be undertaken 2021-24. Projects include the replacement of the Wakefield Street Bridge in Whanganui East, the Aramoho Rail Bridge pedestrian walkway clip-on, and Erni's Bridge on Kauarapaoa Road. The council has been seeking Waka Kotahi approval to replace the Wakefield Bridge since 2014.

- We upgraded the Victoria Avenue / Guyton Street traffic signal equipment.
- Rehabilitation work was undertaken on Rapanui Road approaching Mowhanau township. The design incorporated a slight change of alignment and included widening to allow for a two metre-wide cycleway corridor.
- Heavy rain events during the year continued to cause substantial damage to roading – particularly in the Kauarapaoa and Brunswick rural area and the Aramoho urban area, and network-wide during Cyclone Dovi in February 2022. We submitted two emergency work claims of about \$9M (across four weather events) with Waka Kotahi. Further investigation and costing of more technical restorations at Christie's Hill, Papaiti Road underslip, Somme Parade underslip, Tangi Street and Matarawa Hill Road is underway.
- Re-instatement works (resulting from the 2018 emergency) were completed at Jerusalem and Whangaehu Valley Road. This included securing agreement with Ngā Tāngata Tiaki on the Whanganui River Road works at Jerusalem and obtaining a resource consent from Horizons Regional Council.

Footpaths and berms

- Footpath maintenance and replacements continued throughout the year with sections of work being undertaken on Victoria Avenue between Dublin and Wicksteed streets, and Plymouth Street between Campbell and Bell streets.
- Work continued on the Urban Shared Pathways programme: the shared pathway network is part of the council's Active Transport Strategy that aims to create a cycle-friendly district that provides for healthy and sustainable travel choices for commuters.

- Whanganui East Shared Pathway – the section of existing shellrock path between Nile Street and Georgetti Road was upgraded to a three metre-wide concrete shared pathway running alongside Kowhai Park to link between-the-bridges circuit.
- Despite COVID-19 disruptions, more than 2000 students received cycle skills training through the Mā Ake Let’s Go cycling transport education programme.
- We constructed raised pedestrian platforms, as part of the Road to Zero safety project, outside Cullinane College, Seddon Street (for St Mary’s School students), and near the Virginia Road / Tulloch Street intersection. An asphalt speed hump was also constructed below the Virginia Road / Hillside Terrace intersection to slow traffic.

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	16	24 X
	<i>Comment: The target [of reducing the previous financial year's result by 1] was not met. During the 2021/22 period, there were 24 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, subject to review and approval by Waka Kotahi. 2020/21: Target was met – 17. There was one fatal and 16 serious injury crashes reported during the 2020/21 period, a reduction of 4 from the previous year and thereby meeting target.</i>		
Economy, Connectivity, Community	The average quality of ride on a sealed local road network, measured by smooth travel exposure	88<>92 %	79 % X
	<i>Comment: The target was not met. During the 2020/21 period the roading network incurred substantial deterioration due to increased traffic movements from population growth and high productivity motor vehicles (HPMV) movements associated with logging. During the 2021/22 period, ride quality (rural 93% and urban 76%) showed a decline on the previous year (rural 94% and urban 82%) with numerous adverse weather effects, ongoing resource limitations and cost escalations having affected the maintenance programme. (Source: Waka Kotahi NZ Transport</i>		

	Agency) 2020/21: Target was not met – 84%		
Economy, Connectivity, Community	The percentage of the sealed local road network that is resurfaced	> 4 %	2.5 % X
	Comment: The target was not met. During the 2021/22 period, 14,932km out of 587km sealed road network was resurfaced. The road maintenance programme has been partly affected by COVID-19 restrictions (including workforce sickness) and the need for reactive maintenance from storm damage. (Source: Waka Kotahi NZ Transport Agency) 2020/21: Target was not met – 3.80%		
Economy, Connectivity, Community	The percentage of customer service requests that are actioned within five working days	> 90 %	62.15 % X
	Comment: Target was not met. This was partly attributable to workforce availability with isolation requirements around COVID-19 and technical issues around accurate time recording. (Source: Council CRM) 2020/21: Target was not met – 73%		

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 %	30.23 % X
	Comment: Target was not met. This was partly attributable to workforce availability with isolation requirement around COVID-19 and technical issues around accurate time recording. (Source: Council CRM) 2020/21: Target was not met – 64%		
Economy, Connectivity, Community	The percentage of footpaths that meet Council's standard of a defect score of <50	> 90 %	99 % √
	Comment: The target was met. (Source: 2019 – Footpath condition rating survey undertaken every five years) 2020/21: Target was met – 99%		
Economy, Connectivity, Community	The total number of footpath faults (includes berms)	< 30000	26206 √
	Comment: The target was met. The 2019 Footpath Condition Rating Survey identified 26,945 faults of which 739 have been rectified through the maintenance programme. The target performance measure has been amended for the 2021/22 reporting year. (Source: 2019 – Footpath condition rating survey undertaken every five years) 2020/21: Target was not met – 610 of the 26,945 faults identified in the 2019 Footpath Condition Rating Survey had been rectified through the maintenance programme.		

Roads, footpaths and pathways group

Capital expenditure

The following table shows the expenditure on capital works for the roads, footpaths and pathways group. Significant variations to the Long-Term Plan are discussed below where necessary.

Activity	LTP Yr 1 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	500	-	500	474	-
Capital expenditure to improve the level of service :					
Roading					
Low Cost/Low Risk projects	1,936	-	386	383	-
Lets Go programme	-	-	-	69	-
Fitzherbert Ave extension	-	313	1,863	1,551	-
	1,936	313	2,249	2,003	-
Capital expenditure to replace existing assets :					
Roading					
Emergency Management	-	-	-	16	-
Victoria Ave/Guyton St signals upgrade	200	-	200	-	-
Erni's Bridge renewal, Kauarapoua	530	-	530	178	-
Sealed road resurfacing	2,460	-	2,460	1,740	-
Drainage renewals	960	-	960	575	-
Unsealed road metalling	520	-	520	386	-
Pavement rehabilitation	1,200	-	1,200	916	-
Structures component replacement	345	-	345	87	-
Traffic services renewals	482	-	482	756	-
Dublin St Bridge	100	-	100	-	-
Environmental Maintenance	385	-	385	1,546	-
	7,182	-	7,182	6,200	-
Footpaths and Berms					
Sundry Renewals	420	-	420	350	-
	7,602	-	7,602	6,550	-
Total Capital Expenditure for the Group	10,038	313	10,351	9,027	-

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

Roading

Capital growth programme meets budget for new residential developments.

Capital acquisitions is higher than budgeted, driven by higher spend on the Fitzherbert Ave extension project. The Mā Ake Let's Go programme is externally funded by Waka Kotahi NZ Transport Agency to develop and encourage cycling.

Capital replacements is lower than planned, driven by focus on response to emergency weather events in in late-2021 and early-2022. This is reflected by significantly higher Environmental Maintenance to reinstate and maintain the network after these events. Additional emergency funding has been sought from Waka Kotahi, with funding expected in 2022/23.

Footpaths and berms

Footpath renewals expenditure for the year was lower than budget by \$70k, driven by the focus on emergency works.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	230,096	471,073
Borrowings raised	39,998	0
Borrowings repaid	0	(240,978)
Interest paid	7,451	0
Carried forward	277,545	230,096

Provision of roads and footpaths group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	9,928	9,043	9,033
Subsidies and grants for operating purposes	3,343	4,515	5,947
Fees and charges	25	29	29
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	419	519	422
Total operating funding (A)	13,715	14,107	15,431
Application of operating funding			
Payments to staff and suppliers	7,711	8,615	9,912
Finance costs	666	260	349
Internal charges and overheads applied	851	810	844
Other operating funding applications	-	-	-
Total application of operating funding (B)	9,228	9,685	11,104
Surplus (deficit) of operating funding (A - B)	4,487	4,422	4,327
Sources of capital funding			
Subsidies and grants for capital expenditure	5,753	5,336	3,808
Development and financial contributions	38	354	30
Increase (decrease) in debt	(533)	(74)	881
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	5,258	5,616	4,719
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	500	474
-to improve the level of service	1,797	1,936	2,003
-to replace existing assets	7,948	7,602	6,550
Increase (decrease) in reserves	-	-	19
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	9,745	10,038	9,046
Surplus (deficit) of capital funding (C - D)	(4,487)	(4,422)	(4,327)
Funding balance ((A - B) + (C - D))	-	-	-

Parks and recreation

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

What we did

Parks and reserves

- Following a generous donation of \$100,000 from Mars Petcare in 2021 towards upgrading the Durie Hill lookout area, the council undertook community engagement on a concept plan for the upgrade. Feedback was considered with an updated design and the next phase of consultation being progressed. A request for quote will be going to market in July 2022 to source a designer to finalise the design alongside the community.
- We installed outdoor furniture on both the Upokongaro landing and jetty areas.
- An integrated approach to the Pukenui Queen's Park architectural landscape plan was agreed upon with Roopū Kaitiaki enabling the teams to explore approaches based in kaupapa Māori or tikanga Māori practice and principles. We will be going to market to attract a suitable designer in July and August 2022.
- Consultation commenced with Ngā Paerangi and the community regarding the design of a public toilet in the vicinity of the Upokongaro War Memorial Hall, and a story-telling project about the local community and its history. This work will allow for the expected increase of visitor numbers to the area using the Mountain to Sea cycle trail and the Upokongaro cycle and pedestrian bridge, and enhance visitor experience.

A long-term plan for Springvale Park is being developed in collaboration with a variety of existing Springvale Park users. Council endorsement will be sought later in 2022.

- Seismic strengthening work was undertaken at the Kowhai Park Castle. This is the first stage of work to enhance the castle's play area. Painting and maintenance work on Kowhai Park's wet play area was also completed.
- We brought the flying fox at Kowhai Park up to current safety standards and reopened it to the community following its temporary closure in October 2020 due to safety concerns. The new ride has a widened safety zone and improvements were made to the launch zone.
- Co-funded by the Rotary Club of Whanganui (Centennial Committee) and the Sport and Recreation Facilities Fund, we received final approval towards progressing a riverbank fitness park. The fitness area will be located along the river walkway adjacent to the "train" sculpture with installation expected from September 2022.
- We worked in partnership with Horizons Regional Council and other community groups to re-establish dune plantings and native plantings in reserve areas.
- We engaged a coastal scientist to undertake consultation and develop a coastal action plan to make Castlecliff and Kai Iwi beaches more resilient in the face of climate change.
- Supported by the Nagaizumi Town Council and highlighting Whanganui's sister city relationship, the first tea ceremony was held at the Japanese Tea House in the Bason Botanic Gardens. Although numbers were restricted to 15 places per ceremony, the two tea ceremonies were booked out within two days.

Cooks Gardens

- Although impacted by changes to COVID-19 restrictions, we successfully continued to run events under COVID-safe settings wherever possible. This included hosting the Cooks Classic that was broken into three sessions with gaps in between to ensure that attendance restrictions were adhered to.
- Other key bookings were successfully conducted within the Cooks Gardens Event Centre including new clients such as the Kellogg Rural Leadership conference that was held across seven consecutive days. Following the success of this event they have rebooked again for later in the year.
- Rugby training commenced in April with the Club Rugby final being held in mid-July.
- Work on a new scoreboard and ticketing booth is also well underway with UCOL engaged for the concept, design and construction of the ticket booth.

Swimming pools

- We undertook an accessibility audit and identified a number of improvements to access and equipment options at the Splash Centre to ensure that the pool facility is a place for all people of all abilities to enjoy. Funding to implement these improvements was sought in the 2022/23 Annual Plan.
- Floor resurfacing on the “old side” of the Splash Centre was completed as part of regular maintenance. This will ensure it remains in good and safe working order.

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. The reporting year was marred by COVID-19 lockdowns and the ongoing overall impacts to the work environment which extends to our contractors. 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	> 75 %	67 % X
	<i>Comment: The target was not met. Community satisfaction results with regard to the maintenance and presentation of open spaces decreased by 12% from the previous period. (Source: Community Views Survey 2022)</i> <i>2020/21: Target was not met – 79%</i>		

Economy, Connectivity, Creativity	Percentage increase in users of river shared pathway and Te Tuaiwi shared pathway	> 5 % increase on previous year	3.33 %	X
	<i>Comment: The target was not met. Although a new LTP target, users of the river shared pathway and Te Tuaiwi shared pathway increased from 213,921 in 2020/21 to 221,050 in 2021/22. (Source: WDC Pedestrian Counter) 2020/21: Not measured – New Target</i>			
Economy, Connectivity, Creativity	The percentage of households within 800m walking distance of an open space area (premier or passive park)	> 90 %	71 %	X
	<i>Comment: The target was not met. 15,426 of the 21,560 properties capable of containing dwellings are within 800m of an open space area. The council adopted a new Open Spaces and Physical Activity Strategy this year to support this target. (Source: GIS mapping) 2020/21: Target was not measured</i>			
Community, Economy, Environment	The percentage of people who are satisfied that there are adequate toilet facilities to meet user needs	> 70 %	62 %	X
	<i>Comment: The target was not met. Community satisfaction of users decreased by 1% from the previous period. The CVS results have been reviewed and key areas for improvement and actions to take forward have been identified. (Source: Community Views Survey 2022) 2020/21: Target was not met – 63%</i>			
Community, Economy, Environment	The percentage of people who are satisfied with the standard of toilet facilities	> 70 %	66 %	X
	<i>Comment: The target was not met. Satisfaction results with the standard of toilet facilities have been updated to include results from users only. The CVS results have been reviewed and key areas for improvement and actions to take forward have been identified. (Source: Community Views Survey 2022) 2020/21: Target was not met – 57%</i>			
Community, Economy	The percentage of the community satisfied with the district's sportsgrounds	> 80 %	68 %	X
	<i>Comment: The target was not met. Community satisfaction results with the district's sportsgrounds increased by 3% from the previous period. The measure is an aggregate score of users and non-users. 75% of users were satisfied with the district's sportsgrounds while 60% of non-users were satisfied with their availability. (Source: Community Views Survey 2022) 2020/21: Target was not met – 65%</i>			

Cooks Gardens			
Community outcomes	Performance measure	Target	Result
Economy	The number of functions held each year at Cooks Gardens Function Centre	> 70	44 X
	<i>Comment: The target was not met. This result is partly attributable to COVID-19 and the operating restrictions on this venue. (Source: Council records) 2020/21: Not measured - new target</i>		

Economy	The number of days each year that Cooks Gardens track and grounds are used	> 110 Days	87 Days	X
	<i>Comment: The target was not met. This result is partly attributable to COVID-19 and the operating restrictions on this venue. (Source: Council records)</i> <i>2020/21: Not measured. The reporting measure for 2021/22 is a new target and has changed to the number of days the track and grounds are used as opposed to hired (as measured in 2020/21).</i>			
Economy	The percentage of the community who have used, visited, or attended an event at Cooks Gardens	> 40 %	19 %	X
	<i>Comment: The target was not met. Reported percentage of attendance decreased by 7%. (Source: Community Views Survey 2022)</i> <i>2020/21: Target was not met – 26%</i>			
Economy	The percentage of hirers that are satisfied with their experience at Cooks Gardens	> 85 %	90 %	✓
	<i>Comment: The target was met. (Source: Hirer Satisfaction Survey)</i> <i>2020/21: Not measured – New Target</i>			

Swimming pools				
Community outcomes	Performance measure	Target	Result	
Economy, Community, Environment, Connectivity	The percentage of users satisfied with the Splash Centre	> 90 %	84.23 %	X
	<i>Comment: The target was not met. This result is partly attributable to the neutral respondents with only 2.4% expressing a dissatisfaction in the Splash Centre. COVID-19 restrictions and lockdowns, and adjustments to opening hours, were experienced during the reporting period. (Source: Splash Centre)</i> <i>2020/21: Target was not met – 87%</i>			
Economy, Community, Environment, Connectivity	The percentage of users satisfied with the Whanganui East Pool	> 90 %	100 %	✓
	<i>Comment: The target was met. (Source: Whanganui East Pool - Customer Satisfaction Survey)</i> <i>2020/21: Target was met – 90%</i>			
Economy, Community, Environment, Connectivity	The percentage of pool users satisfied that aquatic facilities provide value for money	> 80 %	86.65 %	✓
	<i>Comment: The target was met. (Source: Splash Centre)</i> <i>2020/21: Target was met – 85%</i>			

Parks and recreation group

Capital expenditure

The following table shows the expenditure on capital works for the parks and recreation group. Significant variations to the Long-Term Plan are discussed below where necessary.

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

Activity	LTP Yr 1 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>					
Buildings and improvements additions	82	148	230	163	67
Playground upgrades	30	-	30	-	30
Sundry Acquisition Projects	39	-	39	-	-
	151	148	299	163	97
<i>Cooks Gardens</i>					
Velodrome options investigation	1,250	-	1,250	-	1,250
	1,250	-	1,250	-	1,250
	1,401	148	1,549	163	1,347
Capital expenditure to replace existing assets :					
<i>Parks and Reserves</i>					
Queens Park	158	80	238	20	203
Kowhai Park	111	17	128	48	49
Wharf St Boat Ramp	-	150	150	-	150
Upokongaro Jetty	50	-	50	-	102
Bason Reserve	46	-	46	-	41
Otamatea Park Buildings	2	10	12	-	2
Victoria Park	25	5	30	-	29
Virginia Lake	39	-	39	-	34
Sundry Projects	166	170	336	26	179
	596	432	1,028	94	788
<i>Swimming Pools</i>					
Hydroslide upgrade	29	79	108	146	-
<i>Cooks Gardens</i>					
Grandstand & Scoreboard	167	-	167	76	89
	792	511	1,303	315	877
Total Capital Expenditure for the Group	2,193	659	2,852	478	2,224

Parks and reserves

The Upokongaro cycleway toilet project is still underway, with the balance carried to 2022/23 to complete. The playground upgrades have been reprogrammed for 2022/23, with the budget carried over to fund works.

The Velodrome options investigation budget remains unspent and will be carried over to 2022/23.

The majority of Parks and Reserves replacement projects have been deferred to 2022/23, with the associated budget carried over. This is driven by a combination of internal and external capacity constraints and reassessing the work programme to focus on critical workstreams.

The hydroslide at the Splash Centre has been upgraded, while work on the grandstand and scoreboard at Cooks Gardens are underway and continuing in 2022/23.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	256,740	380,716
Borrowings raised	0	0
Borrowings repaid	(38,322)	(123,976)
Interest paid	6,026	0
Carried forward	224,444	256,740

Parks and recreation group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	8,224	8,898	8,892
Targeted rates	-	-	-
Subsidies and grants for operating purposes	205	175	133
Fees and charges	250	233	299
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	137	117	387
Total operating funding (A)	8,816	9,423	9,710
Application of operating funding			
Payments to staff and suppliers	6,095	6,792	6,666
Finance costs	327	223	340
Internal charges and overheads applied	1,154	1,262	1,314
Other operating funding applications	-	-	-
Total application of operating funding (B)	7,576	8,278	8,319
Surplus (deficit) of operating funding (A - B)	1,240	1,145	1,391
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	90
Development and financial contributions	3	33	-
Increase (decrease) in debt	(743)	1,015	(832)
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(740)	1,048	(742)
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	-	1,401	163
-to replace existing assets	500	792	315
Increase (decrease) in reserves	-	-	171
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	500	2,193	649
Surplus (deficit) of capital funding (C - D)	(1,240)	(1,145)	(1,391)
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 include:

- Community
- New Zealand Glassworks Te Whare Tūhuna o Te Ao
- 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
- Royal Whanganui Opera House
- Whanganui War Memorial Centre
- Whanganui Regional Museum (through a service level agreement)

What we did

Community

Iwi engagement

- Council continued to engage with Iwi and Hapū across the district as part of normal business activities to grow a diverse, resilient, safe and connected community.

Community grants

- The council allocated \$150,000 annually for Community Contracts. The funding round opened in July 2021 with 26 applications requesting a total of \$246,007 – of these 23 were successful.

Positive Ageing

- Generally run four times a year, COVID-19 restrictions led to the Positive Ageing Forum only being held twice in the past 12 months. A newsletter was developed in December 2021 to provide an update to all members.
- Work continued across the community to achieve the actions within the Age Friendly Plan although several of the events / activities were affected by COVID-19.

Arts and culture

- We promoted the Creative Communities Scheme with a total of 26 successful applications across the 2021/22 financial year. Applicants ranged from workshops for songwriting, comedy or dance and arts therapy for physically or intellectually disabled communities, as well as events such as International Jazz Day, Race Unity Week, Matariki Glow Show and much more. In partnership with Creative New Zealand, the scheme aims to provide better access and engagement in the arts for local communities.

Our Whanganui Arts and Creative Industries Survey 2021 surveyed a total of 421 creatives and community arts. The results showed the breadth of creative disciplines practicing in Whanganui and some of the primary concerns of the local arts organisations / groups that responded. This data will help inform future community arts support for our vibrant arts community.

- We installed a public artwork that highlights Iwi identity in Whanganui's town centre and adds vitality to an otherwise unused commercial space. Six artists were selected for the project, Ngā Toi Matapihi, all of who relate to their whakapapa ties to Whanganui. The artwork is expected to remain on display for up to six months.
- The 24th stained glass window in the Council Chamber was installed. The Suffrage window was sponsored by the National Council of Women – Whanganui.
- We partnered with Mainstreet Whanganui to co-ordinate Puanga Rising, a free family-friendly event showcasing local musicians, artists, community groups and food stalls to celebrate Puanga and the first Matariki public holiday. The event received funding from the Town Centre Regeneration Project and was planned with guidance from the Whanganui Maori Regional Tourism Organisation and Iwi arts representatives of Tūpoho and Tamaupoko. About 1800 people attended the event at Majestic Square, demonstrating an appetite for future similar events.

Safer Whanganui

- We ran a Scavenger Hunt over the school holidays with at least 30 whānau taking part. The hunt was a COVID-friendly way of familiarising whānau with local organisations looking out for our safety and wellbeing.
- Work commenced on developing a Safe Community Event Guide. The guide is a one-stop shop of resources available to help run safe and healthy events for our community.

Play

- We launched the Great Whanganui Play Trail. The project was a collaborative effort, led by Sport Whanganui and the council and connects many of the creative, playful, and significant places that already exist in our town centre into one large experience.
- We also launched our Tākaro Play Trailer with support from Sport Whanganui and the YMCA. Used widely in schools (46 times) and at community events (16 times), the trailer has reached more than 2000 tamariki since its launch in November 2021.
- Our Inclusive Play Spaces Project commenced, led by the council and Sport Whanganui. A stocktake of the council's play spaces has been completed, a workshop held with the disability community, and several improvements to our play spaces implemented.

Youth

- Council established the Whanganui Youth Council in October 2021. This was to transition from the Youth Committee that was disestablished as part of this process. The Youth Council largely remains the same but operates outside the legislative framework and Council standing orders, which gives more flexibility to enable fuller engagement from Youth Council members.
- We hired a consulting agency to conduct a feasibility study on youth places and spaces that will identify options and viability for a "youth hub or youth places and / or spaces" in the district. The study will be completed in 2022.
- The Youth Council launched its \$600ship initiative during Youth Week. The 2022 focus was on three main streams: Environment and Sustainability, Culture and Diversity, and Youth Development. In total, \$5400 was awarded to support local initiatives and projects being driven by rangatahi.

Housing

- An in-house prioritisation exercise was undertaken in order to address the dynamic and changing needs in the housing space. The priorities identified focus on homelessness support, future-proofing our older persons housing portfolio, residential spatial planning and our CBD housing potential.
- We worked collaboratively with central government and social support agencies through the Safer Whanganui and housing reference forum to help find solutions to the housing shortage in Whanganui.

- We undertook a review of underused council land to understand housing potential.
- Guidelines were developed for homeless and freedom camping to support the implementation of the freedom camping bylaw.
- We actively promoted infill housing and urban consolidation, and support for residential conversion of town centre buildings.

Climate change

- We commenced an audit of the council's carbon emissions. The audit is expected to be completed in the second half of 2022.
- Suitability and options for solar-powered systems in council's facilities were investigated. The council's electricity and gas use has also been audited and a report on quick as well as longer-term solutions to reduce use is in progress. Reducing our carbon footprint is a key part of our commitment to mitigating climate change.
- An internal climate action plan was developed and we co-ordinated the council's submission on the draft National Adaptation Plan. We continue to work collaboratively to build a regional climate change action plan.
- We conducted a local transport survey, attracting about 500 responses that will support delivery of the climate change strategy and identify opportunities to reduce transport emissions.

Welcoming Communities

- We launched a Welcoming Activities Grant for community groups with funding of up to \$500 available for activities or events that enhance newcomer experiences in Whanganui. Six activities have been funded to date, ranging from a Filipino sport day, Cook Island dance workshop and a pop-up information stall.

A Welcome to Whanganui bingo card was created for newcomers to the district. The card includes a to-do list of 18 Whanganui activities and links to information suitable for newcomers.

- The Welcoming Communities Advisory Group worked with artists to design a Welcome Window that will be added to the Council Chamber's existing array of stained glass window artwork.

Digital connectivity

- Building on past successes, Whanganui was named a Smart21 Community for 2022 by the Intelligent Community Forum (ICF), the only New Zealand city for 2022 and one of only 21 worldwide. This application, a collaboration with Whanganui & Partners, benchmarked Whanganui against other global applicants using the six principles of the ICF method under economic and social / cultural growth where we demonstrated we were keeping up with change in a digital world.
- We conducted a community digital survey covering household connectivity and the digital confidence in Whanganui. This included a section dedicated to rural connectivity beyond internet. We received more than 790 responses.
- We successfully applied for funding of \$15,000 for a 12-month project from Te Tari Kaumātua, the Office for Seniors, to engage directly with older people to understand their needs and barriers in accessing digital initiatives and working collaboratively with Age Concern and SeniorNet Whanganui to design interventions and supports for digital inclusion.
- We placed runner-up across Australia and New Zealand for Best Government Participation – Local Government in the virtual international Govhack open data hackathon awards in 2021.

New Zealand Glassworks (NZG)

- Our glass workshop schedule for 2022 sold out in a record time of three weeks.
- We reworked the layout and made equipment and ergonomic improvements for the NZG hot shop facility impressing our users.

We celebrated our fifth birthday with a record number of entries for our glass design competition.

- NZG's first show for 2022 opened with a residency exhibition by Te Rongo Kirkwood, our first recipient of the NZG glass residency in 2021. Visitor numbers for the two-month exhibition totalled 3725.
- We held an inaugural exhibition series featuring selected art glass works from significant national private collections. It was the first occasion that Stuart Park's collection had been exhibited, and one of the first times (if not the first in the country) that a private New Zealand collection of art glass has been exhibited.
- NZG was the most active facility and gallery in New Zealand for the International Year of Glass 2022.

Libraries

- We went live with our Customer Radar feedback project. This was designed to ensure we receive a steady stream of feedback and experience scores from library customers.

We continued to grow our digital collections, adding the Beamafilm streaming service for library members.

- A COVID-19 vaccine pass service was provided to assist people who lacked the digital devices, knowledge or confidence to do so. In partnership with Digital Inclusion Alliance Aotearoa, we also offered a series of free one-hour sessions on how to use popular smartphone apps. The very successful Appy Seniors programme is aimed at people aged 65+.
- Our Library Learning Resources webpage went live. Links include courses run at the library, online learning resources and opportunities, resources aimed at school-age children, and local training providers. More than 16,000 video-based courses are available through LinkedIn Learning and are free to library members.
- We developed brochures, and promoted contactless services, for people who were unable to enter the library buildings because of vaccine pass requirements.
- Endeavouring to maintain as much consistency as possible for the children and families of Whanganui during the various COVID-19 alert levels, we ran online storytimes and activity ideas, used the Whanganui War Memorial Centre to enable physical distancing, or ran limited-number sessions.
- The Children's Team created a successful Summer Reading Programme allowing children the opportunity to talk with a librarian about their summer reading, or send in reports via Facebook or the internet.
- Alexander Library staff were part of a collaborative project for the book *Hei taonga mā ngā uri whakatipu: treasures for the rising generation*. The book comprises a host of historic photographs and information collected during the Dominion Museum's engagement with Whanganui Iwi Māori in 1921.

Sarjeant Gallery

- Work progressed on the Sarjeant Gallery Redevelopment Project for earthquake strengthening and restoration of the existing 100-year-old Sarjeant Gallery – construction is 75 percent complete for the basement foundations and floors, and the construction of a new, modern extension wing, with the collection storage facility and ground floor of the tower block having been completed and next level formation underway.
- The unforeseen complexities of strengthening the existing building, amplified by incremental delays with work interruptions, labour resourcing and material supply issues due to the COVID-19 situation has resulted in an extension of the project's original 24-month programme and increased the forecast total project cost.
- Staff have developed exhibition and events programmes through until the expected closure of Sarjeant on the Quay at 38 Taupo Quay prior to preparations for the move back to Pukenamu Queen's Park. Staff have also developed a timeline to exit Taupo Quay, relocate offices to Pukenamu Queen's Park, install

reopening exhibitions, and plan the transition of the gallery's art collection back to its purpose-built storage facility beneath the new wing of the redeveloped gallery.

Royal Whanganui Opera House

- We livestreamed the Great Opera Moments performance as part of Opera Week, reaching audiences across the world.

In addition to other key events, the Royal Whanganui Opera House hosted the New Zealand Symphony Orchestra, an event that was attended by more than 300 music lovers.

- COVID-19 restrictions led to the postponement or cancellation of many scheduled events throughout the year – however, a range of shows were confirmed for the final quarter of the year.

Whanganui War Memorial Centre

- Following on from our success in holding the Downer New Zealand Masters Games in early 2021, we were named as a finalist in the Support – Best Venue 2021 category in the 2021 New Zealand Event Awards. The award ceremony was postponed to July 2022 due to COVID-19 and held in Napier – while we didn't win the award it was a testament to the venue to be nominated against other events of such high calibre.
- In addition to their evening concert at the Royal Whanganui Opera House, the New Zealand Symphony Orchestra provided a free concert to more than 300 attendees.
- As well as welcoming back return clients such as the Chamber Music, Bayleys and the Targa Rally, we also hosted new clients including a series of Teachers Workshops held every six weeks during 2022, and a gaming expo that received a fantastic response with the client keen to hold another event later in the year.
- A number of modifications have been made during the past 12 months including improvements to the Fly Floor rigging infrastructure in the Main Hall that will entice professional shows to the venue, and improvements to stage lighting in the Concert Chamber.

Whanganui Regional Museum

- We saw continued growth in digital visitors every quarter with more than 13,000 website visitors and a little under 220,000 visitors through social media channels for the year. National and international access to the collections and collection stories via digital platforms has attracted positive feedback and behind-the-scenes exposure for the objects and team.

We refurbished the gallery for He Awa Ora including new directional carpet leading visitors to the exhibition with its pattern based on the Whanganui awa.

- Work commenced on a complete redesign and rebuild of the museum's website, funded through National Services Te Paerangi. It will have a new collections online component and e-commerce so that shop sales can be made online.
- We entered into a partnership with the Blumhardt Foundation to acquire contemporary Whanganui craft and design. The foundation will match-fund an annual acquisition for the next three years.

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: The target was met. The council provides a weekly email to mana whenua of all resource consent applications received. (Source: Council records)</i> 2020/21: Target was met – 100%		
Creativity, Economy	Perception of Whanganui to be a creative place	> 70 %	78 % ✓
	<i>Comment: Target was met. 78% of residents feel that the Whanganui district is creative (44%) or very creative (34%), with a further 16% indicating the district is slightly creative. (Source: Community Views Survey 2022)</i> 2020/21: Not measured – New Target		
Creativity, Economy	The percentage of residents participating in creative activities	> 70 %	24 % ✗
	<i>Comment: Target was not met. The reported participation rates for the period reduced by 11% from the previous period. It is noted that the 2020 Creative New Zealand / Colmar Brunton survey found 75% of residents in Manawatū - Whanganui had participated in the arts in the past 12 months. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 35%		
Creativity, Economy	Contribution that creative arts and industries makes to the Whanganui District's economy	\$41.4	\$40.1 ✗
	<i>Comment: Target is considered not to have been met. In 2021 Creative Industries formed 2% (\$40.1 m) of total GDP for Whanganui. These results are down 3.2% from 2020, which is in line with the national GDP for creative industries being down 3%. (Source: Infometrics)</i> 2020/21: Not measured – New Target		

New Zealand Glassworks Te Whare Tuhua o Te Ao			
Community outcomes	Performance measure	Target	Result
Community, Connectivity	The percentage of New Zealand Glassworks (NZG) customers satisfied with their experience	> 90 %	90 % ✓
	<i>Comment: The target was met. Overall customers were satisfied with their experience, the exhibition Collect 22: Stuart Park was very well received with people enjoying the diversity of works on display. (Source: NZG)</i> 2020/21: Target was met – 87%		
Community, Connectivity	The percentage of New Zealand Glassworks (NZG) users satisfied with the services and facilities provided	> 85 %	85 % ✓
	<i>Comment: The target was met. Users were satisfied with the services even with disruptions caused by COVID-19 and light settings over the year. (Source: NZG)</i> 2020/21: Target was met – 95%		
Community, Connectivity	Number of hours booked by working glass artists per annum	> 1251 hrs	849 hrs ✗
	<i>Comment: The target was not met. This result is partly attributable to lower capacity due to COVID-19 with only one bench able to be operated for parts of the period. (Source: NZG)</i> 2020/21: Target was not met – 1134 hrs		
Creativity, Economy	The number of visitors to New Zealand Glassworks (NZG)	> 28140	19839 ✗
	<i>Comment: The target was not met. This result is partly attributable to lower visitor numbers to Whanganui due to COVID-19 restrictions. (Source: NZG)</i> 2020/21: Target was met – 30,722		

Libraries			
Community outcomes	Performance measure	Target	Result
Economy, Community, Environment	The number of items issued per annum	> 500000	453966 ✗
	<i>Comment: The target was not met. This result was partly impacted by the lower foot traffic with COVID-19 restrictions. (Source: Council libraries)</i> 2020/21: Target was not met – 534,822		
Economy, Community, Environment	The rate of collection "turn over" each year	> 6	4.9 ✗
	<i>Comment: The target was not met. This result was partly attributable to COVID-19 restrictions and lower foot traffic. (Source: Council Library Management System database)</i> 2020/21: Target was not met – 4.9		

Economy, Community, Environment	The number of people visiting our libraries measured by physical visits	> 320000	196782	X
	<i>Comment: The target was not met. This result was partly impacted by the lower foot traffic with COVID-19 restrictions. (Source: Council libraries)</i> 2020/21: Target was not met – 283,067			
Economy, Community, Environment	The percentage of library users satisfied with the service provided	> 90 %	85 %	X
	<i>Comment: The target was not met. User satisfaction with library services decreased by 1% from the previous period. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 86%			
Economy, Community, Environment	The percentage of the Whanganui population that uses the library	> 60 %	51 %	X
	<i>Comment: The target was not met. Results have remained consistent with the previous period. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 52%			
Creativity	The number of public internet sessions	> 80000	54917	X
	<i>Comment: The target was not met. This result was partly impacted by the lower foot traffic with COVID-19 restrictions. (Source: Council Library Management System)</i> 2020/21: Target was not met – 69,294			

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	42233	X
	<i>Comment: The target was not met. This result is partly attributable to COVID-19 restrictions and lower visitor numbers to Whanganui. (Source: Sarjeant Gallery door counter device)</i> 2020/21: Target was met – 64,217			
Creativity, Economy, Community, Connectivity, Environment	The percentage of the Whanganui population that uses the Gallery	> 30 %	29 %	X
	<i>Comment: The target was not met. The result is partly attributable to COVID-19 restrictions. Reported attendance increased by 3% compared with the previous period. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 26%			
Creativity, Economy, Community, Connectivity, Environment	The percentage of visitors satisfied with the Gallery's exhibitions	> 90 %	97 %	✓
	<i>Comment: The target was met. (Source: Sarjeant Gallery visitor survey)</i> 2020/21: Target was met – 99%			

Creativity, Economy, Community, Connectivity, Environment	The percentage of visitors satisfied with their Gallery experience	> 90 %	98 %	✓
	<i>Comment: The target was met. (Source: Sarjeant Gallery visitor survey)</i> 2020/21: Target was met – 100%			
Creativity, Economy, Community, Connectivity, Environment	The total number of items in the collection catalogued to best practice international standards	> 3750	4921	✓
	<i>Comment: The target was met. (Source: WDC Vernon Database)</i> 2020/21: Target was met – 3659			

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	> 85	34	✗
	<i>Comment: The target was not met. The result was significantly impacted by COVID-19 restrictions with many shows cancelled or postponed until late 2022 or 2023. (Source: Royal Whanganui Opera House)</i> 2020/21: Target was met – 133			
Creativity, Connectivity, Environment, Economy	The number of locally produced community events at the Royal Wanganui Opera House	> 30	16	✗
	<i>Comment: The target was not met. The result was significantly impacted by COVID-19 restrictions with many shows cancelled or postponed until late 2022 or 2023. (Source: Royal Whanganui Opera House)</i> 2020/21: Target was met – 31			
Creativity, Connectivity, Environment, Economy	The percentage of the Whanganui population that attends one or more events at the Royal Wanganui Opera House	> 35 %	18 %	✗
	<i>Comment: The target was not met. Reported attendance decreased by 14% compared with the previous period. This result is partly attributable to COVID-19 restrictions with many shows cancelled or postponed until late 2022 or 2023. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 32%			
Creativity, Connectivity, Environment, Economy	The percentage of the community satisfied with their experience at the Royal Whanganui Opera House	> 65 %	73 %	✓
	<i>Comment: The target was met. The method of reporting on this measure has changed to include user satisfaction with the Royal Whanganui Opera House. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 66%			
Creativity, Connectivity, Environment, Economy	The percentage of hirers that are satisfied with the Royal Whanganui Opera House	> 90 %	100 %	✓
	<i>Comment: The target was met. (Source: Royal Whanganui Opera HouseHires Survey)</i> 2020/21: Not measured – New Target			

War Memorial Centre			
Community outcomes	Performance measure	Target	Result
Economy	The number of days each year that the Whanganui War Memorial Centre hosts events	> 120 Days	80 Days X
	<i>Comment: The target was not met. The result was significantly impacted by COVID-19 restrictions. (Source: Whanganui War Memorial Centre)</i> 2020/21: Target was met – 157 days		
Economy	The number of locally produced, community events at the Whanganui War Memorial Centre	> 30	22 X
	<i>Comment: The target was not met. The result was significantly impacted by COVID-19 restrictions. (Source: Whanganui War Memorial Centre)</i> 2020/21: Target was met – 83		
Economy	The percentage of the community satisfied with the Whanganui War Memorial Centre	> 55 %	78 % ✓
	<i>Comment: The target was met. The method of reporting has changed to reflect user satisfaction with the Whanganui War Memorial Centre. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 63%		
Economy	The percentage of hirers that are satisfied with their experience at the Whanganui War Memorial Centre.	> 90 %	95 % ✓
	<i>Comment: The target was met. (Source: Whanganui War Memorial Centre)</i> 2020/21: Not measured – New Target		

Community and cultural group

Capital expenditure

The following table shows the expenditure on capital works for the community and culture group. Significant variations to the Long-Term Plan are discussed below where necessary.

Activity	LTP Yr 1 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 :					
Community Development					
Housing Strategy	500	-	500	-	500
Stained glass windows	-	-	-	14	-
	500	-	500	14	500
Libraries					
Community Library Hubs	30	-	30	7	-
Sundry Library Projects	40	-	40	5	-
	70	-	70	12	-
War Memorial Centre					
Sundry War Memorial upgrades	-	-	-	10	-
Whanganui Regional Museum					
Regional Museum upgrades	27	-	27	-	-
Opera House					
LED lighting	150	-	150	70	80
Install fire exit	-	15	15	-	-
Sound and lighting	10	9	19	12	-
	160	24	184	81	80
Sarjeant Gallery					
Redevelopment project costs	15,000	18,048	33,048	12,381	20,700
Art work additions	-	-	-	6	-
	15,000	18,048	33,048	12,387	20,700
Earthquake Strengthening					
Kai Iwi	-	-	-	9	-
Virginia Lake	-	-	-	17	-
Kowhai Park	-	-	-	1	-
	-	-	-	26	-
	15,757	18,072	33,829	12,530	21,280

Activity	LTP Yr 1 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	-	310	287	-
Davis Library	-	257	257	11	193
Sundry Library Projects	-	46	46	-	46
	310	303	613	298	239
War Memorial Centre					
Structural - Plant Room Access / Fly floor	-	65	65	14	40
War Memorial Hall - New Inverter	-	12	12	-	12
Toilet Partitions	38	-	38	-	38
Building enhancements	38	70	108	4	95
	76	147	223	18	185
Regional Museum					
Sundry Regional Museum projects	121	52	173	158	20
New Zealand Glassworks					
Sundry Glassworks Projects	-	-	-	22	-
Opera House					
Sundry Opera House projects	48	7	55	-	35
Earthquake Strengthening					
Council Chambers	-	120	120	-	120
Kowhai Park	-	114	114	57	56
Virginia Lake	-	104	104	33	-
Upokongaro Hall	100	-	100	-	100
Kai Iwi	-	48	48	-	-
	100	386	486	90	276
	655	895	1,550	586	755
Total Capital Expenditure for the Group	16,412	18,967	35,379	13,117	22,035

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 has been carried over to 2022/23 as planning work continues. There has been a minor unplanned spend of \$14k on stained glass windows in the Council Chamber, partially funded from external sources.

Libraries

The community library hub spending is lower than planned, as demand remains lower.

The Book Vote was slightly underspent, driven by minor delays in some publications being delivered. Minor projects (such as shelving replacement) have been deferred to 2022/23, with the associated budget carried over.

Planned works on upgrading and renewing the Davis Library are on hold to coincide with further upgrades in 2024. The funds have been carried over to 2022/23 to continue with planning work.

Whanganui War Memorial Centre

Building enhancements, structural works and various other upgrades and renewals have been deferred to 2022/23 and the associated budget carried over. This is driven by 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 2022/23, with the remaining budget carried over. Minor sound and lighting upgrades have been completed, with various minor replacement projects deferred to 2022/23.

Sarjeant Gallery

The Gallery Redevelopment Project continues with physical works. This will continue over 2022/23 and 2023/24, with the remaining budget carried over to fund this.

Minor unplanned artwork has been bought, funded by an external grant.

Whanganui Regional Museum

Planned work at the museum is slightly less than planned, with minor components carried over to 2022/23.

Earthquake strengthening

Various work at Rotokawau Virginia Lake, Kowhai Park and Kai Iwi has been done, with remaining planned work carried over to 2022/23.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	380,076	724,554
Borrowings raised	0	0
Borrowings repaid	(62,310)	(344,478)
Interest paid	8,766	0
Carried forward	326,532	380,076

Community and cultural group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	9,067	10,274	10,267
Targeted rates	1,209	926	926
Subsidies and grants for operating purposes	150	390	409
Fees and charges	893	800	613
Internal charges and overheads recovered	0	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	43	51	191
Total operating funding (A)	11,362	12,443	12,406
Application of operating funding			
Payments to staff and suppliers	7,642	8,797	7,971
Finance costs	883	377	486
Internal charges and overheads applied	1,523	1,698	1,768
Other operating funding applications	-	-	-
Total application of operating funding (B)	10,048	10,873	10,225
Surplus (deficit) of operating funding (A - B)	1,314	1,570	2,181
Sources of capital funding			
Subsidies and grants for capital expenditure	-	15,000	8,500
Development and financial contributions	-	-	-
Increase (decrease) in debt	161	(159)	(1,315)
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	8,356	-	567
Total sources of capital funding (C)	8,517	14,842	7,752
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	8,996	15,757	12,530
-to replace existing assets	835	655	586
Increase (decrease) in reserves	-	-	(3,183)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	9,831	16,412	9,933
Surplus (deficit) of capital funding (C - D)	(1,314)	(1,570)	(2,181)
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 we did

In March 2022, Whanganui & Partners began operating as a Council Controlled Organisation.

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' [Audited Financial Statements 2022](#) and [Performance Report 2021-2022](#)

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	> 25000	13864 X
	<i>Comment: Target was not met. This result was mostly attributable to COVID-19 with lower numbers of international visitors. (Source: Whanganui i-Site) 2020/21: Target was not met – 21,965</i>		
Connectivity	Customer satisfaction with service received at the i-SITE	> 4.5	4.5 √
	<i>Comment: Target was met. (Source: Trip Advisor ratings: aggregate score) 2020/21: Target was not met – 4.44</i>		

Economic development group

Capital expenditure

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

Activity	LTP Yr 1 Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
<i>Economic Development</i>					
Website development	-	-	-	-	-
	-	-	-	-	-
Total Capital Expenditure for the Group	-	-	-	-	-

Whanganui and Partners transferred out of the council in March 2022, with any projects underway disposed of to the new independent Whanganui & Partners Ltd. The website development above was an ongoing project managed by Whanganui & Partners. There was no other capital expenditure during the financial year.

Internal borrowings

	2022 \$	2021 \$
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 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,918	3,358	3,356
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	88	1,275
Fees and charges	-	-	14
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	87	86	8
Total operating funding (A)	3,005	3,532	4,653
Application of operating funding			
Payments to staff and suppliers	2,463	2,921	4,202
Finance costs	(8)	(16)	(16)
Internal charges and overheads applied	550	627	652
Other operating funding applications	-	-	-
Total application of operating funding (B)	3,005	3,532	4,839
Surplus (deficit) of operating funding (A - B)	-	-	(186)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	186
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	186
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	-	-	-
-to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C - D)	-	-	186
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

What we did

Cemeteries

- Community views were sought on a range of issues regarding burials, cemeteries, cremations, monuments and memorials in the district ahead of a review of the Cemeteries and Crematoria Bylaw in 2023.

CBD maintenance

- Our Drews Avenue streetscape project – formally opened in June 2021 – received Waka Kotahi NZ Transport Agency’s Agent for Change trophy and was considered an excellent example of how to open a street space to meet the needs of the community.

We created a “mini-museum” experience in lower Victoria Avenue with the installation of a large-scale display of historic photos in the window of the former Hallensteins building.

- New pedestrian parking signage indicating the location of council carparks was installed in the central city, along with vehicle wayfinding parking signage.
- We reinvigorated the pop-up space on Maria Place for summer with two mobile food businesses onsite.
- Repairs and concreting work at the rear of the Whanganui Tramways Museum building were completed. This was funded through the Tourism Infrastructure Fund.
- An interactive art activity outside the Whanganui Regional Museum building was installed. The large-scale tukutuku (arapaki) panel was commissioned as part of the council’s town centre regeneration work.

Waste minimisation

- We formally reviewed and adopted the council's Waste Minimisation and Management Plan 2021. Key elements of the plan are two new rates-funded kerbside collection services with recycling to commence in July 2023 and food waste collection to commence in July 2024.
- The Waste Minimisation Advisory Group approved funding applications to its waste minimisation levy fund to enable: a feasibility study and small-scale pilot project for a proposed centralised hub for food rescue and community food distribution, a pilot programme that will divert organic waste from hospitality and other service industries to grow organic boutique mushrooms, and contributed towards the purchase of a second-hand trailer and site bins for the capture and re-use of construction and deconstruction waste.
- Recycling material was collected from 39 schools / preschools as part of the *Paper4trees* project, resulting in 120 tonnes of paper being recycled and 450 native trees being distributed back to the local schools for planting.
- We successfully conducted our fifth Household Hazardous Waste Day drop-off day. This was the largest ever with about 80 households registered to participate on the day, and more than 4.5 tonnes of hazardous waste dropped off for safe disposal.

Pensioner housing

- We continued to support the social wellbeing of our residents: this was done in conjunction with Age Concern, who partner with us to focus on our tenant's wellbeing. An internal change in the process for the day-to-day maintenance of the various complexes led to a further improvement in service to our tenants, this has included having a council-owned Housing Officer who possesses extensive knowledge and experience across Property, Facilities and Assets.
- We continue to work towards our obligations as a landlord in terms of Healthy Homes requirements, well before the legislative timelines in 2024. We have improved heating and ventilation in 93 percent of our units by installing heating, extractor fans in kitchens and bathrooms, and draught stopping.

Community buildings

- Temporary stabilisation work on the bank at the rear of the Whanganui Repertory Theatre building was undertaken. Engagement with Tangata Whenua will determine the approach to be taken for further permanent work on the site.

We started initial conversations with the local community regarding restoration of the Upokongaro War Memorial Hall.

- We completed restoration, and preliminary fire and structural reports, for the Whanganui Repertory Theatre building. This will enable us to consider next steps.
- A community pre-engagement phase for the concept design of the Durie Hill lookout upgrade was completed with feedback being overwhelmingly supportive.

Emergency management

- Preparatory work was taken on planning for concurrent event responses under the differing COVID-19 alert levels. This included the potential need for alternative sites and split shifts for the Emergency Operations Centre (EOC) and its staff.
- Support was provided to the District Health Board's vaccination drive using the incident control trailer as a mobile pop-up.
- We shared our geographical information services (GIS) mapping software knowledge with other regions, as well as our GIS-based evacuation plans.

- Work continued with public education and building community response initiatives. This included reviewing emergency plans for several early childhood and school facilities and supporting the agencies responsible for the operational delivery aspects of a COVID-related community welfare response.

Animal management

- Our dog registration compliance remained at 94 percent of the 8335 known active dogs in the district.
- Dog impound numbers decreased in 2021/22 with 695 dogs impounded in the reporting year.

Building control

- Recent improvements to digital capability and software enabled remote processing of building consents during the lockdown period.
- We were considered to be a high-performing Building Control Authority (BCA) and low risk after completing our two-yearly accreditation review in January 2022 despite having some resourcing issues.

We carried out 3761 site inspections and 172 pool barrier inspections for the 2021/22 year.

- Taking into account the impacts of COVID-19 throughout the year (restrictions and staff isolation requirements), the building control team were operating at reduced resourcing levels and were not able to meet all statutory timeframes for building consent and Code Compliance Certificate (CCC) applications and site inspections.

Environmental health

- Food and health audits continued despite COVID-19 restrictions with remote verifications being used wherever possible to reduce staff exposure.
- We completed 842 drinking-water samples from our town water supply with only one failed sample detected.

Resource management

- In 2021/22, we received and assessed the following:
- 203 applications for use and development
- 170 applications for subdivision of land
- two applications for certificates of compliance
- six variations to easements
- Our GIS team mapped and counted the areas of residential land potentially available in the General Residential Zone. This work supports the progress of the Residential Spatial Plan, the council's Housing Strategy, and our commitment to the National Policy Statement – Urban Development.

Environmental policy

- Progress on a number of District Plan changes Includes:
- The appeals process for Plan Change 54 – Industrial has progressed with one appeal resolved and two others in mediation
- Collation of landowner consultation on Plan Change 48 – Outstanding Natural Landscapes is in progress and an evaluation report for the plan change is in preparation
- The rezoning proposals for Plan Change 58 – Outer Castlecliff are being carefully scrutinised following additional ecological surveys, and a determination by Horizons Regional Council that part of the area is “stable duneland” a rare habitat under Horizons' One Plan
- A new Plan Change 60 – Miscellaneous is under development to address a range of adjustments or corrections needed in the existing District Plan as part of the rolling review of the plan.

The council adopted its He Kaupapa Here: Ngā Taonga Tuku Iho Whanganui District Heritage Strategy. The strategy sets out a framework for facilitating, encouraging and managing successful heritage outcomes.

- In a last round of available funding, a total funding package of \$207,000 was allocated through the Heritage EQUIP scheme, administered by the Ministry for Culture and Heritage, for multiple buildings in the district (11 in total).
- We increased the Heritage Grant Fund funding pool from \$100,000 to \$250,000 annually, and widened the scope of the funding criteria. The boost to funding helped to alleviate the substantial gap left by the cancellation of the Heritage Equip scheme.

Parking services

- We completed an upgrade to Whanganui’s town centre parking meters. The new Metro Lite Touch meters operate on a “pay-by-plate” parking system and feature three payment options – coins, tap-and-go (credit/debit card) or a QR code for smartphone use. The number of existing meters was reduced from 216 to 59.
- The new meters resulted in a reduction of visual pollution in the CBD and introduced modern ways of paying, reducing the reliance on coins.

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 five 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 (2,500). (Source: Council cemetery records database)</i>		

	2020/21: Not measured – New Target		
Connectivity, Creativity	The percentage of people satisfied with cemetery facilities	> 90 %	– -
	<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)</i> 2020/21: Target was met – 90%		
Connectivity, Creativity	The number of official cemetery records available on the council's website	> 45500	46218 ✓
	<i>Comment: The target was met. (Source: Council cemetery records database)</i> 2020/21: Target was not met – 45,581		

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	> 75 %	70 % X
	<i>Comment: The target was not met. Satisfaction with the contribution the CBD makes to the image of Whanganui decreased by 10%. (Source: Community Views Survey 2022)</i> 2020/21: Target was met – 80%		
Community, Economy, Environment	The percentage of residents that feel safe in the CBD during the evening	> 70 %	58 % X
	<i>Comment: The target was not met. 58% of residents feel safe all or most of the time in the CBD during the evening (an increase of 2% from the previous period), with a further 28% indicating they sometimes feel safe. The CVS results have been reviewed and key areas for improvement and actions to take forward have been identified. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 56%		
Community, Environment	The percentage of residents satisfied with the standard of the presentation in the town centre	> 90 %	78 % X
	<i>Comment: The target was not met. Satisfaction with the standard of the presentation decreased by 5% from the previous period. The CVS results have been reviewed and key areas for improvement and actions to take forward have been identified. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 83%		
Community, Environment	The number of complaints about the cleanliness or hygiene of public toilets reported to the council	< 12	10 ✓
	<i>Comment: The target was met. There were 10 complaints regarding cleanliness of toilets recorded in the CRM system for this period. (Source: Council CRM system)</i> 2020/21: Target was met – 2		

Waste minimisation			
Community outcomes	Performance measure	Target	Result
Environment	The percentage of users of the Whanganui Resource Recovery Centre that are satisfied with the overall service provided	> 95 %	– -
	<i>Comment: The target is deemed not to have been met. The survey of users of the Whanganui Resource Recovery Centre was not undertaken in the 2021/22 period. (Source: Council parks team) 2020/21: Target was deemed not to have been met – the survey was not undertaken in the 2020/21 period</i>		
Environment	Iconic events held in public parks and reserves will have an appropriate waste minimisation plan	100 %	100 % ✓
	<i>Comment: The target was met. A total of three iconic events were held during the period with all having an appropriate waste minimisation plan. (Source: Council parks team) 2020/21: Target was met – 100%</i>		
Environment	The amount of product recycled through the centre each year	3974	3157 ✗
	<i>Comment: The target [to maintain or improve from previous year] was not met. There was a 20% decrease in product recycled. (Source: Whanganui Resource Recovery Centre records). The centre was subject to COVID-19 closures and restrictions at times during the reporting period. 2020/21: Target was not met – 3974</i>		
Environment	The number of educational visits to schools on waste minimisation	> 5	9 ✓
	<i>Comment: The target was met. There were a total of 9 educational visits to schools covering 42 classes. (Source: Whanganui Resource Recovery Centre records) 2020/21: Target was met – 12</i>		

Pensioner housing			
Community outcomes	Performance measure	Target	Result
Community	Tenants' overall satisfaction with the council's pensioner housing service	> 90 %	93 % ✓
	<i>Comment: The target was met. Tenants satisfied with the council's pensioner housing service increased by 4% from the previous period. (Source: Council pensioner housing survey 2022) 2020/21: Target was not met – 89%</i>		
Community	The percentage of tenants who are satisfied with welfare services	> 70 %	80 % ✓
	<i>Comment: The target was met. The percentage of tenants who were satisfied with welfare services increased by 6% from the previous period. (Source: Council pensioner housing survey 2022) 2020/21: Target was not met – 74%</i>		

Community	The percentage of pensioner housing units that are occupied	> 90 %	94 %	✓
	<i>Comment: Target was met. A total of 258 of the 273 units available are currently occupied. (Source: Council pensioner housing)</i> <i>2020/21: Target was met – 95%</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 %	92 %	✓
	<i>Comment: The target was met. Overall preparedness increased by 1% from the previous period. (Source: Community Views Survey 2022)</i> <i>2020/21: Target was met – 91%</i>			
Community	The number of community engagement meetings or community-focused exercises conducted	> 20	62	✓
	<i>Comment: The target was met. Events included Red Cross training activities, Neighbourhood Support, local emergency management committee meetings, psychological first aid training. (Source: Council emergency management team)</i> <i>2020/21: Not measured – New Target</i>			
Community	The percentage of emergency management calls responded to within 15 minutes	100 %	100 %	✓
	<i>Comment: The target was met. This includes after-hours calls non-emergency management related. (Source: MCDEM records)</i> <i>2020/21: Target was met – 100%</i>			
Community	Number of EOC activations, for events or exercises, with all function desks necessary for responding to the event or exercise appropriately staffed	> 2	4	✓
	<i>Comment: Target was met. A total of four activations of the EOC occurred with four event activations and two exercises during the period. (Source: MCDEM records)</i> <i>2020/21: Not measured – new target</i>			
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: The target was met. A number of sirens have needed repairs or replacement during the period and were covered by mobile sirens. (Source: Council emergency management team)</i> <i>2020/21: Target was not met – 75%</i>			
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 Whanganui DHB	100 %	100 %	✓

	<p><i>Comment: The target was met. (Source: Council emergency management team)</i> 2020/21: Not measured – new target</p>
--	---

Animal management			
Community outcomes	Performance measure	Target	Result
Community, Economy	The percentage of known dogs that are registered	> 97 %	94 % X
	<p><i>Comment: The target was not met. During the period there were 8327 known dogs of which 7755 were registered. Those not registered have received infringements for failing to register. (Source: Council property and rating database)</i> 2020/21: Target was met – 98%</p>		
Community, Economy	Percentage of responsible dog owners	> 65 %	95 % √
	<p><i>Comment: Target was met. (Source: Council property and rating database)</i> 2020/21: Not measured – new target</p>		
Community, Economy	The percentage of the community satisfied with the animal control services provided	> 50 %	43 % X
	<p><i>Comment: The target was not met. Satisfaction with animal management services reduced by 6% from the previous period. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 49%</p>		
Community, Economy	The percentage of Priority 1 (Urgent) call outs that are responded to within one hour	> 98 %	98 % √
	<p><i>Comment: The target was met. 705 of 717 Priority 1 call outs were responded to within one hour. (Source: Council CRM system)</i> 2020/21: Target was met – 98%</p>		

Building control			
Community outcomes	Performance measure	Target	Result
Community, Economy, Environment	The maintenance of building consent authority accreditation status	Achieve	100 % √
	<p><i>Comment: The target was met. Accreditation was renewed in May 2022. Next assessment due January 2024. (Source: Council building control)</i> 2020/21: Target was met – achieved</p>		
Community, Economy, Environment	The percentage of building consents processed within statutory timeframes	100 %	91 % X
	<p><i>Comment: The target was not met. 838 of 918 building consents were processed within statutory timeframes with processing times impacted by resourcing constraints and high volumes of consents. (Source: Council property and rating database)</i></p>		

	2020/21: Target was not met – 96%		
Community, Economy, Environment	The percentage of customers satisfied with the building consent services provided	> 90 %	78 % X
	<i>Comment: The target was not met. 78% of respondents were satisfied or very satisfied with the building consent services provided. (Source: Council building consent satisfaction survey 2022)</i> 2020/21: Target was not met – 84%		

Environmental health			
Community outcomes	Performance measure	Target	Result
Community	The maintenance of Notice of Recognition pursuant to Section 135, Food Act 2014	Achieved	100 % √
	<i>Comment: The target was met. (Source: Environmental Health Team)</i> 2020/21: Not measured – New Target		
Community	Percentage of health licenced premises inspected at least once in the last 12 months	100 %	100 % √
	<i>Comment: The target was met. All premises were inspected within the period. (Source: Council property and rating database)</i> 2020/21: Not measured – new target		
Community	The percentage of Alcohol Licensing applications processed within 20 working days	100 %	66 % X
	<i>Comment: Target was not met. 210 of the 319 alcohol licences received in the year to date were processed within 20 working days. This result is partly attributable to COVID-19 restrictions and delays in hearings (Source: Council property and rating database)</i> 2020/21: Target was not met – 87%		
Community	Percentage of alcohol licenced premises inspected at least once in the last 12 months	100 %	100 % √
	<i>Comment: The target was met. All 112 premises were inspected and verified within required statutory timeframes. (Source: Council property and rating database)</i> 2020/21: Not measured – new target		
Community	The percentage of excessive noise complaints investigated within 30 minutes	> 95 %	85 % X
	<i>Comment: The target was not met. During the period 1505 of the 1765 noise calls were attended within 30 minutes. This result is partly attributable to COVID-19 lockdown and restrictions affecting attendance for some complaints. (Source: Council property and rating database)</i> 2020/21: Target was not met – 91%		
Community	The percentage of customers satisfied or very satisfied with the environmental health services delivered	> 70 %	– -
	<i>Comment: The target was deemed not to be met. No customer satisfaction responses for environmental health service were received within the period. (Source: Council environmental</i>		

<p>health satisfaction survey 2022) 2020/21: Target was not met – 69%</p>

Parking services			
Community outcomes	Performance measure	Target	Result
Economy, Environment	The percentage of the community satisfied with the availability of on-street parking	> 53 %	55 % ✓
	<p><i>Comment: The target was met. The percentage of the community satisfied with the availability of on-street parking decreased by 3%. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 58%</p>		

Resource management			
Community outcomes	Performance measure	Target	Result
Economy	The percentage of resource consents (non-notified) issued within statutory timeframes	100 %	79 % ✗
	<p><i>Comment: The target was not met. A total of 278 resource consent decisions for land use and subdivisions were issued within statutory timeframes (out of 354 approved resource consents) with processing times impacted by resourcing constraints. (Source: WDC Property and Rating Database)</i> 2020/21: Target was met – 100%</p>		
Economy	The percentage of customers satisfied with planning services provided	> 90 %	100 % ✓
	<p><i>Comment: The target was met. A total of 12 surveys were completed within the period; 12 responses were either satisfied or very satisfied with the resource management services. (Source: Council resource consent satisfaction survey 2022)</i> 2020/21: Target was met – 92%</p>		
Environment	The percentage of resource consents monitored within five years of being issued	> 75 %	31 % ✗
	<p><i>Comment: The target was not met. 559 of 1781 consents were monitored within five years of being issued. All subdivisions are inspected at certification stages with use permits being inspected on a periodic basis. (Source: Council property and rating database)</i> 2020/21: Target was met – 85%</p>		

Community facilities and services group

Capital expenditure

The following table shows the expenditure on capital works for the property and facilities group. Significant variations to the Long-Term Plan are discussed below where necessary.

Activity	LTP Yr 1 Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to improve the level of service :					
Animal Control					
Sundry Animal Control projects	-	-	-	30	-
Cemeteries					
Sundry Cemetery projects	19	-	19	3	15
CBD Development					
Sundry Town Centre projects	120	77	197	-	197
	120	77	197	-	197
	139	77	216	33	212
Capital expenditure to replace existing assets :					
Animal Control					
Sundry Animal Control replacements	35	-	35	42	-
Cemeteries					
Crematorium Roof	22	-	22	-	-
Sundry Cemetery projects	38	-	38	17	-
	60	-	60	17	-
Community Buildings					
Duncan Pavilion	-	6	6	2	-
Observatory	15	-	15	-	15
Repertory Theatre	150	47	197	-	197
Upokongaro Hall	130	-	130	-	130
	295	53	348	2	342
CBD Development					
Sundry Town Centre projects	15	-	15	-	15
Drews Avenue streetscape	-	-	-	34	-
Lower Victoria Avenue streetscape	-	-	-	27	-
Maria Place pop up space	-	-	-	4	-
	15	-	15	64	15

Activity	LTP Yr 1 Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Emergency Management					
Tsunami Warning Sirens	25	-	25	24	-
Pensioner Housing					
Sundry Pensioner Housing projects	90	-	90	36	35
CBD Parking					
Parking meter replacements	30	842	872	523	50
Environmental Health					
Sundry Environmental Health projects	25	-	25	-	-
	575	895	1,470	709	442
Total Capital Expenditure for the Group	714	972	1,686	742	654

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

Animal control

Minor unplanned acquisitions at the welfare centre as part of the fit out.

Cemeteries

Sundry cemetery projects deferred to 2022/23 with the associated budget carried over. Replacement of the crematorium roof is being reassessed.

CBD maintenance

The Town Centre Regeneration Project on Drews Avenue and lower Victoria Avenue closed off this year, with minor works to refine the projects. The majority of budget is being carried over to 2022/23 to help fund the Streets for People project. Waka Kotahi NZ Transport Agency has agreed to fund 90 percent of the this project, with the council funding the balance.

Community buildings

Minor replacement work on the Duncan Pavilion 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 lower than planned (\$55k), with work on upgrading units continuing in 2022/23. 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

Parking meter replacement programme made significant progress, with the new smart meters installed and operational. The total cost was significantly less than originally budgeted – however, a part of the balance is being carried over to fund smart tools to better manage the meters.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	299,898	409,793
Borrowings raised	0	0
Borrowings repaid	(13,778)	(109,895)
Interest paid	7,893	0
Carried forward	<u>294,012</u>	<u>299,898</u>

Community facilities and services group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,343	5,806	5,803
Targeted rates	499	451	449
Subsidies and grants for operating purposes	-	49	209
Fees and charges	4,696	5,060	5,268
Internal charges and overheads recovered	0	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	952	973	945
Total operating funding (A)	10,490	12,340	12,674
Application of operating funding			
Payments to staff and suppliers	7,842	9,400	9,275
Finance costs	328	228	242
Internal charges and overheads applied	1,763	2,070	2,155
Other operating funding applications	-	-	-
Total application of operating funding (B)	9,933	11,699	11,672
Surplus (deficit) of operating funding (A - B)	557	640	1,002
Sources of capital funding			
Subsidies and grants for capital expenditure	-	100	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(10)	(26)	(947)
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(10)	74	(947)
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	219	139	33
-to replace existing assets	328	575	709
Increase (decrease) in reserves	-	-	(687)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	547	714	55
Surplus (deficit) of capital funding (C - D)	(557)	(640)	(1,002)
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 – Whanganui Port provides berthing facilities 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 and links the CBD 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.

What we did

Whanganui Airport

- Aircraft movement numbers were severely impacted by the COVID-19 lockdowns and reduced number of student pilots at the New Zealand International Commercial Pilot Academy (NZICPA). However, the essential services of aeromedical flights (Air Whanganui) and agricultural flights (Aerowork and Mid-West helicopters) continued.
- A key recommendation supported by the Civil Aviation Authority (CAA) was the introduction of an airfield information service, known as UNICOM. This service is provided by the airport and aims to improve the safety of operations at the airport and surrounding airspace.
- Work commenced on the Parallel Taxiway project with a design / build proposal tender due to go to market in July 2022.
- To reduce the cost and time for mowing, we produced a crop of hay and baleage from our 54 hectares of grassed land at the airport over summer. A trial area was also planted with lucerne to see if this higher-value crop could be suitable in future.
- Working with the Airport Control Tower Restoration Trust, we secured grant funding from Lotteries Heritage Fund to start the refurbishment of the interior of the Airport Control Tower for use as an aviation museum.

Whanganui Port and Whanganui River

- The council transferred its port-related assets and operations to a Council Controlled Organisation (CCO). This CCO will own and run the port into the future.
- The council's portion of Te Pūwaha – the jointly-funded Whanganui Port revitalisation project – is underway with the first tranche of the project work having been completed. Preparatory work has been undertaken for the build of the physical infrastructure. As at the end of the reporting period, the

consenting process is 85 percent completed for the construction of improved infrastructure (wharf, runway and hardstand) for recreational, light commercial and freight vessels. We also sought community feedback on a concept design image, proposed dredging, and the possibility of using the dredged materials to create a new ecological and recreational community area.

- Coastal Bulk Shipping actively sought additional cargo to move through Whanganui Port taking advantage of COVID-related impacts at other major ports in New Zealand. Additional deliveries of framing timber, fence posts and gravel were added to traditional cargoes of dolomite, superphosphate and barley for the MV Anatoki.

Durie Hill elevator

- Funded by the New Zealand Lottery Grants Board, Four Regions Trust, the council, and a fundraising dinner, an entranceway upgrade to the Durie Hill elevator was completed. The entranceway design was chosen following public consultation and a selection process.
- The 102 year-old Durie Hill elevator underwent specialist repairs to its DC motor. A free shuttle service was operated for Durie Hill residents and school children on weekdays during the closure of the elevator and entranceway.

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 %	100 % ✓
	<i>Comment: Target was met (Source: Whanganui Connection's Survey) 2020/21: Target was deemed not to have been met as the survey of users was not undertaken for this period.</i>		

Transportation group

Capital expenditure

The following table shows the expenditure on capital works for the transportation services group. Significant variations to the Long-Term Plan are discussed below where necessary.

Activity	LTP Yr 1 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	-	14,560	14,560	287	13,210
Seaport assets development	-	137	137	-	-
	-	14,697	14,697	287	13,210
Airport (half-share)					
Control Tower Restoration	145	-	145	-	-
Sundry Airport upgrades	-	-	-	7	-
	145	-	145	7	-
	145	14,697	14,842	294	13,210
Capital expenditure to replace existing assets :					
Port and River					
Port office building renewals	-	15	15	-	-
Durie Hill Elevator					
Durie Hill Elevator	94	-	94	11	74
Airport (half-share)					
Car park extension	13	-	13	-	-
	106	15	121	11	74
Total Capital Expenditure for the Group	251	14,712	14,963	305	13,284

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 new port operating entity this year, with the associated assets and expenditure as well. The remaining budget has been carried over to fund any funding calls from the new entity as it proceeds with the project.

The seaport asset development is planned to align with port redevelopment, with significant work to date. The remaining work will be funded by budget carried over to 2022/23.

Durie Hill elevator

Replacement work on the elevator has not been required this year, with the balance of funds carried over to 2022/23 to fund planned works.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	39,980	64,874
Borrowings raised	24,344	0
Borrowings repaid	0	(24,894)
Interest paid	1,775	0
Carried forward	<u>66,098</u>	<u>39,980</u>

Transportation group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,649	2,251	2,249
Targeted rates	-	-	-
Subsidies and grants for operating purposes	55	60	65
Fees and charges	221	200	232
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	16	332	12
Total operating funding (A)	1,941	2,843	2,558
Application of operating funding			
Payments to staff and suppliers	983	1,196	2,265
Finance costs	377	572	190
Internal charges and overheads applied	226	312	325
Other operating funding applications	-	-	-
Total application of operating funding (B)	1,586	2,080	2,780
Surplus (deficit) of operating funding (A - B)	355	763	(222)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,839	(512)	527
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,839	(512)	527
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	627	145	294
-to replace existing assets	1,567	106	11
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	2,194	251	305
Surplus (deficit) of capital funding (C - D)	(355)	(763)	222
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

What we did

- In December 2021 the Harbour Endowment property portfolio was transferred to the Port Limited Partnership in exchange for an equity investment in the Limited Partnership. Governance oversight and reporting through to the council of the Limited Partnership will be provided by Whanganui District Council Holdings Limited.
- We achieved a 2.9 percent return on our City Endowment investment portfolio. Although the result was largely affected by one underperforming asset, the remaining portfolio achieved a 5.8 percent return. The underperforming asset was a section of land in Manuka Street currently used for grazing, although it has been valued by QV as industrial land with a value of \$5.8M.
- The council has concluded that further exploration of Waitahinga Quarry in the short term will be put on hold. It is likely to be reactivated in the future when there is proven demand for the supply of rock.

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 the council’s City Endowment property portfolio	> 5 %	2.9 % X
Economy	<p><i>Comment: The target was not met. This result was largely affected by one underperforming asset with the remaining portfolio achieving a 5.8% return. The underperforming asset was a section of land in Manuka Street currently used for grazing, although it has been valued by QV as industrial land with a value of \$5.8M. (Source: Council financial reports)</i></p> <p><i>2020/21: Target was not met – 4%</i></p>		

Investments group

Capital expenditure

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

Activity	LTP Yr 1 Budget \$000	Opening Carry Over \$000	Approved Budget \$000	Actual For Year \$000	Closing Carry Over \$000
Capital expenditure to replace existing assets :					
Investments					
Harbour Endowment renewals	-	100	100	-	100
City Endowment renewals	-	63	63	57	6
City Endowment Parks yard	-	-	-	4	-
	-	163	163	61	106
Total Capital Expenditure for the Group	-	163	163	61	106

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

None of the Harbour Endowment planned budget and 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. The projects have been reviewed and only the required budget amounts have been carried over to 2022/23 to proceed with works.

Internal borrowings

	2022 \$	2021 \$
Brought forward	1,352	46,812
Borrowings raised	0	0
Borrowings repaid	(425,756)	(45,460)
Interest paid	(11,708)	0
Carried forward	<u>(436,113)</u>	<u>1,352</u>

Investments group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(20)	338	338
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,803	636	947
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	569	558	126
Total operating funding (A)	2,352	1,532	1,410
Application of operating funding			
Payments to staff and suppliers	1,731	518	368
Finance costs	135	296	123
Internal charges and overheads applied	371	160	167
Other operating funding applications	-	-	-
Total application of operating funding (B)	2,237	974	658
Surplus (deficit) of operating funding (A - B)	115	558	752
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(173)	(550)	(691)
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(173)	(550)	(691)
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	-	-	-
-to replace existing assets	202	8	61
Increase (decrease) in reserves	(60)	-	-
Increase (decrease) of investments	(200)	-	-
Total application of capital funding (D)	(58)	8	61
Surplus (deficit) of capital funding (C - D)	(115)	(558)	(752)
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. The group includes:

- Governance – delivered by the Mayor and 12 councillors with support from staff
- Corporate management – financial management and advice, strategy and policy, legal services, risk management and health, safety and wellbeing, information management and services, human resources, communications and customer services
- Community and operational property – this portfolio of properties are held for either community or operational use.

What we did

Governance

- The Youth Committee transitioned to the Whanganui Youth Council in October 2021. The new format provides flexibility to our young leaders to collaborate and engage with their peers and progress projects to benefit young people in Whanganui.
- We delivered a full meetings calendar throughout various COVID-19 alert levels with virtual, hybrid, and in-person meetings allowing continued decision-making and leadership on behalf of the district.

Corporate management

- COVID-related restrictions impacted on the number of people choosing to physically visit council facilities with customers taking advantage of the alternative payment methods now available such as direct debit, internet banking and online payments.
- We received 24,644 phone calls over the reporting period with 19,533 service requests. In total, 4728 of these were related to animal management and 2038 for noise complaints. We continued to see a high demand for property information such as building and planning advice, and requests for scanned property files.
- We reviewed a number of policies, strategies and bylaws including the Review of Speed Limits, Alcohol Control Bylaw, Smokefree and Vapefree Policy, Dangerous and Insanitary Buildings Policy, and the Waste Minimisation and Management Plan.
- Community feedback from stakeholder engagement helped to shape our inaugural Heritage Strategy, Freedom Camping Bylaw, and a broadened Open Spaces and Physical Activity Strategy. A draft coastal action plan will be developed in coming months following a number of community events with two-way information sharing.
- Continuous improvement for corporate business enabled a number of digital inspections and online application functions to be internally automated and integrated, providing a better customer experience.
- We implemented and maintained the various COVID-19 alert level and protection framework controls in support of community and staff safety and the continuity of service delivery.

Corporate and operational property

- We continued to manage community and operational property in a responsible manner, incorporating good business practices into our decision-making, and taking into account the needs and wellbeing of our 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	$> 50 \%$	32 % X
	<i>Comment: The target was not met. As in 2020/21, survey respondents were questioned on how well council had responded to community needs and issues. The result reduced by 9% from the previous period. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 41%		
Community	The percentage of rural people who consider that the Whanganui Rural Community Board has responded well to rural community needs and issues	$> 30 \%$	17 % X
	<i>Comment: The target was not met. The percentage of rural people who consider that the Whanganui Rural Community Board has responded well to rural community needs and issues reduced by 11% from the previous period. (Source: Community Views Survey 2022)</i> 2020/21: Target was not met – 28%		
Community	The percentage of Council and committee agendas made available to the public two working days before the meeting	100 %	100 % V
	<i>Comment: Target was met. All agendas distributed in line with legislative requirements. (Source: Council governance)</i> 2020/21: Target was not met – 99%		

Corporate management			
Community outcomes	Performance measure	Target	Result
Community, Economy	Overall satisfaction with experience visiting Council	> 90 %	87 % X
	<p><i>Comment: Target was not met. Survey comments indicate that restrictions and staff resourcing levels due to COVID-19 may have partially attributed to the satisfaction results. The touch pad feedback tablet was removed from the customer services area due to COVID-19 restrictions and hygiene requirements. (Source: Council customer service survey)</i></p> <p>2020/21: Not measured – New Target</p>		
Community, Economy	The percentage of the community rating the performance of council staff as good or very good	> 65 %	39 % X
	<p><i>Comment: The target was not met. Survey comments indicate that restrictions and staff resourcing levels due to COVID-19 may have partially attributed to the decrease in satisfaction results. (Source: Community Views Survey 2022)</i></p> <p>2020/21: Target was not met – 59%</p>		
Community	The number of reported workplace accidents for council employees	< 100	6 ✓
	<p><i>Comment: The target was met. This is a continual decrease from previous years. (Source: Council accident and injury register)</i></p> <p>2020/21: Target was met – 15</p>		
Community, Economy	The percentage of users who agree that the council website is easy to navigate and find what they are looking for	> 60 %	67 % ✓
	<p><i>Comment: Target was met. The percentage of users who agree that the council website is easy to navigate and find what they are looking for increased by 1% from the previous period. (Source: Community Views Survey 2022)</i></p> <p>2020/21: Target was not met – 66%</p>		
Community	The documents we have audited receive an unmodified audit opinion	100 %	100 % ✓
	<p><i>Comment: The target was met. (Source: Council finance)</i></p> <p>2020/21: Target was met – 100%</p>		
Community	The percentage of archives requests responded to within 24 hours	100 %	100 % ✓
	<p><i>Comment: The target was met. All archive requests received by email, website, text or in person were acknowledged and responded to within 24 hours of receipt. (Source: Council archives team)</i></p> <p>2020/21: Target was met – 100%</p>		
Community	The percentage of people satisfied that they have had opportunity to have their say	> 40 %	55 % ✓
	<p><i>Comment: The target was met. (Source: Council Survey Monkey)</i></p> <p>2020/21: Target was met – 78%</p>		

Community	The percentage of bylaws reviewed five years after they are made (and then 10 years after that)	100 %	100 %	✓
	<i>Comment: Target was met. All bylaws are either under review or have been reviewed in accordance with the bylaw review schedule. (Source: Council policy team)</i> 2020/21: Target was met – 100%			

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 %	82.6 %	✓
	<i>Comment: Target was met. 57 of the 69 Community Organisation leases are on the maximum subsidy. (Source: Council property team)</i> 2020/21: Target was met – 81%			

Corporate group

Capital expenditure

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

Activity	LTP Yr 1 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 :					
Community and Operational Buildings					
Solar initiatives	80	-	80	-	-
Corporate Management					
Sundry IT projects	50	-	50	47	-
	130	-	130	47	-
Capital expenditure to replace existing assets :					
Corporate Management					
IT equipment replacement	212	-	212	219	-
Community and Operational Buildings					
Council Administration Buildings renewal	578	217	795	45	593
	790	217	1,007	264	593
Total Capital Expenditure for the Group	920	217	1,137	311	593

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 matches budget.

Community and operational buildings

The solar initiatives project remains in planning phase. The council made minor updates in renovating the municipal council building in Guyton Street. Further work is planned and the unspent budget has been carried over to 2022/23 to fund additional work.

Internal borrowings

	2022	2021
	\$	\$
Brought forward	112,715	168,831
Borrowings raised	0	0
Borrowings repaid	(37,391)	(56,117)
Interest paid	2,078	0
Carried forward	<u>77,401</u>	<u>112,715</u>

Corporate group

Funding impact statement

For the year ended 30 June 2022

	Long Term Plan 2021 \$000	Long Term Plan 2022 \$000	Actual 2022 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,549	3,865	3,859
Targeted rates	-	-	-
	-	-	-
Subsidies and grants for operating purposes	-	-	()
Fees and charges	104	57	88
Internal charges and overheads recovered	9,088	9,524	9,912
Local authorities fuel tax, fines, infringement fees and other receipts	457	389	525
Total operating funding (A)	13,198	13,836	14,385
Application of operating funding			
Payments to staff and suppliers	11,356	12,487	12,973
Finance costs	(101)		135
Internal charges and overheads applied	759	652	674
Other operating funding applications	-	-	-
Total application of operating funding (B)	12,014	13,139	13,782
Surplus (deficit) of operating funding (A - B)	1,184	697	603
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(322)	273	(286)
Gross proceeds from asset sales	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(322)	273	(286)
Application of capital funding			
Capital expenditure			
-to meet additional demand	-	-	-
-to improve the level of service	57	130	47
-to replace existing assets	625	790	264
Increase (decrease) in reserves	180	50	6
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	862	970	317
Surplus (deficit) of capital funding (C - D)	(1,184)	(697)	(603)
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 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. WDCHL's directors were actively involved in managing the impact of COVID-19 on WDCHL and its subsidiaries, in particular NZICPA, to ensure they continued to remain commercially viable.

- 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
Health and 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 and 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 New Zealand government’s COVID-19 rules GasNet and NZICPA provided regular updates to WDCHL through their Chairs Reports to the WDCHL Board.
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"> Following an enquiry from Kānoa (formerly MBIE Provincial Growth Fund) WDCHL has reached out to Whanganui District Iwi to understand their appetite to re-engage with Kānoa.

NZICPA		
<p>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.</p>	<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 • 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 the council’s preference that ways to reduce the carbon footprint of its activities are explored. 	<ul style="list-style-type: none"> • NZICPA Chair reported to all WDCHL Board meetings all additional information requests during the year. • NZICPA is in business recovery following the re-opening of New Zealand’s borders to international students in the last 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>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.

GasNet		
<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 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 the council’s preference that ways to reduce the carbon footprint of its activities are explored. 	<ul style="list-style-type: none"> • GasNet Chair reported to all WDCHL Board meetings and all additional information requests during the year. • Total dividend payments of \$2,107,000 paid by GasNet to WDCHL during the year
<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"> • Following the Government decision to delay release of its first Emissions Reduction Plan to May 2022 this is now expected to be completed in 2022/23 in accordance with the WDCHL Statement of Intent for that year

Whanganui Port SPV's		
8. Facilitate the formation of the Whanganui Port SPV's at the direction and under the guidance of the council.	<ul style="list-style-type: none"> Formation and implementation of the Whanganui Port SPVs. 	<ul style="list-style-type: none"> This is now expected to be completed in 2022/23 in accordance with the WDCHL Statement of Intent for that year.
Financial		
9. Review the WDCHL group's capital and governance structure to ensure it is prudent and suitable for the groups strategic path.	<ul style="list-style-type: none"> Review completed and changes (if any) agreed with the council. 	<ul style="list-style-type: none"> This is now expected to be completed in 2022/23 in accordance with the WDCHL Statement of Intent for that year.
10. Generate an adequate financial return for the WDCHL group as a whole.	<ul style="list-style-type: none"> Manage financial challenges within available cashflow. 	<ul style="list-style-type: none"> Dividend payment of \$500,000 paid in June 2022.
Other		
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 is planned for completion in 2022/23.
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 is now expected to be completed in 2022/23 in accordance with the WDCHL Statement of Intent for that year.

<p>13. Review the structure of the NZICPA Board and complete a review of the remuneration of the Directors and Chairs of GasNet and NZICPA.</p>	<ul style="list-style-type: none"> • Review of structure completed. • Remuneration review completed. 	<ul style="list-style-type: none"> • This is now expected to be completed in 2022/23 in accordance with the WDCHL Statement of Intent for that year.
<p>14. Ensure maximum safe utilisation of WDCHL-owned assets and identify opportunities to safely and appropriately repurpose vacant or under-utilised buildings.</p>	<ul style="list-style-type: none"> • Acceptable commercial return on each investment property. 	<ul style="list-style-type: none"> • Due to the impact of COVID-19 on NZICPA and the inability for international students to enter New Zealand due to ongoing border closures, WDCHL assets were not utilised to their maximum.
<p>15. Undertake a comprehensive review of the WDCHL constitution and consult with the council as appropriate on any proposed changes.</p>	<ul style="list-style-type: none"> • Review completed and proposed amendments recommended to the council as shareholder. 	<ul style="list-style-type: none"> • This is now expected to be completed in 2022/23 in accordance with the WDCHL Statement of Intent for that year.
<p>16. Provide commercial and strategic advice to the council on an “as required basis”.</p>	<ul style="list-style-type: none"> • Advice provided as requested. 	<ul style="list-style-type: none"> • WDCHL Directors and management met with council personnel on numerous occasions during the year to provide the council with any commercial advice on reported matters or to raise any additional matters they seek advice on.

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

	Budget	Actual	Actual
	2021/22	2020/21	2020/21
Dividend paid	\$470,760*	\$500,000	\$0

*Shareholders request for a return of 6% on its paid up share investment in WDCHL i.e. 6% of \$7,846,000.

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

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

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 2021.

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	Budget Target	Actual	Actual
	2021/22	2021/22	2021/22	2020/21
<u>Health and Safety</u>				
Incidents Reported (No)	5	5	10	11
Lost Time Incidents	0	0	1	0
Lost Time Rate	0	0	3	0
<u>Financial Performance</u>				
EBITDA (before Subvention payment)	\$2.8m	\$2.69m	\$3.09m	\$3.18m
Rate of Return (minimum)	6.20%	7.73%	8.69%	8.89%
Accumulated profits & capital reserves distributed to shareholders	\$1.0m	\$1.00m	\$2.107m	\$1.30m
<u>Network Throughput</u>				
Total Throughput	1.3 PJ	1.23 PJ	1.22 PJ	1.26 PJ

Non-Tou Throughput (PJ)	0.45 PJ	0.39 PJ	0.38 PJ	0.43 PJ
UFG (Unaccounted For Gas)	1.0%	1.0%	1.54%	1.85%
<u>Operational Financial Performance</u>				
Direct & Indirect Costs per consumer	\$297	\$249	\$237	\$243
Direct & Indirect Costs per GJ conveyed	\$2.39	\$2.39	\$2.06	\$1.95
<u>Network Reliability</u>				
<i>Planned Interruptions (Class B)</i>				
Consumer Hours Lost	500	370	225	212.75
	SoCI Target	Budget Target	Actual	Actual
	2021/22	2021/22	2021/22	2020/21
<i>Unplanned Interruptions (Class C)</i>				
Consumer Hours Lost	80	80	38	124.27
<i>Unplanned Third Party Interruptions (Class I)</i>				
Consumer Hours Lost	90	40	75	61.9
<i>Total Interruptions</i>				
Consumer Hours Lost	670	490	338	398.92
Third Party Interference Damage (No)	30	25	21	29
Public Reported Gas Escapes (No)	50	50	29	38
Metering				
Total on-network (000)	10.3	10.10	10.08	10.11
Total off-network (000)	0.30	0.23	0.23	0.23

Assessment

The performance of the company will be judged against the above measures aligned to that provided in its 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 KPIs. Significant variations are discussed below.

The company advanced \$2,107,000 to the parent Whanganui District Council Holdings Limited as a planned dividend of \$1,000,000 and an unplanned \$1,107,000 as an extraordinary dividend. GasNet Limited made an unplanned subvention payment to New Zealand International Commercial Pilot Academy of \$81,253. Combined

target of dividend and subvention payments was \$1.0M. Year-to-year budget differences related to increased company financial commitments.

Health and safety performance KPI indicates that there were 10 incidents reported against a target of five. Two incidents were near-miss incidents related to network incidents and not to safety as such. Of the eight injury incidents two involved injury to the back, one during a lifting operation and one due to body twisting. Two involved injury to legs, one where legs were scratched by bushes and one stepping into an obscured hole in the ground. One injury involved a shoulder sprain that occurred while digging and another a hip strain during pushing a trailer. Two slip / trip incidents resulted from falls involving uneven surfaces (not from height). The one lost-time injury occurred as a technician alighted from the driver's seat of a company van at his home after an evening callout to work. The technician twisted in his seat as he was getting out of the vehicle, the action aggravating an existing injury and resulting in three days off work.

A manual handling training course was run by the company for all field workers involving basic back care, healthy movement patterns, basic anatomy considerations, integrating safety considerations into the workplace, practical session re digging, lifting and gym activities. All field staff have now joined the company's Health and Fitness scheme to assist with injury prevention.

The Public Safety Management system three-yearly revalidation audit was successfully completed in April this year by Telarc.

Following the audit a declaration of compliance was sent to Energy Safety as required under the Gas Safety and Measurement Regulations.

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 Kāinga Ora (formerly Housing Corporation) implementation of central government directive for electricity-only accommodation.

The company operated in a pandemic mode for the entire 2021-22 financial year. It is GasNet's view that commercially, COVID-19 has had an insignificant impact on revenue while having increasing impacts relating to both cost of products and reduced availability of same. To potentially offset the availability impact, the company has been buying in greater quanta for extended delivery timeframes, which has introduced a further issue of storage space requirements. The company does not see any quick fixes to inventory challenges given the global delivery chains are now undersized with airfreighting being so limited and access to raw materials being frustrated by country-specific COVID-19 restrictions as well as equivalent supply chains constraints.

The company was stretched in labour resource a number of times over the year with COVID-19 variants affecting mostly field workers in early 2022, and later in the year Influenza affecting office workers. An unprecedented level of sick and COVID-19 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 recent Climate Change Commission final advice (end of May 2021) to central 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.

Central government has published its initial decisions on the direction forward at the end of May 2022 (originally December 2021), thus it will be late in the fourth quarter of the forthcoming financial year before the company will be in a position to comment further on potential commercial implications. The company is also mindful that during the 2021-22 financial year the Commerce Commission was resetting regulatory settings for our network business for the next four pricing years (1 October 2022 to 30 September 2026).

Network reliability performance showed an improvement with the number of third-party damage incidents and public reported escapes down also. 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 six 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).

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

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

Description and quantification of the entity's outputs

The company provides professional flight training programmes for New Zealand and international students. New Zealand students typically complete training a Private Pilot Licence, or a Level 5 or 6 New Zealand Diploma in Aviation qualification. Flight training and education is delivered under New Zealand rules and regulations for both education and aviation, including those established by 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
- Aerobatics Rating
- New Zealand Diploma in Aviation (Aeroplane) General Aviation Strand (Level 5)
- New Zealand Diploma in Aviation (Aeroplane) Flight Instruction Strand (Level 6)
- New Zealand Diploma in Aviation (Aeroplane) Airline Preparation Strand (Level 6).

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

Performance results

The company is regularly assessed through detailed independent audits of our aviation training provision, our education quality, and as a council controlled organisation.

- NZICPA has maintained the highest education organisation ranking against the NZQA External Evaluation and Review (EER) assessment criteria, being Highly Confident in Educational Performance (1), and Highly Confident in Capability in Self-Assessment
- The company has completed the CAA audits for both certificates, including the Part 141 approved training organisation (ATO), and Part 135 air operator. The detailed and comprehensive audit was completed with no findings
- The Company is also a signatory to the 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 2021-22 be as close to cash break-even as possible through the financial year. The company made a loss of (\$860,734) from trading in the 2022 year (2021: (\$167,566)).

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

Measure	2022 Result	Success rate for each of the next 3 financial years
CPL flight test pass rate	68%	85%
CPL theory test pass rate	71%	75%
Overseas Students in study or employed	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

	2017	2018	2019	2020	2021	2022
Net Profit/(Loss)	-266,000	313,000	-347,000	-387,000	-452,000	-611,000

The 2020 figure includes a \$197,000 gain on revaluation.

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

The result is acceptable to the Joint Venture Partners.

Objective

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

Performance measure

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

Achievement

Full compliance with Civil Aviation Rules Part 139 was achieved. The CAA audit in February 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 2022. The following tables cover the period 1 July 2021 through to 30 June 2022, not just the 4 months of the Financial Statements"

PRIORITY ONE: Business			
Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Status
Local enterprises are supported to adapt, recover and grow as the impact of COVID-19 continues Linkages to Council Strategy: EDS (1.1) (1.2) (3.4)	Projects and initiatives to support the economic recovery of Whanganui businesses	2 significant projects established or supported	Achieved. 1. Support has been provided to Air Chatham’s to maintain our key air link to Auckland. 2. Te Pūwaha Stage 1 Land Development Study completed.
	Engage regularly with key sector to optimise retention and growth of existing businesses	1 key sector group established that has added insight to W&P work by having attracted new business	Achieved. LEAN group ongoing advocacy. A LEAN “train the trainer” workshop was held on 20 April 2022.
	Utilise Business Friendly Process to attract, engage and retain new and growing businesses	10 businesses supported through Business Friendly Group	Achieved. 11 businesses have been supported through business-friendly group
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. The implementation of the Backhouse Trust & associated projects. Highlights include; The Backhouse Venue hosting Tech Week 2022, Innovate 2022, Business Start up & Entrepreneurial Meet Ups. Organisations establishing in The Backhouse including IHI Creative, Nga Rauru, WDETT & Beam Scooters.

Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Status
<p>Small businesses have the support to start and grow sustainably</p> <p>Linkages to Council Strategy:</p> <p>EDS (1.1) (1.2) (2.7) (2.8) (2.9)</p>	<p>Support growth and development of the business community</p>	<p>2 workshops or seminars completed</p>	<p>Achieved.</p> <p>Capability Workshop Series delivered in partnership with the Whanganui Chamber of Commerce. (6 workshops completed, 2 outstanding).</p>
	<p>Deliver the Regional Business Partners Network within Whanganui, Ruapehu and Marton</p>	<p>Programme delivered in line with contract KPIs</p>	<p>Partially Achieved.</p> <p>1. Programme delivered. Final performance</p> <ul style="list-style-type: none"> o 83/100 businesses surveyed o 5/10 businesses referred to Callaghan Innovation o 10/20 businesses referred to BMNZ o 0/5 new business mentors
	<p>Develop business skills and capability in start-up founders</p>	<p>Start-up pathway established</p> <p>8 business start-up workshops completed</p> <p>8 start-ups directly supported and completed</p>	<p>Partially Achieved.</p> <p>Majority of the KPI was met, delays in workshops due to Covid. What was achieved:</p> <ul style="list-style-type: none"> o Start-up workshops were delivered for 7 start-ups as part of Innovate Whanganui 2021. o 6 start-ups directly supported. o The start-up and growth events calendar launched. o Start-up information sessions have been held 28 April 2022 and 9 June 2022. o Business Boost rounds were conducted 29 March (supporting 4 start-ups) & 28 June (supporting 3 start-ups).

	Foster a culture of entrepreneurship and capital investment within Whanganui	1 business accelerator/incubator programme completed	Achieved. Innovate 2021 delivered & Innovate 2022 launched.
Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Status
Businesses capitalise on opportunities and knowledge available through Whanganui & Partners Linkages to Council Strategy: EDS (3.2) (1.3)	Develop a targeted Whanganui business attraction plan	Targeted Whanganui business attraction plan implemented <ul style="list-style-type: none"> • 1 new hotel business set up in Whanganui • 1 new manufacturing business confirmed to set up in Whanganui • 1 new IT sector business confirmed to set up in Whanganui <p>Development potential from port project maximised</p>	Partially Achieved. 1. Business attraction plan is in development (initial consultation process complete). 2. Hotel Feasibility distributed to key iwi partners & developers. 3. Te Pūwaha Stage 1 Land Development Study completed.
	Improve our understanding of business community	1 biannual survey of all businesses completed	Not achieved. This will now occur FY 22/23

<p>New opportunities in agribusiness sector to increase productivity</p> <p>Linkages to Council Strategy:</p> <p>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 sector to optimise retention and build leadership capability</p>	<p>Leadership group established</p> <p>10 agri-talks held</p> <p>1 leader in training via Kellogg's/Nuffield</p>	<p>Partially Achieved.</p> <ol style="list-style-type: none"> 1. 3 x Kellogg/Nuffield scholarships worth \$3.25k each awarded to successful recipients. 2. 1 x Kellogg Leadership Programme started May 2022. 3. 1 Agri-talk held: Julia Jones – What will tank your business? July 2021. 4. Strategy for Lunch sessions held in March & April in partnership with Lincoln University and NZ Rural Leaders Trust: <ol style="list-style-type: none"> a. Orientation (11 Mar) b. Strategic Framing (18 Mar) c. Strategic Definition (25 Mar) d. Strategic Options (1 Apr) e. Strategic Action (8 Apr) 5. Strategy for Lunch after 5pm event completed at the Backhouse in May 2022. 6. Agribusiness webinar completed in May 2022: How to manage the Challenges of a Family Farming Business. Recording available on W&P website 7. Agribusiness presentation at “Sessions” in May 2022
---	---	--	---

	Support improvement of rural digital connectivity in district	Facilitate collaboration with other parties (including Whanganui District Health Board, Whanganui District Council, Te Puni Kōkiri, Rural Connectivity Group). Report on progress to Whanganui Rural Community Board 2 times a year	Achieved. 1. Agenda item promoting rural internet & mobile connectivity presented to WRCB on 11 November 2021. 2. Participated in RWNZ Tech Working Group to access Govt's \$47m wobbly rural broadband fund for connectivity not captured in RBI programmes.
	Increase technology knowledge on farm by holding agri-tech event	1 agri-tech event to demonstrate farm use efficiency, including digital backend development insights, to attract students to primary industries delivered	Achieved. Agri-tech event held during Tech week – Friday, 20 May 2022 at War Memorial Hall, delivered by YetiTech.
	Work collaboratively to draw young people into the primary sector through creating tech solutions	1 food and fibre sector innovation challenge, in partnership with Growing NZ, completed	Not Achieved. Youth Agritech academy was to be started in June. Held up due to requirements on Growing NZ side.
	Work collaboratively with industry to create new value-add opportunities	1 new agri-food manufacturing business established	Achieved. 1. Whanganui-sourced ingredients sourced for locally produced beauty products exported to Europe.
	Support the delivery of engagement growth in Maori agribusiness	1 Māori agribusiness conference delivered every two years Enhanced engagement through partnership with Te Manu Atatū	Achieved. 1. Online Whenua Māori Summit webinars held in Oct 21. In person Whenua Māori Summit – not delivered due to Covid-19. 2. Working relationship with TMA has grown stronger through collaborative project

	Work with primary sector employers to identify pathways for future workforce needs	1 programme established to connect education with jobs, in collaboration with Capability Lead	Achieved. Vocational Road trips were carried out in May/June with Bremworth Carpets included in the itinerary. This linked primary industries & manufacturing with employment opportunities for rangatahi.
PRIORITY TWO: Education & Capability			
Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Progress 2021-2022 (July-June)
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 sectors	Lead the Local Skills & Talent Working 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. 1. Whanganui-Rangitikei Skills & Talent Advisory Group (STAG) hui held every 6 weeks. Ongoing. (W&P Chair's this group). 2. 2022 Vocational Road Trips delivered in May & June 2022. 3. 2022 Accelerator Program planning continues, extension to deliver in next financial year. 4. Youth Employment Success ongoing delivery & development.
	Partner with 100% 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 and Rangitikei Secondary Schools and tertiary providers by 100% SWEET	Achieved. Work Ready Programme delivered to Whanganui Secondary Schools (some modified delivery & KPI's to suit Covid restrictions). NEET Whanganui/Manawatu Q4 2021 is 10.1% (latest data)

			available).
	<p>Deliver the Whanganui International Education plan in partnership with the Central Regions and Education NZ</p>	<p>2 projects or programmes of work designed to support (stabilise, transform or grow) international education in Whanganui completed</p>	<p>Achieved.</p> <ol style="list-style-type: none"> 1. W&P delivered a youth ambassador programme and social licencing project. 5 National Student Ambassadors have been developed. 1 of 2 social license media stories were developed in partnership with Education New Zealand (contract ends in December 2022). 2. Regional Partnership Funding application for 2022/2023 successful (\$30k secured for International Education projects). 3. Collaboration with Regional International Education Network Aotearoa (RIENA) and Education NZ network, focused on the reset of International Education.
	<p>Deliver on the Business Innovation, Training and Talent Strategy for Whanganui which creates new employment, new business innovation and/or talent development</p>	<p>1 project from the Whanganui Business Innovation, Training and Talent plan delivered</p> <p>Smart 21 membership maintained</p>	<p>Achieved.</p> <ol style="list-style-type: none"> 1. The Backhouse Project & Business Capability Series (in partnership with Business Pillar) delivered. 2. Whanganui awarded Smart 21 membership 2022. 3. Tech Week 2022 Whanganui Events delivered in May.

<p>Strength and diversity of education/training provisions attracts local, regional, national and international students to study in Whanganui</p> <p>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>In partnership with WDETT, outcomes through the “port employment precinct” that target building people capability (skills & training) and link people to employment delivered</p> <p>1 targeted project relating to the sustainability of student numbers and reputation of the New Zealand International Commercial Pilot Academy</p> <p>(NZICPA) delivered</p>	<p>Partially Achieved.</p> <p>International Student Border Class Exception announcement (early 2022). W&P collaborating with NZICPA re support to target markets.</p>
	<p>Increase higher-level education, research and innovation opportunities oriented around our “ports”, both aero and sea, and our manufacturing and agribusiness sectors</p>	<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> <p>The reform of vocational education & other government developments in tertiary education led and contributed to</p>	<p>Achieved</p> <ol style="list-style-type: none"> 1. Whanganui will host Massey University EMBA. Part delivered in 21/22 year with face-to-face programme being delivered in August 2022 (was cancelled in 2021 due to Covid). 2. SL Capability engaged with Te Pūkenga updates, MBIE & MSD employment-based schemes & funding opportunities. 3. W&P sponsorship of a UCOL Scholarship targeted at supporting someone who wishes to “re skill”.

<p>Capability: employment & redeployment 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>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>Achieved.</p> <ol style="list-style-type: none"> 1. Paakihi Maaori Summit delivered. 2. Talent Connect launched February 2022 3. Wheelhouse; collaboration with Sport Whanganui. Workshops delivered & a focus on Whanganui having own facilitator/s of governance capability training. Training commenced May 2022. 4. Tupoho; Whanganui iwi Trades and Training Scheme via W&P providing support via connecting Tupoho team to local training providers & partners.
Priority Three: Brand & Marketing			
<p>Outcome</p>	<p>What we will do to achieve it – key activities</p>	<p>How we will demonstrate success in achieving it</p>	<p>Progress 2021-2022 (July-June)</p>
<p>Whanganui & Partners is perceived as a leader in economic development locally and regionally</p>	<p>Promote Whanganui & Partners' economic development activities and expert commentary via local and regional media</p>	<p>Whanganui & Partners mentioned prominently in local and regional media 100 times; 90% of mentions are favourable</p>	<p>Achieved.</p> <p>147 mentions, 99.3% favourable</p>

	<p>Further develop channels to directly engage with the community</p>	<p>100 people attend each Public Forum; newsletter subscriber base increases by 5% while maintaining an open rate over 33%; W&P Facebook and LinkedIn following increased by 7.5%</p>	<p>Achieved.</p> <ol style="list-style-type: none"> 1. September Public Forum was delivered online, viewed by 828 people. May 12th Public Forum attended by 76 people. 2. W&P subscriber base change of +0.4%. Open Rate of 44.5%. Click-through rate of 5.5% - these represent very strong numbers around our engagement. 3. Social media followers of W&P have increased by 22.9% since July 1
	<p>Delivery of corporate documents (Annual Report and Statement of Intent)</p>	<p>Documents are created to required timeframes and distributed to stakeholders</p>	<p>Achieved.</p> <ol style="list-style-type: none"> 1. The annual report has been published in print and online. 2. The Statement of Intent 22/23 is complete & published on our website

<p>Our competitive advantages attract new businesses, residents, visitors and students</p> <p>Linkages to Council Strategy: EDS (2.16), DS (1.8)</p>	<p>Run effective advertising campaigns through a strong proposition and delivered through a multi-channel approach</p>	<p>Two visitor campaigns</p> <p>Minimum of 1 project targeted at new residents and businesses;</p> <p>Unique users visiting website increases by 5%; Unique users from out of Whanganui increased by 5%</p>	<p>Partially Achieved.</p> <ol style="list-style-type: none"> 1. Engaged a new marketing agency. 2. Visitor marketing campaign began 1 Dec. Renewed push from May 30 (increased investment, refreshed presentation). 3. Business targeted campaigns: <ol style="list-style-type: none"> a. 2 x Innovate Whanganui (Final campaign and entries for 2022) b. 1 x Business Boost funding c. 1 x Business Start-Up Sessions d. 1 x Strategy for Lunch e. 1 x Talent Connect app f. 1 x Amplify Grants 4. Web traffic is currently down -54% compared to same time last year. Covid-19 impacted visitor traffic.
--	--	---	--

	<p>Deliver effective communication on ongoing basis to promote Whanganui</p>	<p>Social media following across all 'Discover' channels increased by 1%;</p> <p>Unique website users from social media increases by 10%;</p> <p>Deliver 5x national stories (newspaper, online, magazine and/or television), driven by Whanganui & Partners</p>	<p>Partially Achieved.</p> <ol style="list-style-type: none"> 1. +0.3% following increase from social media 2. 30% increase in web traffic from social media 3. Significant media coverage with 33 national driven from W&P. Includes City of Design coverage: Kim Hill RNZ piece organised by W&P. 'The Project' feature. Coast FM morning team feature. Kia Ora magazine – May '22. Shepherdess magazine. Jackson's Rewena Bread coverage. 4. Strong online coverage for Talent Connect.
	<p>Promote the health and performance of our economy.</p> <p>Work with data partners to ensure accurate picture of economy is presented</p>	<p>Economic dashboard is developed, maintained and distributed</p>	<p>Achieved.</p> <p>Quarterly dashboard is available online.</p>
	<p>Inclusive of initiatives created by other Strategic Leads, develop clear propositions to demonstrate our competitive advantages to new business, residents, visitors and students</p>	<p>Propositions are developed, agreed and included within campaigns</p> <p>City of design initiatives incorporated into marketing work</p>	<p>Achieved.</p> <ol style="list-style-type: none"> 1. Regional Brand Story finalised two years ago. However, it needs a fresh look as the 'brand' has changed and developed. Project in place to address this. 2. City of Design marketing plan in development. A first project is to develop a badge for Whanganui produce/designed products

	Promotional signage including entrances into Whanganui city and district are reviewed and updated where necessary to reflect current messages	Whanganui's brand position reflected in signage	Achieved. New entrance billboards are installed and have been updated with 'UNESCO City of Design'
	i-SITE acts as a key point to first-time visitors to Whanganui.	i-SITE customer satisfaction of 4.5/5; Annual visitors of 23,077, split by the following per quarter: Q1 (Jul-Sep) : 4,177 Q2 (Oct-Dec) :5,542 Q3 (Jan-Mar) : 8,533 Q4 (Apr-Jun) : 4,825	Partially Achieved. i-SITE customer satisfaction: 4.39/5. Trip Advisor - no reviews in period, Google - two 5 star reviews i-SITE Visitor numbers Q1 2523 Q2 3992 Q3 4,106 Q4 2,408 (Apr-May) Visitor numbers will not be at the level of pre-pandemic until the borders open.
Whanganui hosts nationally significant events that create long-term economic benefits and enhance our brand recognition Linkages to Council Strategy: EDS (2.17) (2.18)	Roll out of an events strategy designed to inform a future direction for the scale and type of events Whanganui needs to grow its brand. This includes analysing current event performance and infrastructure	Roll out of events Strategy & Action Plan is developed on time and to budget	Achieved. Action plan has been created and now into implementation phase.

	Increase the impact of iconic events, particularly in regards to attracting visitors from outside of our district	All events funded by Whanganui & Partners have completed a Communications and Marketing Plan and met reporting requirements to evaluate success of event in a timely fashion	Achieved. 14 events were funded (including the Regional Events Fund component) with a small number of events not being delivered over summer due to Covid restrictions. Events supported through disruption.
	Ensure Whanganui is part of central government funding for events, accessing funding for local events	Whanganui is represented through any central government event initiatives through relationship with MBIE and other regional EDAs	Achieved. \$700k STAPP money received for 21-23
	Capability of our events is upgraded, including development of an event network	2 workshops dedicated to event professionals delivered	Partially Achieved. Sustainable Pricing and Packaging Workshop delivered. Focus was on sharing information relating to adaption to Protection Framework.
Invest in the development of a range of Māori cultural experiences	Assess current Māori cultural experiences within Whanganui	A product audit/experience assessment is completed	Partially achieved. Desk top audit complete. Need to get feedback from operators.
	Develop a feasibility and business case for an eco-cultural hub with key partners to provide greater opportunity for visitors to engage with Te Awa Tupua and lead to eco-cultural	Feasibility and business case is completed	Achieved. A joint proposal from AWA & TOA was accepted for the business case. Work will now proceed.

	hub progressing		
	Deliver a Whanganui River Road Tourism Route	Interpretive signage is developed along the Whanganui River Road providing visitors with a rich understanding of the human and natural history of the area	Partially achieved. Phase I – Iwi/hapu stories are underway with WMRTO leading the project with W&P support. Phase II (2022-2023) will provide further interpretive signage around non-Māori history and heritage.
Lift the quality of the tourism experience and incorporate sustainable tourism principles	Assist current operators and new experiences to undertake the Qualmark accreditation process	Key operators have become Qualmark accredited and 5 accommodation providers have signed up to Qualmark accredited experiences and accommodation within the region	Achieved Qualmark <ul style="list-style-type: none"> o Waimarie o Unique Whanganui River Experiences o The Grand Hotel o Kings Court Motel Qualmark Underway <ul style="list-style-type: none"> o MV Wairua o Whanganui Tours & Mail Run o Whanganui History and Heritage o Whanganui Scenic River Jet o Rutland Arms Hotel o Iona Tiny House o NZ Glassworks – resit required

	<p>Educate and inform sector about the</p> <p>Tourism Industry Aotearoa Sustainable</p> <p>Tourism Commitment</p>	<p>5 operators have adopted and identified the frameworks around New Zealand's Sustainable Tourism Commitment and have work toward achieving the aspirations within it</p>	<p>Achieved.</p> <p>Registered to Sustainability Commitment:</p> <ul style="list-style-type: none"> o Air Chathams o Bridge To Nowhere o Kai Iwi Beach Holiday Park o Mid-West Helicopters o That Place Ltd o Whanganui River Adventures Whanganui River Top 10
	<p>Co-ordination of trail links and information gathered (including Whanganui, Taumarunui, Forgotten World Highway, Stratford, New Plymouth, Hawera)</p>	<p>Drive journey developed Whanganui, Taumarunui, Forgotten World Highway, Stratford, New Plymouth, Hawera</p>	<p>Not Achieved.</p> <p>Reassessing this joint project as Taranaki and Ruapehu have had differing priorities and focus.</p>
	<p>Develop the Coastal Arts Trail alongside regional partners to strengthen our recognition of the arts</p>	<p>Coastal Arts Trail website is completed</p> <p>Coastal Arts Trail brochure is developed</p> <p>Coastal Arts Trail is in operation</p>	<p>Achieved.</p> <ol style="list-style-type: none"> 1. 100% of Whanganui Galleries that meet criteria have signed up. 2. Marketing campaign developed. Marketing campaign underway. 3. Brochure is printed

	Collateral is developed to enhance understanding of visitor experiences in Whanganui District	<p>Visitor Guide</p> <p>Whanganui River Road Guide</p> <p>Walking and Cycling Guide</p> <p>Visitor Map</p> <p>Heritage Guide</p>	<p>Partially Achieved.</p> <ol style="list-style-type: none"> 1. Visitor Guide – complete 2. Whanganui River Road Guide – rethink occurring to align with the interpretive signage 3. Walking and Cycling Guide – complete 4. Visitor Map – complete 5. City Centre Map – complete 6. Heritage Guide – not yet underway. Reviving Whanganui heritage trail and option to include information in an app.
Priority Four: Creative Industries & Arts			
Outcome	What we will do to achieve it – key activities	How we will demonstrate success in achieving it	Progress 2021-2022 (July-June)

<p>Creative infrastructure and business are strong and resilient</p> <p>Linkages to Council Strategy:</p> <p>ACSP(4), EDS (2.14), WDDS (2)</p>	<p>Establish Whanganui Regional Film Office</p>	<p>1 significant external production attracted to Whanganui</p> <p>Film Whanganui Directory regularly updated with new locations, crew and assets</p> <p>1 industry development workshop for local sector delivered</p> <p>Participated in regional film office network (RFONZ)</p>	<p>Achieved.</p> <ol style="list-style-type: none"> 1. Fala Media supported to host 5 Māori interns in art department and costume 2. Lamp Studios supported to establish a bookable studio for emerging locals 3. 1 local supported to attend STK Location Managers course 4. 2 locals supported to attend the Big Screen Symposium 5. Support towards part time RFONZ administrator 6. Included in the NZFC NZ Lookbook.
	<p>Encourage and facilitate new creative enterprise</p>	<p>1 new creative enterprise confirmed to set up in Whanganui</p> <p>Galleries and museums connected to external professional and commercial opportunities, including central government funding</p>	<p>Achieved.</p> <p>2 x new creative enterprises assisted to establish in Whanganui.</p>

	Gallery sector supported in preparation for Sarjeant Gallery opening in 2023	1 targeted seed fund supported	Achieved. 1. Local artists studio visits held by curator Robert Leonard and artist Brett Graham 2. Seed funding to Murray Lazelle towards artist research for a new kind of arts event
	Assist creative business to expand	5 existing businesses funded for growth through contestable Amplify funding	Achieved.
Whanganui is seen as an attractive creative destination by visitors, residents and new arrivals Linkages to Council Strategy: ACSP (2), EDS (3.13), TCR(6)	Develop City of Design project	Event launched Contestable funding for related events	Partially Achieved. 1. Launch in November 2022 2. UCOL supported to join Design Assembly.
	Celebrate creative icons of Whanganui	3 Creative Champions awarded at appropriate sector events	Partially Achieved. Anthonie Tonnon supported to attend the Aotearoa Music Awards as a finalist Other national award ceremonies transferred online due to Covid.
	Increase Whanganui's national and international reputation as a niche opera hub	Opera Week 2022 supported with funding	Achieved.

	Support Whanganui's burgeoning literature sector	Literary Festival 2021 supported with funding	Not Achieved. Cancelled due to Covid restrictions.
	Grow sector knowledge to ensure a connected and resilient sector	6 networking and professional development sessions delivered, each attended by 40 people Targeted professional development programme for 10 participants completed Central government investment into Whanganui arts leveraged	Achieved. 1. 3 x Creative Coffee & Cake events delivered. 2. 50x Participants through Making It
A connected sector that supports the professional development of creative individuals Linkages to Council Strategy: ACSP(4)	Improve our understanding of creative sector	Inaugural sector survey to provide baseline completed, followed by one every 3 years Glass strategy developed and delivered in partnership with NZ Glassworks Sector Focus Group continued	Achieved. Achieved. Whanganui Art Glass Action Plan to be presented at Property and Community Services Committee
	Be responsive to mana whenua aspirations and expectations to participate in the physical, cultural and creative landscapes of Whanganui	Comprehensive Māori arts database built Monthly Arts Hui with hapū arts representatives delivered, resulting in active partnerships and collaboration with iwi	Achieved. Ongoing

<p>Mana whenua creative community is acknowledged</p> <p>and celebrated as globally unique</p> <p>Council Strategy: ACSP(1), TCR (6.4) (6.5)</p>	<p>Allow Māori to determine best developments for the sector</p>	<p>Delivery of 1 Māori-led initiative to enable professional pathways for rangatahi supported</p>	<p>Achieved.</p> <p>IHI Digital supported to operate a digital arts incubator at The Backhouse for 10 Māori and Pasifika artist interns</p>
	<p>Develop and support pathways for digital sectors</p>	<p>Delivery of 1 digital incubator programme supported</p> <p>Central government investment into Whanganui digital sector leveraged</p>	<p>Achieved.</p> <p>IHI Digital supported to operate a digital art incubator at The Backhouse – 10 Māori and Pasifika artist interns (see above)</p>

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.

The WPLP did not complete a Statement of Intent for 2021/22, therefore no Statement of Service Performance has been produced.

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 ended 30 June 2022

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.

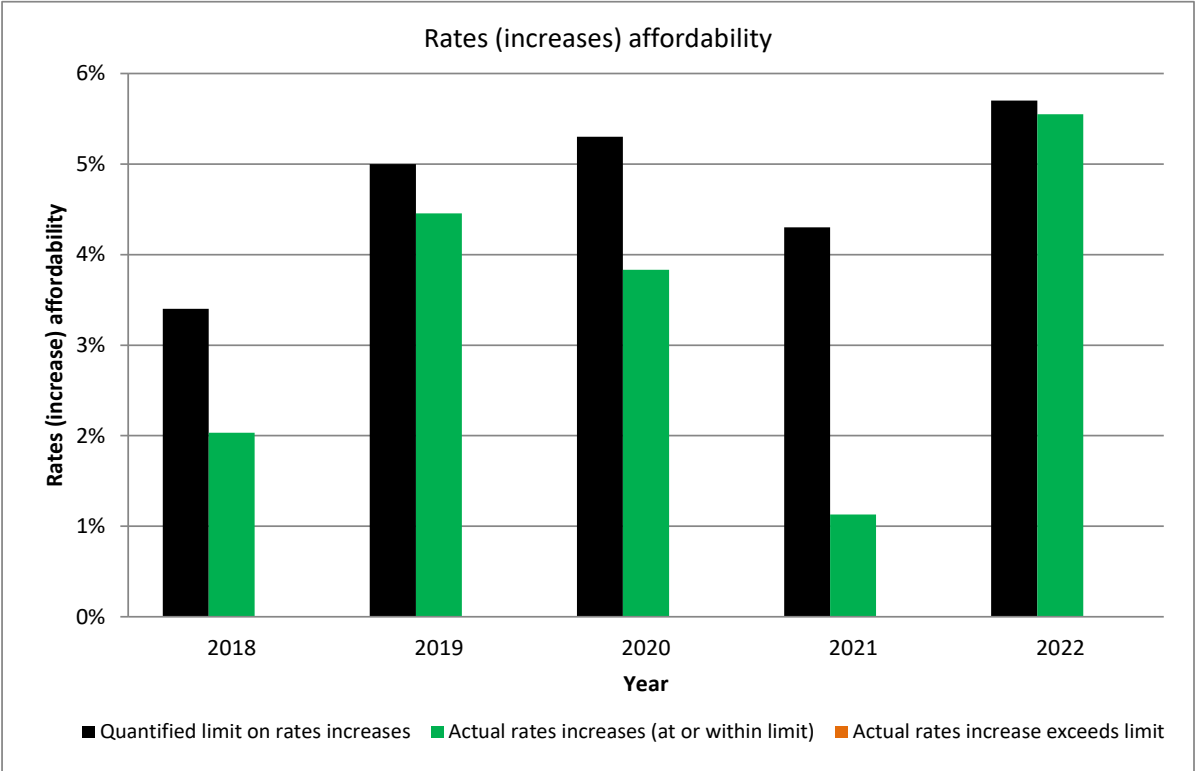
Rates affordability benchmark

The council meets the rates affordability benchmark if:

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

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 of 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).



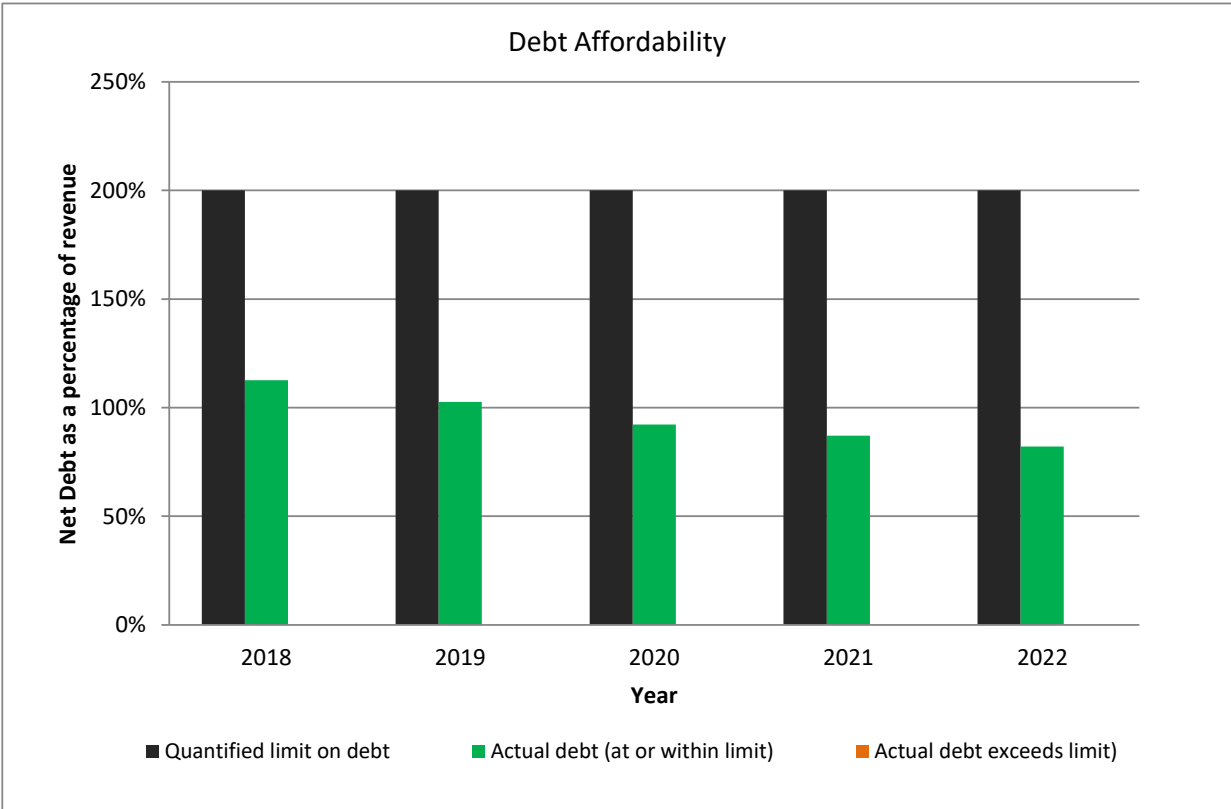
Debt affordability benchmark

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.

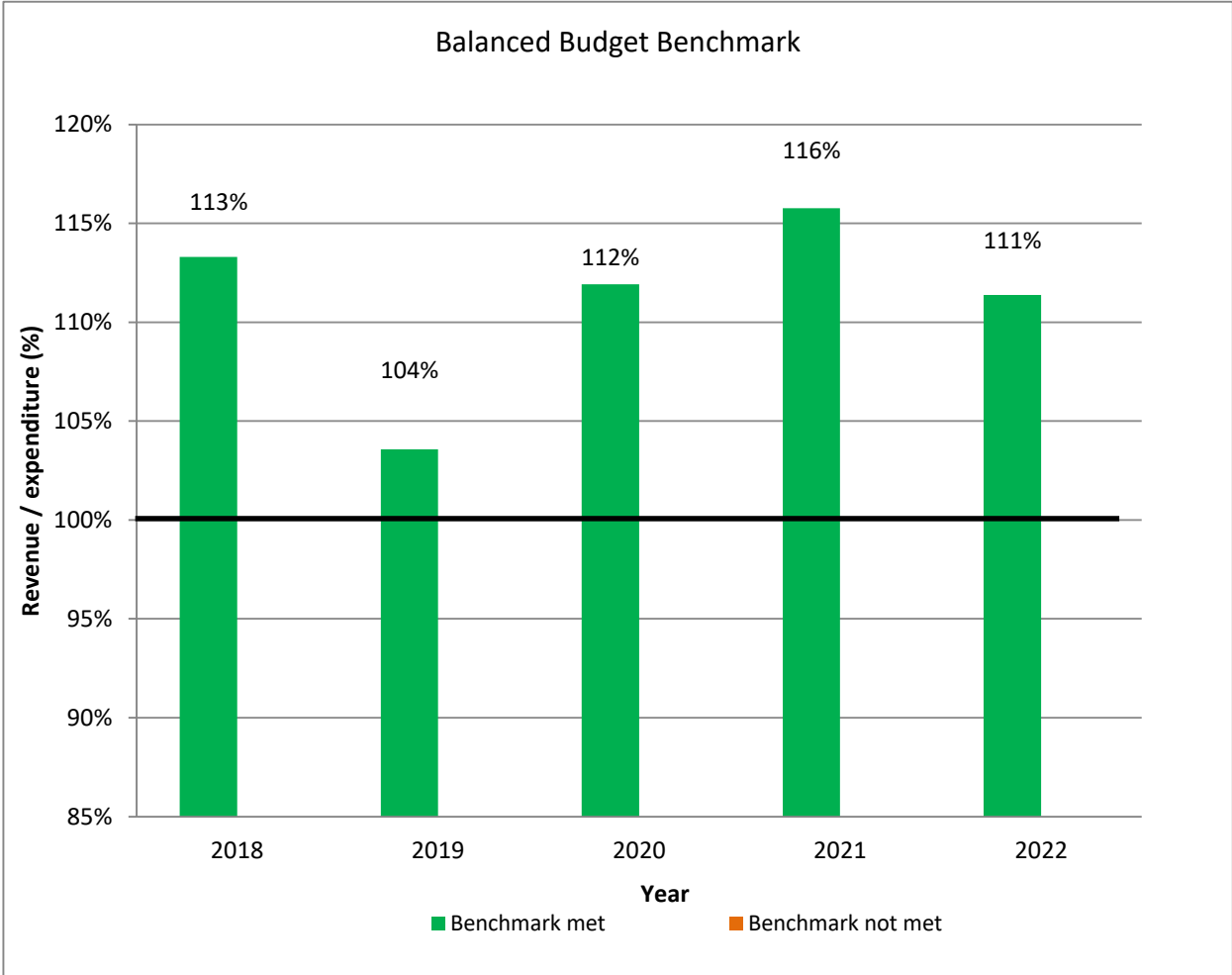


SUSTAINABILITY BENCHMARKS

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

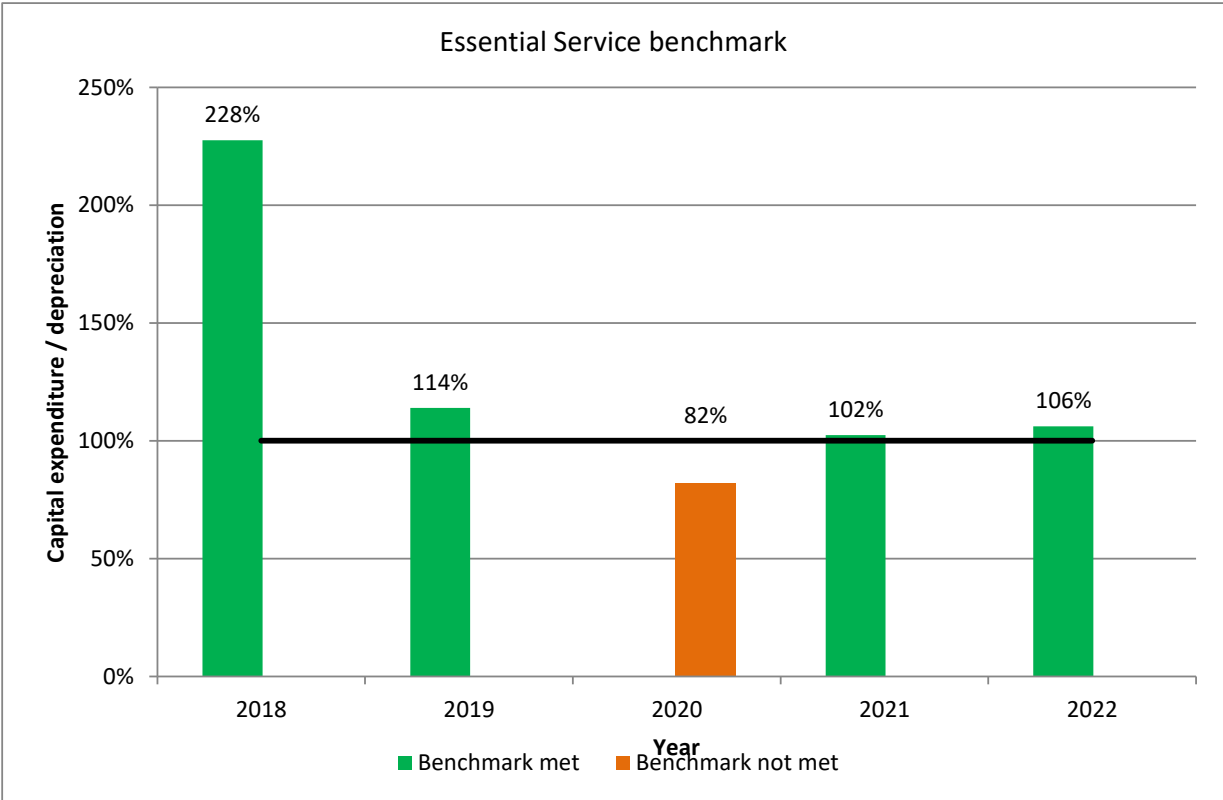
The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services.

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

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

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

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

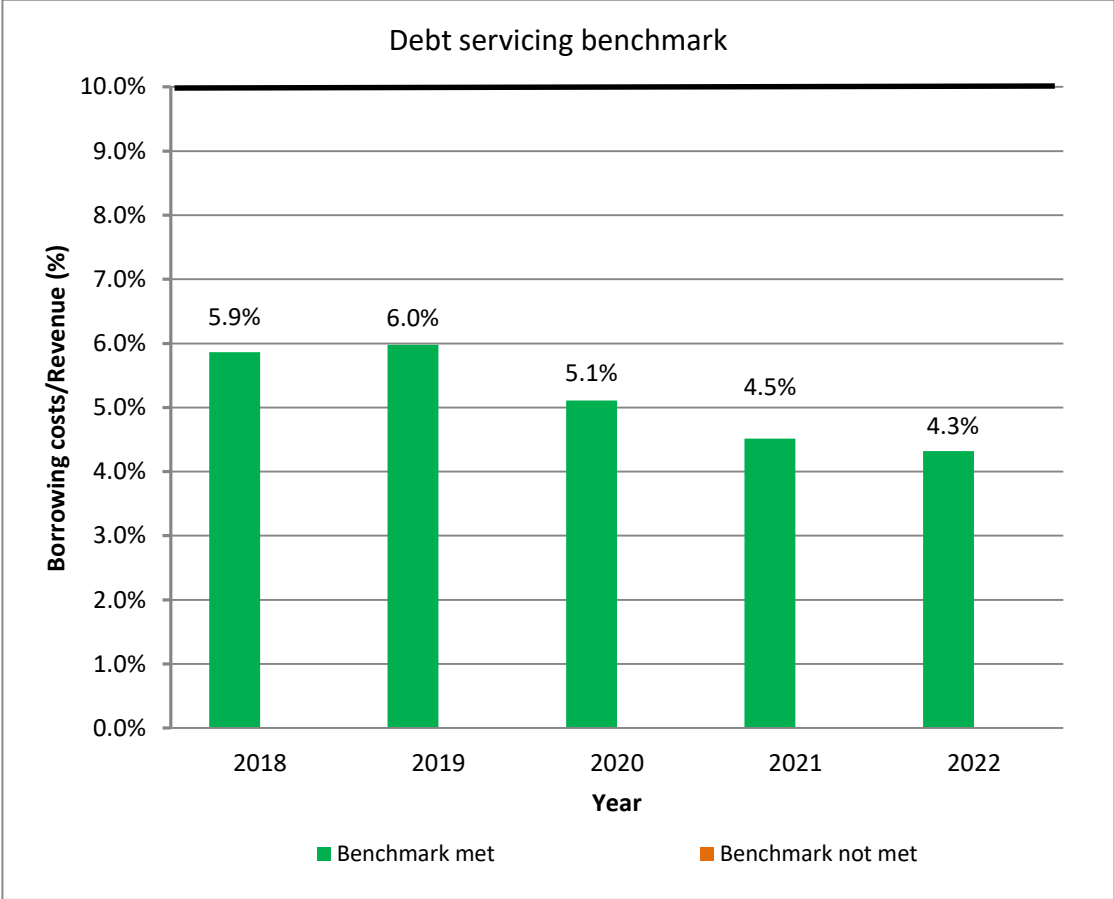


SUSTAINABILITY BENCHMARKS

Debt servicing benchmark

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

Because Stats 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.

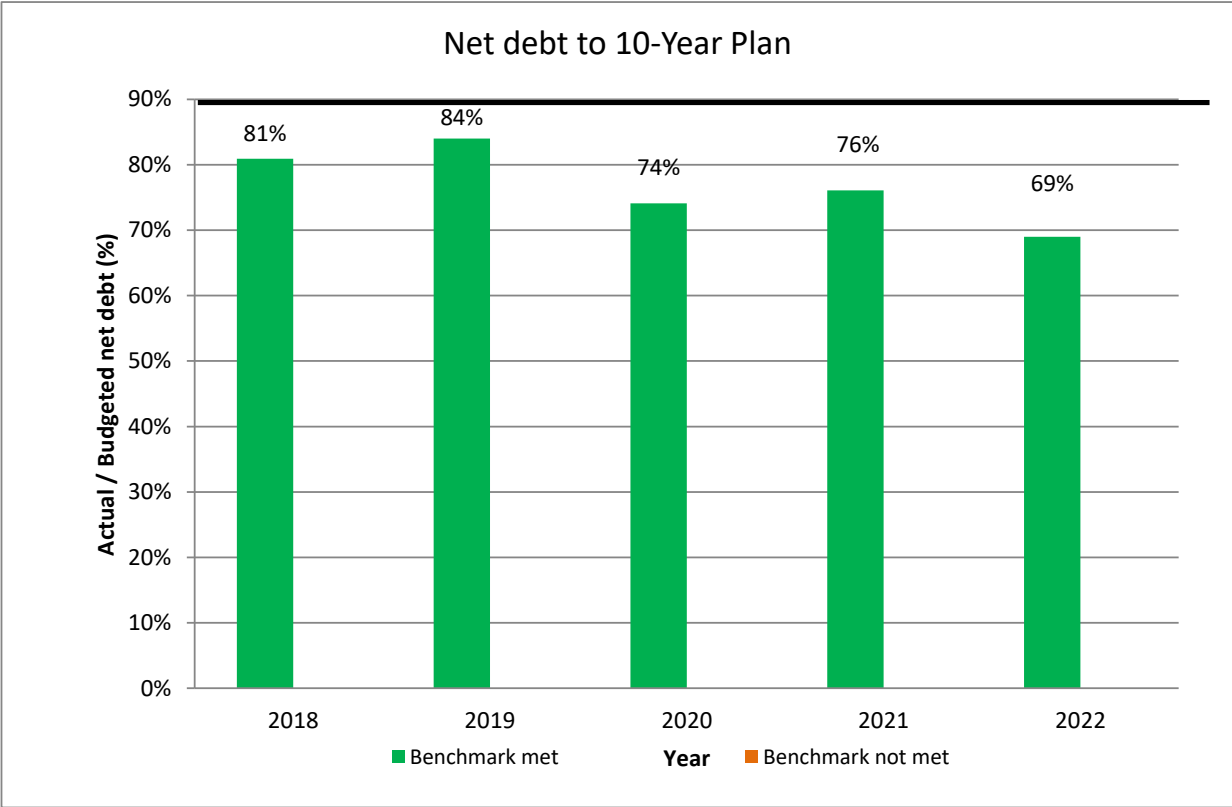


PREDICTABILITY BENCHMARKS

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.



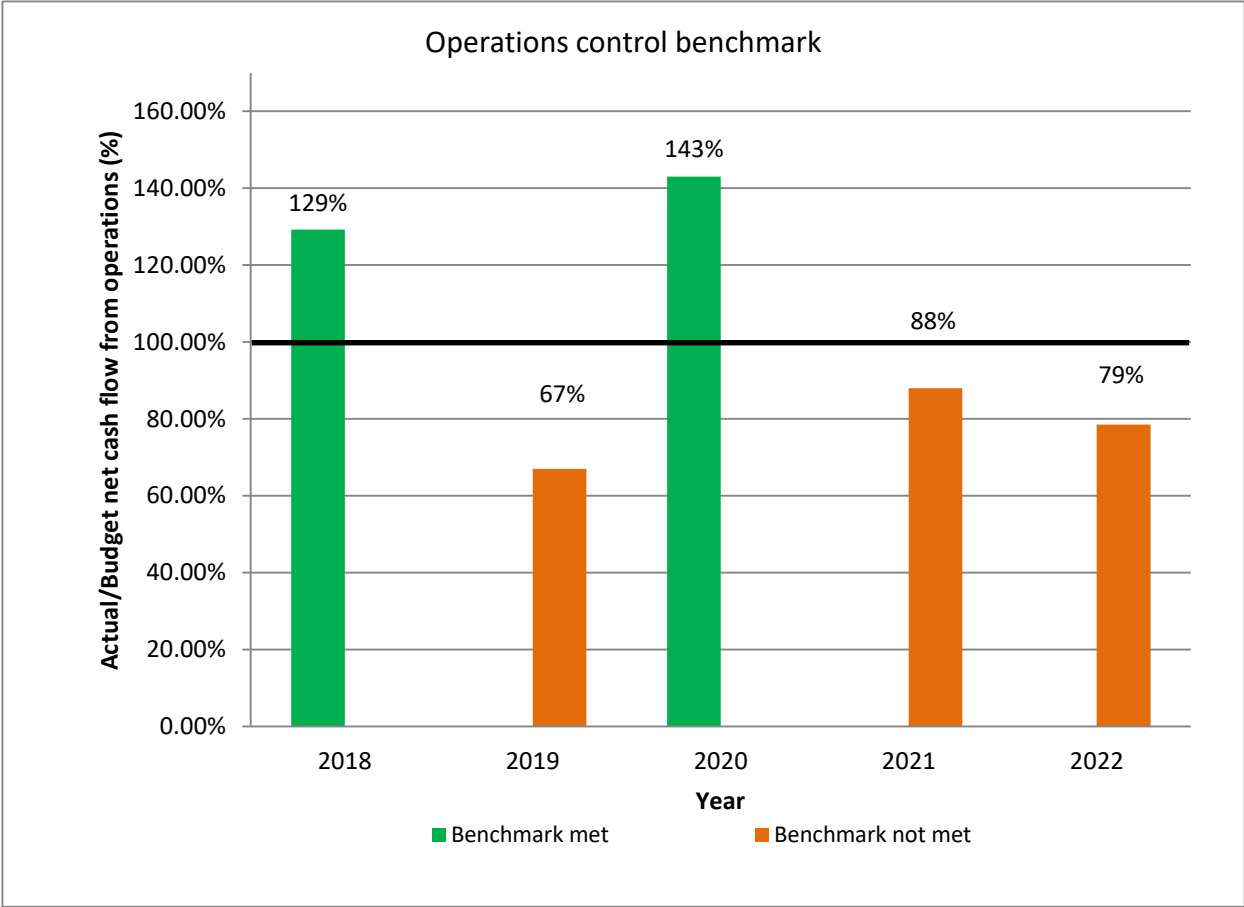
PREDICTABILITY BENCHMARKS

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 caused us to not meet this benchmark in 2019 and 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 2022

	Note	Council		Group		
		Budget 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Revenue						
Rates revenue (including metered water, trade waste and penalties) split as below:						
Rates (excluding water supply and trade waste)	1	64,730	64,655	60,799	64,655	60,799
Rates from metered water supply and trade waste	1	2,998	2,843	3,057	2,843	3,057
Total Rates		67,728	67,497	63,855	67,497	63,855
Finance revenue	2	690	396	488	362	524
Development and financial contributions		1,248	106	269	106	269
Other revenue:	3				-	-
Subsidies and grants		25,725	25,764	20,705	25,705	21,264
User fees and other revenue		10,534	18,827	12,516	26,524	23,301
Gains	4	359	8,372	13,361	13,211	13,480
Total revenue		106,284	120,962	111,194	133,406	122,694
Expenses						
Personnel costs	5	20,475	20,339	18,921	23,365	21,616
Depreciation and amortisation expense	6	22,363	23,213	21,778	25,133	23,547
Finance costs	2	4,903	4,522	4,629	5,014	5,116
Other expenses	7	42,058	52,614	43,323	50,311	48,258
Total expenses		89,799	100,689	88,651	103,823	98,537
Share of associate surplus/(deficit)		-	14	6	14	6
Surplus/(deficit) before tax		16,485	20,288	22,549	29,598	24,163
Income tax expense	8	-	25	(80)	(874)	(233)
Surplus/(deficit) after tax		16,485	20,263	22,629	30,471	24,396
Surplus/deficit attributable to:						
Whanganui District Council		16,485	20,263	22,629	30,471	24,396
Other comprehensive revenue and expense						
Gain/(loss) on property plant & equipment revaluations		-	183,166	82,325	183,166	82,326
Gain/(loss) on carbon credits revaluation		-	1,135	396	1,135	396
Financial assets at fair value through other comprehensive revenue and expense		-	53	58	53	58
Adjustments from CCO through retained earnings		-	-	-	(2)	-
Income tax re components of other comprehensive income		-	-	-	-	-
Total other comprehensive revenue and expense		-	184,354	82,780	184,352	82,781
Total comprehensive revenue and expense		16,485	204,617	105,409	214,824	107,177
Total comprehensive revenue and expense attributable to:						
Whanganui District Council		16,485	204,617	105,409	214,559	107,177
Non-controlling interest		-	-	-	265	-
		16,485	204,617	105,409	214,824	107,177

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

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 2022

	Council		Group	Group	
	Budget	Actual	Actual	Actual	Actual
	2022	2022	2021	2022	2021
Note	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	945,973	1,039,132	933,724	1,067,932	960,757
Net surplus / (deficit)	16,485	20,263	22,629	30,471	24,396
Other comprehensive revenue and expense	-	184,354	82,780	184,352	82,781
Total comprehensive revenue and expense for the year	16,485	204,617	105,409	214,824	107,177
Non-Controlling interest - funds introduced	-	-	-	1,500	-
Balance at 30 June	24	962,458	1,243,749	1,039,132	1,284,257
<i>Total comprehensive revenue and expense attributable to:</i>					
Whanganui District Council	16,485	204,617	105,409	214,559	107,177
Non-controlling interest	-	-	-	265	-

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

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2022

	Note	Council		Group	Group	
		Budget	Actual	Actual	Actual	
		2022	2022	2021	2022	
		\$000	\$000	\$000	\$000	
Assets						
Current assets						
Cash and cash equivalents	9	6,734	8,566	5,386	18,385	8,761
Receivables	10	8,020	8,159	6,339	11,600	10,503
Other financial assets	11	-	17,440	20,293	11,460	17,782
Inventories	12	-	1	1	609	451
Non-current assets held for sale	13	-	1,400	31,821	1,400	31,821
Taxation		-	-	-	70	3
Total current assets		14,754	35,566	63,841	43,525	69,322
Non-current assets						
Derivative financial instruments	14	-	667	-	667	-
Investments in associates	15	-	157	143	157	143
Other financial assets	11	61,102	40,796	11,060	3,461	3,227
Property, plant and equipment	16	1,021,797	1,269,487	1,074,794	1,333,337	1,124,031
Intangible assets	17	1,510	3,065	1,971	11,256	10,060
Investment property	18	10,063	16,913	13,454	40,698	12,409
Total non-current assets		1,094,472	1,331,084	1,101,422	1,389,576	1,149,870
Total assets		1,109,226	1,366,651	1,165,262	1,433,101	1,219,191
Liabilities						
Current liabilities						
Payables and deferred revenue	20	10,407	11,967	14,177	16,992	18,642
Derivative financial instruments	14	-	179	132	205	132
Borrowings & other financial liabilities	21	14,000	17,500	13,500	20,509	16,430
Employee entitlements	22	2,312	2,363	2,102	2,801	2,416
Provisions	23	-	-	-	-	-
Total current liabilities		26,719	32,009	29,911	40,507	37,620
Non-current liabilities						
Payables and deferred revenue	20	-	-	-	-	-
Derivative financial instruments	14	12,808	964	7,313	964	7,479
Borrowings & other financial liabilities	21	107,041	89,750	88,750	101,561	99,432
Employee entitlements	22	150	131	133	131	133
Deferred tax liability	8	50	48	23	5,681	6,596
Total non-current liabilities		120,049	90,893	96,219	108,337	113,639
Total liabilities		146,768	122,901	126,130	148,844	151,259
Net assets		962,458	1,243,749	1,039,132	1,284,257	1,067,932
Equity						
Retained earnings	24	607,802	608,008	584,070	638,408	604,529
Restricted reserves		51,271	72,407	76,081	72,407	76,081
Revaluation reserves		302,188	560,495	377,329	568,837	385,671
Other reserves		1,197	2,840	1,652	2,840	1,651
Total equity attributable to WDC		962,458	1,243,749	1,039,132	1,282,493	1,067,932
Non-controlling interest		-	-	-	1,765	-
Total equity		962,458	1,243,749	1,039,132	1,284,257	1,067,932
Investments in CCOs and similar entities	36	8,735	38,139	8,582		

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

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2022

	Note	Council		Group	Group	
		Budget	Actual	Actual	Actual	
		2022	2022	2021	2022	
		\$000	\$000	\$000	\$000	
Cash flows from operating activities						
Receipts from rates revenue		67,728	67,432	65,454	67,432	65,454
Interest received		185	404	452	371	493
Dividends received		505	3	4	3	4
Subvention receipt		-	-	-	-	-
Receipts from other revenue		37,507	37,330	37,011	51,371	49,153
Payments to suppliers		(42,654)	(50,074)	(44,058)	(57,768)	(49,415)
Payments to employees		(19,878)	(20,081)	(18,734)	(23,323)	(21,080)
Goods and services tax (net)		-	(372)	720	(460)	720
Interest paid		(4,903)	(4,402)	(4,666)	(4,883)	(5,236)
Income tax paid		-	-	19	497	(71)
<i>Net cash from operating activities</i>	25	38,489	30,241	36,202	33,241	40,022
Cash flows from investing activities						
Receipts from sale of property, plant and equipment		-	-	90	-	90
Purchase of property, plant and equipment		(38,183)	(5,078)	(34,331)	(7,893)	(35,678)
Acquisition of investments		-	(8,953)	(12,667)	(12,817)	(18,975)
Receipts for sale and maturity of investments		-	(17,912)	9,650	(11,165)	15,594
Purchase of intangible assets		(50)	(118)	(117)	(248)	(187)
<i>Net cash from investing activities</i>		(38,233)	(32,061)	(37,374)	(32,123)	(39,156)
Cash flows from financing activities						
Proceeds from borrowings		9,613	11,000	11,000	13,237	11,028
Dividends paid		-	-	-	-	-
Non-Controlling interest - funds introduced		-	-	-	1,500	-
Repayment of borrowings		(9,819)	(6,000)	(11,000)	(6,232)	(11,900)
<i>Net cash from financing activities</i>		(206)	5,000	-	8,505	(872)
Net (decrease)/increase in cash and cash equivalents		50	3,180	(1,174)	9,624	(6)
<i>Cash and cash equivalents at the beginning of the year</i>		6,684	5,386	6,560	8,761	8,767
Cash and cash equivalents at the end of the year	9	6,734	8,566	5,386	18,385	8,761

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

The accompanying notes form part of these financial statements.

Funding Impact Statement for the Whole of Council

For the year ended 30 June 2022

	Annual Plan 2022 \$000	Annual Report 2022 \$000	Annual Plan 2021 \$000	Annual Report 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	35,222	35,196	31,225	31,043
Targeted rates	32,506	32,301	32,742	32,812
	-	-	-	-
Subsidies and grants for operating purposes	5,277	12,547	5,308	6,426
Fees and charges	8,081	8,555	9,305	9,695
Interest and dividends from investments	690	396	1,205	488
Local authorities fuel tax, fines, infringement fees and other receipts	2,437	2,708	2,485	3,282
Total operating funding (A)	84,213	91,703	82,270	83,745
Application of operating funding				
Payments to staff and suppliers	62,533	65,795	59,882	62,244
Finance costs	4,903	4,522	5,705	4,629
Other operating funding applications	-	-	-	-
Total application of operating funding (B)	67,436	70,317	65,587	66,873
Surplus (deficit) of operating funding (A - B)	16,777	21,386	16,683	16,872
Sources of capital funding				
Subsidies and grants for capital expenditure	20,436	12,398	5,231	13,436
Development and financial contributions	1,248	106	189	269
Increase (decrease) in debt	(206)	5,000	(2,159)	-
Gross proceeds from asset sales	-	-	-	90
Lump sum contributions	-	-	-	-
Other dedicated capital funding	29	578	19,028	18
Total sources of capital funding (C)	21,507	18,082	22,289	13,814
Application of capital funding				
Capital expenditure				
-to meet additional demand	2,950	1,842	900	1,465
-to improve the level of service	21,424	21,510	22,841	20,832
-to replace existing assets	13,860	10,930	15,111	12,466
Increase (decrease) in reserves	50	5,187	120	(4,076)
Increase (decrease) of investments	-	-	-	-
Total application of capital funding (D)	38,284	39,468	38,972	30,686
Surplus (deficit) of capital funding (C - D)	(16,777)	(21,386)	(16,683)	(16,872)
Funding balance ((A - B) + (C - D))	-	-	-	-

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

Statement of accounting policies

For the year ended 30 June 2022

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 2022. The financial statements were authorised for issue by the council on 20 December 2022.

Basis of preparation

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

Statement of compliance

The financial statements of 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

Amendments to PBE IPSAS 2 Cash Flow Statements require additional disclosures that enable users of financial statements to evaluate cash and non-cash changes in liabilities arising from financial activities. It is effective for reporting periods on or after 1 January 2021. Refer to Note 25 for information on reconciliation of liabilities from financing activities.

Standards issued and not yet effective and not early adopted

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

PBE IPSAS 41 Financial Instruments (transitioning from PBE IPSAS 29)

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial instruments: Recognition and Measurement and is effective for the year ending 30 June 2023, with earlier adoption permitted. The main changes under the standard relevant to the Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.
- A new hedge accounting model for hedge accounting relationships, should the Council elect to adopt the new model. The Council can elect to continue to apply the PBE IPSAS 29 hedge accounting model on transition to PBE IPSAS 41.

The Council has not yet quantified the impact on the financial statements for the adoption of PBE IPSAS 41.

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.

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

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

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

Derivative financial instruments

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

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

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of 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 38.

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 2021-31 Long-Term 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 as 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 2022.

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 2022

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

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
CBD rate	448	440	448	440
General rate	35,239	31,190	35,239	31,190
Roading and footpath rates	7,937	8,026	7,937	8,026
Stormwater rate	5,168	5,352	5,168	5,352
Wastewater rate	7,837	7,834	7,837	7,834
Water charge (excluding metered water)	4,369	4,437	4,369	4,437
Storm damage rate	-	-	-	-
Roading Resilience rate	875	869	875	869
Fire capacity rate	1,102	1,106	1,102	1,106
Debt retirement rate	625	582	625	582
Earthquake strengthening rate	922	908	922	908
Exotic forestry rate	135	135	135	135
Rates Penalties	304	192	304	192
Rates discounts	(298)	(266)	(298)	(266)
Rates remissions	(9)	(7)	(9)	(7)
Total rates revenue (excluding metered water and trade waste)	64,655	60,799	64,655	60,799
Tradewaste fees	1,503	1,552	1,503	1,552
Metered water supply charges	1,340	1,505	1,340	1,505
Total rates revenue (including metered water and trade waste)	67,497	63,855	67,497	63,855

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$1.7M (2021 \$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 2021)	21,705	9,969,146	4,342,839
Last year (i.e. 30 June 2020)	21,577	9,876,231	4,324,522

Notes to the financial statements

For the year ended 30 June 2022

2. Finance revenue and finance costs

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Finance revenue				
Interest revenue:				
- money market and term deposits	252	370	265	381
- related party loans	123	94	-	-
- other	18	20	94	140
Subvention receipt	-	-	-	-
Dividend revenue	3	4	3	4
Total finance revenue	396	488	362	524
Finance costs				
Interest expense:				
- interest on borrowings and swaps	4,522	4,629	5,014	5,116
- interest on finance leases	-	-	-	-
Total finance costs	4,522	4,629	5,014	5,116
Net finance costs	4,126	4,141	4,652	4,592

3. Other revenue

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Subsidies and Grants				
New Zealand Transport Agency Roothing subsidies	8,414	8,757	8,414	8,757
Lotteries Board Grant - Gallery Redevelopment project	-	800	-	800
Three water grants (DIA)	4,510	-	4,510	-
Provincial Growth Fund (MBIE)	8,500	4,000	8,500	4,000
Ministry for Culture and Heritage	-	3,000	-	3,000
Other government grants	4,340	4,148	4,281	4,708
Subsidies and grants Total	25,764	20,705	25,705	21,264
User fees and other revenue				
Other user charges	1,811	2,138	2,052	2,138
Regulatory revenue	2,737	2,551	2,737	2,551
Rental from investment properties	587	1,663	1,370	1,663
Rental from other properties	2,998	2,834	2,998	2,834
Infringements and fines	300	385	300	385
Rendering of services	104	111	104	111
Petrol tax	322	347	322	347
Trade waste user fees	1,014	978	1,014	978
Vested assets	5,457	324	5,457	324
Property, plant and equipment gain on disposal	2,348	40	68	40
Other (includes trading revenue from GasNet Limited)	1,148	1,145	10,101	11,930
Total User fees and other revenue	18,827	12,516	26,524	23,301
Total other revenue	44,591	33,221	52,229	44,565

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies or any government grant recognised (2021 nil).

Notes to the financial statements

For the year ended 30 June 2022

4. Gains

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Non-financial instruments				
Investment property revaluation gains/(losses) (note 18)	1,387	8,071	6,008	8,063
Investment property gains/(losses) on disposal	-	-	-	-
Change in fair value of property, plant and equipment (including reversal of previous year write-downs)	-	(57)	218	71
<i>Total non-financial instruments gains</i>	1,387	8,014	6,226	8,133
Financial instruments				
Gains/(losses) on derivative financial instruments	6,985	5,347	6,985	5,347
<i>Total financial instruments gains</i>	6,985	5,347	6,985	5,347
Total gains	8,372	13,361	13,211	13,480

5. Personnel costs

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Salaries and wages	19,502	18,315	22,461	20,938
Employer contributions to defined contribution plans	656	549	722	621
Increase/(decrease) in employee entitlements/liabilities	181	57	181	57
Total personnel costs	20,339	18,921	23,365	21,616

Council received employment subsidies of \$354,996 (2021 \$314,838)

Notes to the financial statements

For the year ended 30 June 2022

6. Depreciation and amortisation expense by group of activity

	Council	
	2022 \$000	2021 \$000
Water supply	2,148	2,056
Stormwater drainage	1,945	1,917
Waterways and natural drainage	-	-
Sewerage and the treatment and disposal of sewage	3,922	3,849
Provision of roads and footpaths	10,105	9,658
Parks and recreation	1,266	1,131
Community and cultural	1,297	1,280
Economic development	18	13
Community facilities and services	1,485	616
Transportation	156	235
Investments	1	86
Corporate	871	938
Total depreciation and amortisation expense	23,213	21,778

7. Other expenses

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Fees to auditors:				
- Audit New Zealand for financial statement audit	198	188	310	294
- Audit New Zealand for 10-Year Plan audit & Consultation Document	15	114	15	114
- Audit New Zealand for audit related fees for disclosure regulations	-	-	61	50
- Audit New Zealand for audit related fees for Debenture Trust Deed	4	4	-	-
- Audit New Zealand for joint venture financial statement audit	10	-	10	-
- Road Alliance Contract - Brian Smith Advisory Services	10	10	10	10
- Other financial auditors	-	-	12	-
Donations	1	5	1	5
General grants	995	1,031	1,099	1,026
Contractors	19,253	16,203	19,332	16,203
Maintenance	3,701	2,828	3,906	2,828
Electricity	2,648	2,088	2,650	2,088
Planned maintenance	2,309	3,165	2,309	3,165
Insurance premiums	1,977	1,974	2,269	1,974
Directors' fees	-	-	113	297
Consultancy	2,755	2,351	2,755	2,351
Legal fees	392	331	392	331
Rates Expense	1,779	1,902	1,780	1,902
Property, plant and equipment losses on disposal	6,705	70	-	70
Losses from derivative financial instruments	-	-	(139)	(162)
Impairment of receivables (note 10)	114	57	114	57
Minimum lease payments under operating leases	43	28	263	(78)
Forestry expenditure	-	-	-	-
Other operating expenses	9,703	10,976	13,046	15,734
Total other expenses	52,614	43,323	50,311	48,258

Notes to the financial statements

For the year ended 30 June 2022

8. Tax

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Components of tax expense				
Current tax expense	-	-	585	612
Deferred tax expense	25	(80)	(816)	(430)
Prior year adjustment	-	-	(642)	(415)
Income tax expense	25	(80)	(874)	(233)
impairment of receivables (note 10)				
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	20,288	22,549	29,598	24,163
Tax at 28%	5,681	6,314	8,287	6,766
Non-deductible expenditure	(6,273)	(6,716)	(9,639)	(6,706)
Loss not recognised	618	322	-	-
Prior year adjustment to deferred tax	-	-	(623)	(551)
Deferred tax adjustment	-	-	1,101	258
Total tax expense	25	(80)	(874)	(233)

Council

Council has not recognised a deferred tax asset in relation to tax losses of \$376,057 (2021 \$1,149,000). 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 2020	674	-	(525)	(68)	84
Charged to profit and loss	(62)	-	-	-	(62)
Charged to equity	-	-	-	-	-
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
Group					
Balance 30 June 2020	8,310	(133)	(962)	(193)	7,026
Charge/(credit) to revenue	(299)	80	(212)	-	(430)
Charge/(credit) to equity	-	-	-	-	-
Balance 30 June 2021	8,011	(53)	(1,174)	(193)	6,596
Charged to profit and loss	343	38	(1,197)	-	(816)
Charged to equity	(99)	-	-	-	(99)
Balance 30 June 2022	8,256	(16)	(2,371)	(193)	5,681

Notes to the financial statements

For the year ended 30 June 2022

9. Cash and cash equivalents

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash at bank and on hand	8,566	5,386	18,385	8,761
Term deposits with maturities less than 3 months at acquisition	-	-	-	-
Total cash and cash equivalents	8,566	5,386	18,385	8,761

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 (2021 \$nil).

10. Receivables

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Rates receivables	3,922	3,690	3,942	3,716
Other receivables:				
- related party receivables	-	-	-	-
- New Zealand Transport Agency subsidies	124	548	124	548
- interest receivable	25	36	25	36
- other	5,444	3,570	8,865	7,716
Gross Receivables	9,515	7,844	12,956	12,016
Less provision for impairment	(1,356)	(1,505)	(1,356)	(1,513)
Total Receivables	8,159	6,339	11,600	10,503
<i>Total receivables comprise:</i>				
Receivables from exchange transactions	846	942	4,100	4,919
Receivables from non exchange transactions	7,313	5,398	7,500	5,584
Gross Receivables	8,159	6,339	11,600	10,503

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 2022

The ageing profile of receivables as at 30 June 2022 and 2021 are detailed below:

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

	2021		
	Gross \$000	Impairment \$000	Net \$000
Council			
Not past due	3,806	-	3,806
Past due 1-60 days	157	(5)	153
Past due 61-120 days	36	-	36
Past due > 120 days	3,846	(1,500)	2,346
Total	7,844	(1,505)	6,339

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

	2021		
	Gross \$000	Impairment \$000	Net \$000
Group			
Not past due	7,492	-	7,492
Past due 1-60 days	274	(13)	262
Past due 61-120 days	36	-	36
Past due > 120 days	4,215	(1,500)	2,714
Total	12,016	(1,513)	10,503

All receivables greater than 30 days in age are considered to be past due.

Notes to the financial statements

For the year ended 30 June 2022

The impairment provision has been calculated based on expected losses for individual receivables. Expected losses have been determined based on an analysis of WDC's losses in previous periods, and review of specific receivables as detailed below:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Individual impairment	1,356	1,505	1,356	1,513
Collective impairment	-	-	-	-
Total provision for impairment	1,356	1,505	1,356	1,513

Individually impaired receivables have been determined to be impaired because of the unlikeliness of the debt being repaid. An analysis of these individually impaired debtors are as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Not past due	-	-	-	-
Past due 1-60 days	4	5	4	13
Past due 61-120 days	-	-	-	-
Past due > 120 days	1,352	1,500	1,352	1,500
Total individual impairment	1,356	1,505	1,356	1,513

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
At 1 July	1,505	2,813	1,513	2,822
Additional provisions made during the year	271	363	(149)	(1,308)
Provisions reversed during the year	-	-	-	-
Receivables written-off during period	(420)	(1,672)	(8)	-
At 30 June	1,356	1,505	1,356	1,513

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 2022 (2021 \$1,621,941)

Notes to the financial statements

For the year ended 30 June 2022

11. Other financial assets

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current portion				
Loans to subsidiaries and associates	9,440	9,016	78	214
Term deposits with maturities greater than 3 months at acquisition	8,000	11,277	11,382	17,568
<i>Total current portion</i>	17,440	20,293	11,460	17,782
Non-current portion				
Community loans	793	803	793	803
Loans to subsidiaries and associates	-	-	-	-
Government Indexed Bonds	-	-	-	-
NZ Local Government Funding Agency borrower notes	1,916	1,712	1,916	1,712
Unlisted shares in NZ Local Government Insurance Corporation Limited	288	279	288	279
Unlisted shares in NZ Local Government Funding Agency Limited	465	421	465	421
Sarjeant Gallery (NJ Young Fund with Craigs Investment Partners & Term Dep	-	-	-	-
Shares in subsidiary (at cost - WDCHL)	8,146	7,846	-	-
Units in Whanganui Port Limited Partnership	29,189	-	-	13
<i>Total non-current portion</i>	40,796	11,060	3,461	3,227
Total other financial assets	58,236	31,353	14,921	21,009

Fair value

Community loans

The fair value of community loans is their carrying value of \$792,500 (2021 \$802,500), which has not been discounted due to immaterial size. The terms of the loans may be discretionary as a result of a Council decision.

Loans to related parties

The fair value and carrying amount of Group loans to related parties is \$9,440,244 (2021 \$9,016,023).

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 2022.

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 2022

12. Inventories

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<i>Held for distribution/Commercial inventories</i>				
Inventory	1	1	15	1
Network	-	-	594	450
Total inventories	1	1	609	451

Network Inventories are pledged as security for liabilities 2022 \$605,000 (2021 \$450,000). There has been no write-down of commercial inventories to net realisable value (2021 \$nil).

13. Non-current assets held for sale

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Land	1,385	-	1,385	-
Buildings	15	-	15	-
Forestry Assets	-	-	-	-
Port Assets	-	31,821	-	31,821
Total non-current assets held for sale	1,400	31,821	1,400	31,821

Non-current assets held for sale comprise of approximately 8ha of land with minor improvements. The Council has approved to sell the properties as they will provide no future use to the Council. The completion date of the sale is expected to be within the next 12 months. The accumulated property revaluation reserve recognised in equity for these properties at 30 June 2022 is \$1.32 million.

14. Derivative financial instruments

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
Non-current asset portion				
Interest rate swaps - cash flow hedges	667	-	667	-
Total derivative financial instrument assets	667	-	667	-
Current liability portion				
Interest rate swaps - cash flow hedges	179	132	205	132
Non-current liability portion				
Interest rate swaps - cash flow hedges	964	7,313	964	7,479
Total derivative financial instrument liabilities	1,143	7,445	1,169	7,611

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 yield 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 \$83,000,000 (2021 \$91,000,000) and for the WDC group were \$85,000,000 (2021 \$93,000,000). At 30 June 2022 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 2022

15. Investments in associates

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Whanganui River Enhancement Charitable Trust (WRET)	81	70	81	70
New Zealand Masters Games Limited (NZMGL)	25	36	25	36
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	52	37	52	37
Total investments in associates	157	143	157	143

Summarised financial information of associate entities

	WRET	
	2022	2021
	\$000	\$000
Assets	426	397
Liabilities	181	185
Revenues	151	146
Surplus/(deficit)	32	18
Group's interest	33%	33%

	NZMGL	
	2022	2021
	\$000	\$000
Assets	49	74
Liabilities	1	3
Revenues		7
Surplus/(deficit)	(13)	7
Group's interest	49%	49%

	MW LASS	
	2022	2021
	\$000	\$000
Assets	696	660
Liabilities	336	403
Revenues	1,652	1,157
Surplus/(deficit)	103	19
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 2022

16. Property, plant and equipment

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

Council 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	98,397	-	98,397	339	-	-	-	-	(3,957)	-	-	94,779	-	94,779
Buildings	89,566	(⁰)	89,566	13,525	-	(⁰)	-	(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	381,257	-	381	-	-	-	-	-	-	-	-	381	-	381
Capital work in progress (see breakdown below)	17,993	-	17,993	-	-	-	-	-	10,468	-	-	28,461	-	28,461
Total operational assets	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
Total infrastructural assets	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	-	-	-	-	-	(⁰)	-	-	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	1,115,199	(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

Note: Vested assets to Whanganui District Council; \$3812k (2021 \$324k).

Notes to the financial statements

For the year ended 30 June 2022

Group 2022	Cost/ revaluation 30/6/2021 \$000	Accumulated depreciation and impairment charges 30/6/2021 \$000	Carrying amount 30/6/2021 \$000	Current Years		Current year disposals \$000	Accumulated depreciation & Impairments eliminated on disposals / revaluations \$000	Current year depreciation \$000	Current year Impairme nt charges \$000	Transfers \$000	Depreciation Transfers \$000	Revaluation surplus \$000	Cost/ revaluation 30/6/2022 \$000	Accumulated depreciation and impairment charges 30/6/2022 \$000	Carrying amount 30/6/2022 \$000
				Current year additions \$000	Vesting Additions \$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 2022

Council 2021	Cost/ revaluation 30/6/2020 \$000	Accumulated depreciation and impairment charges 30/6/2020 \$000	Carrying amount 30/6/2020 \$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 30/6/2021 \$000	Accumulated depreciation and impairment charges 30/6/2021 \$000	Carrying amount 30/6/2021 \$000
				Current year additions \$000	Vesting Additions \$000									
Operational assets														
Land	58,905	-	58,905	1,029	-	(6)	-	-	(1,068)	-	39,538	98,397	-	98,397
Buildings	63,185	(4,437)	58,748	1,673	-	(84)	6,545	(2,261)	107	154	24,685	89,566	()	89,566
Leasehold Improvements	2,854	(573)	2,281	383	-	-	-	(123)	445	(134)	-	3,682	(830)	2,851
Plant, equipment and motor vehicles	16,963	(13,792)	3,171	1,084	-	(241)	203	(1,155)	-	-	-	17,806	(14,744)	3,061
Leased equipment	1,178	(1,178)	-	-	-	-	-	-	-	-	-	1,178	(1,178)	-
Furniture and fittings	3,962	(2,942)	1,020	708	-	-	-	(135)	-	-	-	4,670	(3,077)	1,592
Library books	4,261	(2,809)	1,453	220	-	-	-	(298)	-	-	-	4,482	(3,106)	1,376
Artworks - Sarjeant Gallery	31,451	-	31,451	21	-	-	-	-	-	-	-	31,472	-	31,472
Artworks - Sculptures/Monuments	381	-	381	-	-	-	-	-	-	-	-	381	-	381
Capital work in progress (see breakdown below)	9,274	-	9,274	12,737	-	-	-	-	(4,018)	-	-	17,993	-	17,993
<i>Total operational assets</i>	192,414	(25,731)	166,683	17,854	-	(331)	6,747	(3,973)	(4,534)	20	64,223	269,626	(22,937)	246,689
Infrastructural assets														
Stormwater and Drainage	134,613	-	134,613	3,214	172	-	-	(1,906)	-	-	-	137,999	(1,906)	136,093
Wastewater Other	130,544	-	130,544	2,176	82	-	-	(2,531)	-	-	-	132,803	(2,531)	130,272
Waste Water Treatment Plants & Facilities	65,715	-	65,715	77	-	-	-	(1,269)	4	-	-	65,796	(1,269)	64,527
Water Other	73,825	-	73,825	2,544	70	-	-	(1,654)	48	-	-	76,487	(1,654)	74,833
Water Treatment Plants & Facilities	16,037	-	16,037	797	-	-	-	(364)	-	-	-	16,834	(364)	16,470
Roading network	367,841	-	367,841	8,289	-	-	-	(9,647)	3,238	-	-	379,368	(9,647)	369,721
Land under roads	8,166	-	8,166	45	-	-	-	-	-	-	-	8,211	-	8,211
Airport runway	2,452	(1)	2,451	5	-	-	-	(97)	-	-	-	2,457	(98)	2,359
<i>Total infrastructural assets</i>	799,194	(1)	799,192	17,146	324	-	-	(17,469)	3,289	-	-	819,953	(17,469)	802,484
Restricted assets														
Land	17,099	-	17,099	-	-	-	-	-	(5,197)	-	9,030	20,932	-	20,932
Buildings	6,325	(438)	5,886	149	-	-	362	(238)	(2,955)	314	1,171	4,689	-	4,689
<i>Total restricted assets</i>	23,424	(438)	22,985	149	-	-	362	(238)	(8,153)	314	10,201	25,621	-	25,621
Total property, plant and equipment	1,015,031	(26,171)	988,861	35,149	324	(331)	7,110	(21,679)	(9,397)	334	74,424	1,115,199	(40,405)	1,074,794

Notes to the financial statements

For the year ended 30 June 2022

Group 2021	Accumulated depreciation and impairment charges		Carrying amount	Current Years			Accumulated depreciation & impairments eliminated on disposals / revaluations	Current year depreciation	Transfers	Depreciation Transfers	Revaluation surplus	Accumulated depreciation and impairment charges		Carrying amount
	Cost/ revaluation 30/6/2020	30/6/2020		30/6/2020	Current year additions	Vesting Additions						Current year disposals	Cost/ revaluation 30/6/2021	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets														
Land	58,944	-	58,944	1,029	-	(6)	-	-	(1,068)	-	39,538	98,437	-	98,437
Buildings	74,001	(4,588)	69,413	1,881	-	(84)	6,545	(2,263)	107	154	24,715	100,621	(153)	100,469
Leasehold Improvements	2,854	(573)	2,281	383	-	-	-	(123)	445	(134)	-	3,682	(830)	2,851
Plant, equipment and motor vehicles	22,622	(15,608)	7,014	1,679	-	(330)	246	(1,714)	-	-	-	23,970	(17,076)	6,894
Leased equipment	1,178	(1,178)	(-)	-	-	-	-	-	-	-	-	1,178	(1,178)	(-)
Furniture and fittings	4,316	(3,018)	1,298	709	-	-	-	(171)	-	-	-	5,025	(3,188)	1,837
Library books	4,262	(2,809)	1,453	220	-	-	-	(298)	-	-	-	4,482	(3,106)	1,376
Art work	31,832	-	31,832	21	-	-	-	-	-	-	-	31,853	-	31,853
Capital work in progress	9,272	-	9,272	12,737	-	-	-	-	(4,018)	-	-	17,991	-	17,991
Total operational assets	209,281	(27,774)	181,507	18,659	-	(421)	6,790	(4,568)	(4,534)	20	64,254	287,239	(25,532)	261,707
Infrastructural assets														
Stormwater and Drainage	134,613	-	134,613	3,214	172	-	-	(1,906)	-	-	-	137,999	(1,906)	136,093
Wastewater Other	130,543	-	130,544	2,176	82	-	-	(2,531)	-	-	-	132,802	(2,531)	130,271
Waste Water Treatment Plants & Facilities	65,715	-	65,716	77	-	-	-	(1,269)	4	-	-	65,796	(1,269)	64,527
Water Other	73,825	-	73,826	2,544	70	-	-	(1,654)	48	-	-	76,487	(1,654)	74,833
Water Treatment Plants & Facilities	16,037	-	16,037	797	-	-	-	(364)	-	-	-	16,834	(364)	16,470
Roading network	367,841	-	367,841	8,289	-	-	-	(9,647)	3,238	-	-	379,368	(9,647)	369,721
Land under roads	8,166	0	8,166	45	-	-	-	-	-	-	-	8,211	-	8,211
Airport runway	2,452	(1)	2,451	5	-	-	-	(97)	-	-	-	2,457	(98)	2,359
Gas network infrastructure	36,543	(2,356)	34,188	1,737	-	-	-	(1,156)	(551)	-	-	37,730	(3,512)	34,218
Total infrastructural assets	835,736	(2,356)	833,382	18,883	324	-	-	(18,625)	2,738	-	-	857,681	(20,980)	836,703
Restricted assets														
Land	17,099	-	17,099	-	-	-	-	-	(5,197)	-	9,030	20,932	-	20,932
Buildings	6,325	(438)	5,886	149	-	-	362	(238)	(2,955)	314	1,171	4,689	-	4,689
Total restricted assets	23,424	(438)	22,985	149	-	-	362	(238)	(8,153)	314	10,201	25,621	-	25,621
Total property, plant and equipment	1,068,440	(30,568)	1,037,875	37,690	324	(421)	7,153	(23,432)	(9,948)	334	74,454	1,170,540	(46,512)	1,124,031

Notes to the financial statements

For the year ended 30 June 2022

16. Property, plant and equipment (continued)

Valuation

Operational and restricted land and buildings

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

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

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

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

Where Council only holds a land interest, then Fair Value has been determined by comparison with market based land sales.

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

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

The property has been valued as if free and clear of any mortgages, debenture or toher charge against the property.

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

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

Leasehold improvements are held at cost less depreciation.

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

These are valued at fair value determined on a depreciated replacement cost basis. The most recent valuation, as at 30 June 2022, was performed by Rawlinsons Limited (3 waters) and management (Roading). 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 by management using RCI index values and peer reviewed by Downer. RCI index values were compared to current contracts to ensure this was reasonable.

Land under Roads

Land under roads was valued at 30 June 2003 and this valuation is considered deemed cost. Under NZ IFRS WDC has elected to use the fair value of land under roads as at 30 June 2003 as deemed cost. Land under roads is no longer revalued. Subsequent additions are shown at cost.

Gas distribution network

The distribution network of WGL was valued using a discounted cash flow model, as at 30 June 2018 by Geoff Evans, BE (Mech), Network Manager and reviewed in accordance with NZ IAS 16 by Jeff Whitlock CA (PP), B.BS, of Moore Stephens Markhams. The network is revalued on a five yearly cycle.

Art collection

The art collection of the Sarjeant Gallery has been valued by Mr 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 2022

Impairment

There are no impairments to Property, plant and equipment for the year ending 30 June 2022 (2021 \$Nil).

Work in progress

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Operational Buildings & improvements	28,441	16,995	28,441	16,995
Plant & Equipment	-	94	-	94
Art Works	-	9	-	9
Waste Water Other	-	-	-	-
Storm Water	-	-	-	-
Water Other	-	-	-	-
Roading	20	802	20	802
Waterways & Natural Drainage	-	105	-	105
Gas distribution network	-	-	19	19
Restricted Buildings & improvements	-	-	-	-
Intangible	-	-	-	-
Total work in progress	28,461	18,005	28,481	18,025

Leasing

The net carrying amount of plant and equipment held under finance leases is \$Nil (2021 \$Nil).

Restrictions

Land and buildings in the "Restricted" category are subject to either restrictions in use, or disposal, or both. This includes restrictions from legislation (such as land declared a reserve under the Reserves Act 1977), or other restrictions (such as land and buildings under a bequest or donation that restricts the purpose for which the asset may be used).

Core infrastructure asset disclosures

Included within the Council infrastructure assets above are the following core Council assets:

	Closing book value \$000	Additions constructed by Council \$000	Additions transferred to Council \$000	Most recent replacement cost estimate for revalued assets \$000
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
2021				
Stormwater & Drainage	136,093	3,214	172	193,241
Wastewater Other	130,272	2,176	82	258,140
Wastewater Treatment Plants & Facilities	64,527	80	-	82,898
Water Other	74,833	2,544	70	134,965
Water Treatment Plants & Facilities	16,470	797	-	39,967
Roading network	369,721	8,289	-	712,297

Notes to the financial statements

For the year ended 30 June 2022

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 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
Balance at 1 July 2020						
Cost	3,452	1,257	4,709	1,119	9,496	15,324
Accumulated amortisation and impairment	(3,152)	-	(3,152)	(1,070)	(1,526)	(5,748)
Opening carrying amount	301	1,257	1,557	49	7,970	9,576
Year ended 30 June 2021						
Additions	70	47	117	70	-	187
Amortisation / Impairment charge	(99)	-	(99)	-	-	(99)
Disposals/Transfers	-	-	-	-	-	-
Amortisation charge eliminated on disposal	-	-	-	-	-	-
Revaluation increment	-	396	396	-	-	396
Closing carrying amount	272	1,699	1,971	119	7,970	10,060
Year ended 30 June 2021						
Cost	3,522	1,699	5,222	1,189	9,496	15,907
Accumulated amortisation and impairment	(3,251)	-	(3,251)	(1,070)	(1,526)	(5,847)
Closing carrying amount	272	1,699	1,971	119	7,970	10,060

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 2022

Impairment

Goodwill

Goodwill arises on the consolidation of GasNet Limited in the books of Whanganui District Council Holdings Limited and the consolidation of the WINC glass school into the books of WDC. Any excess of the cost of the business combination over WDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If WDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the statement of comprehensive revenue and expense. There is no impairment of goodwill as the net book value of assets, cashflows all in line with the expectations contained in the Council's 10 year plan 2021-31.

Work in progress

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Software	-	-	-	-
Easements	-	-	-	-
	-	-	-	-

Notes to the financial statements

For the year ended 30 June 2022

18. Investment property

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Balance at 1 July	13,454	27,993	12,409	26,957
Additions from acquisitions		40	20,209	40
Disposals/Transfers	2,072	(22,651)	2,072	(22,651)
Fair value gains/(losses) on valuation	1,387	8,071	6,008	8,063
Balance at 30 June	16,913	13,454	40,698	12,410
Less Impairment of earthquake prone buildings	-	-	-	-
Balance at 30 June	16,913	13,454	40,698	12,409

WDC's investment properties are valued annually at fair value effective 30 June. All investment properties were valued independently based on open market evidence. The valuation was performed by KD Pawson (ANZIV, SPINZ, Bcom (VPN)) of Morgans Property Advisors (Morgans). Morgans is an experienced valuer with extensive market knowledge in the types of investment properties owned by WDC.

Covid-19 Impact

The current Coronavirus (Covid-19) global Pandemic is creating significant economic and financial global 'headwinds'. As New Zealand is an 'exporting' nation, the impact on forestry and the meat industry is evident, and Tourist numbers have decreased significantly. A drop in New Zealand's Gross Domestic Product (GDP) is widely expected by economists, with a potential "recession" in the short to medium term.

Whanganui District, to date, has been largely insulated given that the district has limited exposure to the Tourism sector and that most primary produce prices have remained strong. While the impact on the property market at time of writing has been minimal there is the feeling that the impact of Covid-19 on consumer confidence may not yet be fully realized and that certain caution on property value expectations is appropriate.

This Asset Valuation is current at the date of valuation only. As at the date of valuation we consider that there is significant market uncertainty given that impact of Covid-19 on consumer confidence may not yet be fully realised.

The values assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation).

The fair value of the investment property has been determined using the capitalisation of actual/potential net revenues and direct comparison methods. The methods are also based on assumptions of 'highest and best use' and have regard for current lease arrangements. Where long term ground leases are in place only the lessors' (councils) interest in the land has been assessed.

Net revenue from properties within the harbour endowment must be applied to the maintenance and development of the Port. Net revenue from the City Endowment properties is used to aid the people of Whanganui. For both endowments Crown approval is required for any change to the make up or purpose of the endowment. Also all capital or divestment proceeds must remain within those Endowments.

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<u>Revenue and expenses in relation to investment properties:</u>				
Rental revenue	587	1,663	587	1,663
Expenses from investment property generating revenue	(211)	(785)	(193)	(751)
Expenses from investment property not generating revenue	(19)	(34)	(19)	(34)
Contractual obligations for capital expenditure	-	-	-	-
Contractual obligations for operating expenditure	-	-	-	-

Notes to the financial statements

For the year ended 30 June 2022

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	
	2022	2021
	\$000	\$000
Current assets	78	79
Non-current assets	5,520	5,659
Current liabilities	478	306
Non-current liabilities	49	23
Revenue	147	167
Expenses	469	410

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	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current portion				
<i>Payables under exchange transactions</i>				
Trade payables	6,441	6,231	8,260	7,285
Deposits and bonds	1,852	1,324	1,852	1,324
Accrued expenses	327	1,616	377	1,616
Amounts due to related parties	-	-	-	(195)
Accrued interest payable	755	635	847	777
Revenue in advance	1,418	1,085	4,046	4,159
<i>Payables under non exchange transactions</i>				
Income tax payable	-	-	760	760
Other taxes payable	179	193	(144)	(176)
Rates in advance	995	857	995	857
Grants and funding with conditions	-	2,236	-	2,236
	11,967	14,177	16,992	18,642
Non-current portion				
<i>Payables under non exchange transactions</i>				
Grants and funding with conditions	-	-	-	-
	11,967	14,177	16,992	18,642

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 2022

21. Borrowings & other financial liabilities

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current portion				
Secured loans	17,500	13,500	20,509	16,430
<i>Total current portion</i>	17,500	13,500	20,509	16,430
Non-current portion				
Secured loans	89,750	88,750	101,561	99,432
<i>Total non-current borrowings</i>	89,750	88,750	101,561	99,432
Total borrowings	107,250	102,250	122,070	115,862

Secured loans

WDC's secured debt of \$107,250,000 (2021 \$102,250,000) is mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bill rate plus a margin of 0.15%-1.05% for credit risk.

There is a multi option credit facility of \$10,000,000 (2021 \$10,000,000) available with Westpac. At year end there had been drawdowns of \$750,000 (2021 \$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 (2021 \$Nil).

WDC has debt raised with the New Zealand Local Government Funding Agency. At 30 June 2022, \$106,500,000 is outstanding (2021 \$101,500,000) with maturities from 2022 to 2029.

Security

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

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

Fair values

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

Notes to the financial statements

For the year ended 30 June 2022

22. Employee entitlements

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current portion				
Accrued pay	683	606	828	706
Annual leave	1,549	1,372	1,831	1,586
Retirement and long service leave	119	112	130	112
Sick leave	12	12	12	12
<i>Total current portion</i>	2,363	2,102	2,801	2,416
Non-current portion				
Retirement and long service leave	131	133	131	133
<i>Total non-current portion</i>	131	133	131	133
Total employee entitlements	2,494	2,235	2,932	2,549

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% (2021 0.52%) and an inflation factor of 3.2% (2021 2.3%) were used.

23. Provisions

Council has not made any provisions during the 2021/22 or 2020/21 periods.

Notes to the financial statements

For the year ended 30 June 2022

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
24. Equity				
Retained earnings				
Balance at 1 July	584,070	558,612	604,529	577,304
Whanganui Port Limited Partnership units	-	-	-	-
Transfers (to)/from restricted reserves	3,675	2,830	3,675	2,830
Adjustment to equity from CCO's	-	-	-	-
Transfers from property revaluation reserves on disposal	-	-	-	-
Transfers from other revaluation reserves on disposal	-	-	-	-
Surplus/(deficit) for the year	20,263	22,629	30,206	24,396
Balance at 30 June	608,008	584,070	638,408	604,529
Restricted reserves				
Balance at 1 July	76,081	78,912	76,081	78,911
Transfers (to)/from retained earnings	(3,675)	(2,830)	(3,675)	(2,830)
Balance at 30 June	72,407	76,081	72,407	76,081
Asset revaluation reserves				
Balance at 1 July	377,329	295,004	385,671	303,345
Revaluation gains/(losses)	183,166	82,325	183,166	82,325
Impairment of roading assets	-	-	-	-
Transfer to retained earnings on disposal of property	-	-	-	-
Tax on property revaluations	-	-	-	-
Balance at 30 June	560,495	377,329	568,837	385,671
Asset revaluation reserves consist of:				
Operational assets:				
- land	77,021	79,665	77,021	79,665
- buildings	36,449	36,449	36,449	36,449
- Artworks	12,159	7,070	12,159	7,070
Infrastructural assets:				
- wastewater system (including stormwater)	248,061	160,187	248,061	160,187
- water system	81,502	28,894	81,502	28,894
- roading network	73,333	33,094	73,333	33,094
- Airport runway	405	405	405	405
- gas network infrastructure	-	-	8,342	8,342
Restricted assets:				
- land	28,645	28,645	28,645	28,645
- buildings	2,922	2,922	2,922	2,922
	560,495	377,329	568,837	385,671
Other reserves				
Balance at 1 July	1,652	1,197	1,651	1,196
Valuation gains/(losses) taken to equity	53	58	53	57
Transfer to accumulated funds on disposal of carbon credits	-	-	-	-
Gain/(loss) on carbon credits revaluation	1,135	396	1,135	397
Balance at 30 June	2,840	1,652	2,840	1,651
Other reserves consist of:				
- Fair value through equity	189	136	189	136
- Carbon credit reserve	2,651	1,515	2,651	1,515
	2,840	1,652	2,840	1,651
Non-controlling interest				
Balance at 1 July	-	-	-	-
Share of surplus/(deficit)	-	-	265	-
Capital introduced	-	-	1,500	-
Balance at 30 June	-	-	1,765	-
Total Equity	1,243,749	1,039,132	1,284,257	1,067,932

Notes to the financial statements

For the year ended 30 June 2022

Restricted Reserves consists of:

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)	-
Library mobile vans	Community & cultural	To fund purchase of new mobile vans	-	-	-	-
LI Smith Bequest	Community & cultural	To fund an arts award	74	1	-	75
			76,081	10,025	(13,143)	72,964

Notes to the financial statements

For the year ended 30 June 2022

Reserve	Activities to which the reserve relates	Purpose of the reserve	Balance at 1 July 2020 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance at 30 June 2021 \$000
Self funding insurance	All activities	To set aside funds to cover insurance excesses	2,299	-	(20)	2,279
City Endowment	Investments	To provide alternative income for funding of Council activities	26,170	-	-	26,170
Harbour Endowment	Investments	To provide funds for operation and maintenance of the Port	27,690	-	-	27,690
Henry Sarjeant Bequest	Community & cultural	To fund the purchase of artworks	698	13	-	711
Hutton Estate	Community & cultural	To fund Sarjeant Gallery expenditure	4	-	-	4
Robertson Art Prize Fund	Community & cultural	To fund art competitions and grants	12	-	-	12
Gallery Redevelopment project	Community & cultural	Lotteries Board funds to go towards Gallery project	12,472	8,020	(11,133)	9,359
Grave maintenance bequests	Community facilities and services	Maintenance of specific grave sites	20	-	-	20
Waste minimisation levy	Community facilities and services	To fund waste minimisations services	386	162	(196)	352
CBD parking fund	Community facilities and services	To fund CBD parking infrastructure	753	845	(659)	938
Heritage Building Preservation fund	Community facilities and services	To fund future IEP grants	67	8	(52)	23
De-sexing program	Community facilities and services	To fund future dog de-sexing program	1	-	-	1
MA Larsen Bequest	Parks and recreation	To finance improvements at the Bason Reserve	602	-	-	602
T Waight Park fund	Parks and recreation	For improvements at Thomas Waight Park	30	-	-	30
Fairbridge Bequest	Parks and recreation	For upgrading work at the Winter Gardens	11	-	-	11
Dovey Gazebo fund	Parks and recreation	For Bason Reserve maintenance	9	-	-	9
Birch Reserve Fund	Parks and recreation	To provide funds for maintenance of parks and reserves	108	-	-	108
Kai Iwi Trust	Parks and recreation	Council is trustee for Maori land at Kai Iwi	24	-	(1)	23
J McLean Bequest	Parks and recreation	Reserve created on historic bequest	12	-	-	12
Handley Park fund	Parks and recreation	To fund improvements at Handley Park	6	-	-	6
Mars Donation	Parks and recreation	To fund improvements at Durie Hill	-	100	-	100
Nagaizumi Donation	Parks and recreation	For qualifying expenditure	10	-	-	10
Nicholson bequest	Parks and recreation	For qualifying expenditure	42	-	-	42
Tree Planting contribution	Parks and recreation	For qualifying expenditure	4	-	-	4
Reserve Management Plans	Parks and recreation	For qualifying expenditure	-	100	-	100
Crown and other trusts' properties	Parks and recreation	Properties administered on behalf of third parties	6,785	-	-	6,785
Rural road special rate - Whangaehu No 1	Roads, footpaths and pathways	Rural rates specifically collected for future works	65	10	-	76
Rural road special rate - Whangaehu No 2	Roads, footpaths and pathways	Rural rates specifically collected for future works	96	8	-	104
CUVL renewals fund	Economic development	To fund renewals of community under-veranda lighting	190	-	-	190
International Education	Economic development	To fund education initiatives	77	4	-	81
The Waitotara Centennial Fund	Corporate	To fund Outward Bound trips for approved people	39	-	-	39
Aged Citizens Benefit Trust	Corporate	To benefit aged citizens	6	-	-	6
Tram Fund	Community & cultural	To fund the Tram project	11	-	-	11
Welcoming Communities grant	Community & cultural	To administer the Welcoming Communities scheme	61	10	(13)	57
Community Development grants	Community & cultural	To fund Youth Committee projects	10	-	-	10
Tylee Cottage	Community & cultural	To fund the Artists in Residence scheme	48	21	(36)	34
Opera House Friends	Community & cultural	To fund future Friends projects	()	3	(2)	1
Library mobile vans	Community & cultural	To fund purchase of new mobile vans	21	-	(21)	-
LI Smith Bequest	Community & cultural	To fund an arts award	76	12	(15)	74
			78,912	9,318	(12,149)	76,081

Notes to the financial statements

For the year ended 30 June 2022

25. Cash flow reconciliations

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Surplus/(deficit) after tax	20,263	22,629	30,471	24,396
Add/(less) non-cash items				
Share of associate surplus/(deficit)	(14)	(6)	(14)	(6)
Interest credited directly to investments	-	-	2,909	(530)
Depreciation and amortisation expense	23,213	21,778	25,124	25,351
Vested assets	(5,457)	(324)	(5,457)	(324)
(Gains)/losses in fair value of biological assets	-	-	-	-
Movement in fair value of investment property	(1,387)	(8,071)	(6,088)	(8,063)
(Gains)/losses on derivative financial instruments	(6,985)	(5,347)	(7,125)	(5,508)
(Gains)/losses on shares held in WDC Holdings Ltd	-	-	-	-
(Gains)/losses in fair value of plant, property and equipment	4,357	127	23	127
Increase/(decrease) in deferred tax	25	(61)	(828)	(442)
(Gains)/losses on other investments	-	-	-	-
	13,751	8,097	8,544	10,607
Add/(less) items classified as investing or financing activities				
(Gains)/losses on disposal of property, plant and equipment	-	-	(2,883)	364
	-	-	(2,883)	364
Add/(less) movements in working capital items				
Accounts receivable	(1,822)	2,790	(1,097)	2,706
Inventories	-	-	(151)	7
Accounts payable	(1,949)	2,690	(1,694)	1,960
Employee benefits	(2)	(4)	52	(17)
	(3,773)	5,476	(2,891)	4,656
Net cash inflow/(outflow) from operating activities	30,241	36,202	33,241	40,022

Reconciliation of Liabilities Arising from Financing Activities

Borrowings:

	Council		Group	
	2022	2021	2022	2021
Balance at 1 July 2021	102,250	102,250	115,862	116,152
Cash inflows	11,000	11,000	11,237	11,028
Cash outflows	(6,000)	(11,000)	(6,232)	(11,900)
Non-cash changes	-	-	1,202	582
Balance at 30 June 2022	107,250	102,250	122,070	115,862

26. Capital commitments and operating leases

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Capital commitments				
Plant & Equipment	326	137	326	137
Software	35	-	35	-
Parks	-	-	-	-
Building & Improvements	21,859	33,909	21,859	33,909
Water System	408	2,463	408	2,463
Storm Water & Drainage System	734	173	734	173
Waste Water System	2,922	75	2,922	75
Roading Network	80,425	91,360	80,425	91,360
Wastewater Treatment Plant (see note 22)	-	-	-	-
Investment property	-	-	-	-
Library Stock	142	244	142	244
Total capital commitments	106,850	128,361	106,851	128,362

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

Notes to the financial statements

For the year ended 30 June 2022

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	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Not later than one year	121	51	413	399
Later than one year and not later than five years	168	161	545	594
Later than five years	256	-	564	308
Total non-cancellable operating leases	545	211	1,522	1,302

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2021 \$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 \$77,562 (2021 \$42,760). The lease expenditure is for photocopiers, water coolers, and Eftpos terminals.

Operating leases as lessor

WDC leases its investment property under operating leases. These leases have a varying non-cancellable terms. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Not later than one year	657	1,420	657	1,420
Later than one year and not later than five years	1,520	2,827	1,520	1,872
Later than five years	2,711	5,800	2,711	5,800
Total non-cancellable operating leases	4,888	10,047	4,888	9,090

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 2022

27. Contingencies

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Litigation	-	-	-	-
Building Act claims	-	-	-	-
Total contingent liabilities	-	-	-	-

Building act claims

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

Financial Assistance Package

Whanganui District Council will be a participating territorial authority to the Financial Assistance Package (FAP) scheme passed into legislation by the Weathertight Homes Resolutions Services (Financial Assistance Package) Amendment Act 2011. The scheme is optional to the homeowner. In signing up to the scheme, WDC is committing to funding 25 per cent of eligible claims. It is a five-year commitment. There 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 63 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 2022, NZLGFA had borrowings totalling \$15,789M (2021: \$13,610M).

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 2022

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

The Council received from Gasnet Limited a subvention payment of \$Nil (2021 \$Nil).

Tax losses of \$1,173,000 were transferred to the Whanganui Gas Group by loss offset (2021 \$883,000)

The Council believe the following to be arms length transactions, but are disclosing them for transparency and include transactions with entities that Councillors and Management have an interest in:

The Council paid the Drawing Room \$11,901 for the provision of Architectural services (2021: \$Nil).

The Council paid Downer NZ \$16.4M for the supply of various contract works (2021 \$15.7M)

The Council paid MWLASS for shared services \$69,123 (2021 \$74,737).

Council provided WDCHL \$Nil grant for a provincial growth fund application (2021 \$Nil). WDC paid WDCHL management fees of \$Nil (2021 \$252,500).

The Council made equity contributions to Whanganui Joint Venture Airport totalling \$223,000 (2021 \$200,402).

The Council provided Whanganui & Partners Limited funding of \$2,298,468 (\$822,460 STAPP ex MBIE, \$112,793 I-site, \$1,363,215 Whanganui & Partners) (2021: \$Nil).

The Council paid from NZ Masters Games Ltd for services \$115,000 (2021 \$Nil).

The Council paid Action Drainage and Construction Limited and A Plus Plumbing Ltd \$90,213 for various services (2021 \$209,314).

Council paid the Whanganui Vintage Weekend Trust by the way of a grant \$34,500 (2021 \$30,000).

The Council received from the Sarjeant Gallery Trust grants totalling \$Nil (2021 \$Nil). An amount of \$Nil was outstanding at 30 June 2020 (2021 \$Nil).

Key management personnel compensation

	2022	2021
	\$000	\$000
<i>Councillors</i>		
Remuneration	663	652
Full-time equivalent members	13	13
<i>Senior Management, including the Chief Executive</i>		
Remuneration	1,783	1,739
Full-time equivalent members	9	9
	2,446	2,391
Total full-time equivalent personnel	22	22

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

Notes to the financial statements

For the year ended 30 June 2022

29. Remuneration

Chief Executive

The current Chief Executive was appointed in March 2022 and received remuneration of \$97,960 (including non-financial benefits) for the year ended 30 June 2022.

The outgoing Chief Executive who left in October 2021 received remuneration of \$200,714 (including non-financial benefits and leave entitlements) for the year ended 30 June 2022 (2021 \$373,740).

The Interim Chief Executive received remuneration of \$104,000 from October 2021 to March 2022.

Elected representatives

Elected representatives received the following remuneration:

Whanganui District Council as elected on 12 October 2019

Mayor Hamish McDouall (includes car) (1/7/21 - 30/6/22)

Councillor Charlie Anderson (1/7/21 - 30/6/22)

Councillor Philippa Baker-Hogan (1/7/21 - 30/6/22)

Councillor James Barron (1/7/21 - 30/6/22)

Councillor Josh Chandulal-Mackay (1/7/21 - 30/6/22)

Councillor Helen Craig (1/7/21 - 30/6/22)

Councillor Brent Crossan (1/7/21 - 30/6/22)

Councillor Jenny Duncan (1/7/21 - 30/6/22)

Councillor Kate Joblin (1/7/21 - 30/6/22)

Councillor Hadleigh Reid (1/7/21 - 30/6/22)

Councillor Alan Taylor (1/7/21 - 30/6/22)

Councillor Rob Vinsen (1/7/21 - 30/6/22)

Councillor Graeme Young (1/7/21 - 30/6/22)

Whanganui Rural Community Board as elected on 12 October 2019

Chairperson Peter Oskam (1/7/21 - 30/6/22, Chairperson from 11/11/21)

Grant Skilton (1/7/21 - 30/6/22, Chairperson until 10/11/21)

Bill Ashworth (1/7/21 - 30/6/22)

Michael Dick (1/7/21 - 30/6/22)

Alistair Duff (1/7/21 - 30/6/22)

Sandra Falkner (1/7/21 - 30/6/22)

David Wells (1/7/21 - 30/6/22)

Total

	Council		WGL/WDCHL	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Elected representatives received the following remuneration:				
<i>Whanganui District Council as elected on 12 October 2019</i>				
Mayor Hamish McDouall (includes car) (1/7/21 - 30/6/22)	141	137	-	-
Councillor Charlie Anderson (1/7/21 - 30/6/22)	39	38	-	-
Councillor Philippa Baker-Hogan (1/7/21 - 30/6/22)	43	42	-	-
Councillor James Barron (1/7/21 - 30/6/22)	43	42	-	-
Councillor Josh Chandulal-Mackay (1/7/21 - 30/6/22)	43	42	-	-
Councillor Helen Craig (1/7/21 - 30/6/22)	49	48	-	-
Councillor Brent Crossan (1/7/21 - 30/6/22)	39	38	-	-
Councillor Jenny Duncan (1/7/21 - 30/6/22)	50	50	-	-
Councillor Kate Joblin (1/7/21 - 30/6/22)	47	46	-	-
Councillor Hadleigh Reid (1/7/21 - 30/6/22)	43	42	-	-
Councillor Alan Taylor (1/7/21 - 30/6/22)	47	46	-	-
Councillor Rob Vinsen (1/7/21 - 30/6/22)	43	42	-	-
Councillor Graeme Young (1/7/21 - 30/6/22)	39	38	-	-
	663	651	-	-
<i>Whanganui Rural Community Board as elected on 12 October 2019</i>				
Chairperson Peter Oskam (1/7/21 - 30/6/22, Chairperson from 11/11/21)	9	5	-	-
Grant Skilton (1/7/21 - 30/6/22, Chairperson until 10/11/21)	8	11	-	-
Bill Ashworth (1/7/21 - 30/6/22)	6	6	-	-
Michael Dick (1/7/21 - 30/6/22)	6	6	-	-
Alistair Duff (1/7/21 - 30/6/22)	6	6	-	-
Sandra Falkner (1/7/21 - 30/6/22)	6	6	-	-
David Wells (1/7/21 - 30/6/22)	6	6	-	-
	45	46	-	-
Total	708	697	-	-

Notes to the financial statements

For the year ended 30 June 2022

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:

	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	<u>279</u>
	2021
	Number of employees
\$0 - \$59,999	142
\$60,000 - \$79,999	70
\$80,000 - \$99,999	43
\$100,000 - \$119,999	20
\$120,000 - \$139,999	8
\$140,000 - \$179,999	6
\$180,000 - \$379,999	4
Total number of employees as at 30 June 2021	<u>293</u>

At 30 June, WDC employed 193 (2021 197) full time employees, with the balance of staff representing 44 (2021 49) full-time equivalent employees. A full-time equivalent employee is determined on the basis of a 40 hour working week.

30. Severance payments

A severance payment was made to one employee during the year. The payment amount totalled \$17,352 (2021 three payments totalling \$51,982).

The value of each of the severance payments was \$17,352 (2021 \$5,864, \$5,782 and \$40,335)

31. Events after the balance date

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Notes to the financial statements

For the year ended 30 June 2022

32. Financial instruments

Financial instrument categories

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

	Council		Group	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	8,566	5,386	18,385	8,761
Receivables	8,159	6,339	11,600	10,503
Loans to related parties	9,440	9,016	78	214
Community loans	793	803	793	803
Term Deposits	8,000	11,277	11,382	17,568
Fair value through other comprehensive revenue and expense				
Other financial assets:				
- unlisted shares	753	700	753	700
Fair value through surplus or deficit				
LGFA borrower notes	1,916	1,712	1,916	1,712
	-	-	-	-
Financial liabilities				
Fair value through surplus or deficit				
Derivative financial instrument liabilities	1,143	7,446	1,170	7,611
Financial liabilities at amortised cost				
Payables	11,967	14,177	16,992	18,642
Borrowings:				
- secured loans	107,250	102,250	122,070	115,862

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 2022

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 2022 - Council				
Financial assets				
Unlisted shares	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	-	-		
Financial liabilities				
Derivatives	1,170		1,170	
30 June 2021 - Council				
Financial assets				
Shares unlisted	700		700	
LGFA borrower notes	1,712		1,712	
Government indexed bonds	-	-		
Financial liabilities				
Derivatives	7,446		7,446	
30 June 2021 - Group				
Financial assets				
Shares unlisted	700		700	
LGFA borrower notes	1,712		1,712	
Government indexed bonds	-	-		
Financial liabilities				
Derivatives	7,611		7,611	

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

Notes to the financial statements

For the year ended 30 June 2022

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 2022 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus by \$Nil (2021 Nil). If interest rates on borrowings at 30 June 2021 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$441,250 (2021 \$416,250) as a result of higher/lower interest expense on floating-rate borrowings.

Cash flow interest rate risk

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

Credit risk

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

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

Notes to the financial statements

For the year ended 30 June 2022

Maximum exposure to credit risk

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

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash at bank and term deposits	16,566	16,663	29,768	26,330
Receivables	8,159	6,339	11,600	10,503
LGFA borrower notes	1,916	1,712	1,916	1,712
Related party and community loans	10,233	9,819	870	1,017
Total credit risk	36,874	34,533	44,154	39,562

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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Counterparties with credit ratings				
Cash at bank, term deposits and sinking funds:				
AA	-	-	-	-
AA-	16,566	16,663	29,768	26,330
<i>Total cash at bank, term deposits and sinking fund</i>	16,566	16,663	29,768	26,330
LGFA borrower notes:				
AA+	1,916	1,712	1,916	1,712
AA-	-	-	-	-
<i>Total LGFA borrower notes:</i>	1,916	1,712	1,916	1,712
Counterparties without credit ratings				
Community and related party loans:				
Existing counterparty with no defaults in the past	10,233	9,819	870	1,017
Existing counterparty with defaults in the past	-	-	-	-
<i>Total long term receivables and related party loans</i>	10,233	9,819	870	1,017

Receivables mainly arise from WDC's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. WDC has no significant concentrations of credit risk in relation to Receivables, as it has a large number of credit customers

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes a liability Management Policy. These policies have been adopted as part of the Council's 10-Year Plan. The maturity profiles of the Council's interest bearing investments and borrowings are disclosed in notes 11 and 22 respectively.

Contractual maturity analysis of financial liabilities

The table below analyses WDC's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt is based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

Notes to the financial statements

For the year ended 30 June 2022

	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 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
Council 2021						
Payables	14,177	14,177	14,177	-	-	-
Secured loans	102,250	111,327	14,883	11,322	45,313	39,810
Total	116,427	125,504	29,060	11,322	45,313	39,810
Group 2021						
Payables	18,642	18,642	18,642	-	-	-
Secured loans	115,862	129,830	27,283	11,322	51,415	39,810
Total	134,504	148,472	45,925	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 2022					
Contracts:					
Council	1,143	1,143	48	542	553
Group	1,169	1,169	48	631	490
Council and group 2021					
Contracts:					
Council	7,445	7,445	48	542	6,855
Group	7,611	7,611	48	631	6,932

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 2022

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 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	-	-
Council 2021				
Cash and cash equivalents	5,386	5,386		
Receivables	6,339	6,339		
Other financial assets:				
- term deposits	11,277	11,277		
- related party loans	9,016	9,016		
- community loans	803	803		
Total	32,822	32,822	-	-
Group 2021				
Cash and cash equivalents	8,761	8,761		
Receivables	10,503	10,503		
Other financial assets:				
- term deposits	17,568	17,568		
- related party loans	214	214		
- community loans	803	803		
Total	37,849	37,849	-	-

Notes to the financial statements

For the year ended 30 June 2022

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

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	-

Council

2021 \$'000

		- 50bps Other Equity		+ 100bps Other Equity
Interest rate risk	Surplus		Surplus	
<i>Financial assets</i>				
Cash and cash equivalents	(27)		54	
Other financial assets:	(45)		90	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(416)		833	
- derivatives	(320)		640	
Total sensitivity to interest rate risk	(808)	-	1,616	-

Notes to the financial statements

For the year ended 30 June 2022

Group

2022 \$'000

		- 50bps Other Equity		+ 100bps Other Equity
Interest rate risk	Surplus		Surplus	
<i>Financial assets</i>				
Cash and cash equivalents	(92)		184	
Other financial assets:	(47)		1	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(453)		907	
- derivatives	(290)		580	
Total sensitivity to interest rate risk	(882)	-	1,671	-

Group

2021 \$'000

		- 50bps Other Equity		+ 100bps Other Equity
Interest rate risk	Surplus		Surplus	
<i>Financial assets</i>				
Cash and cash equivalents	(44)		88	
Other financial assets:	(45)		2	
<i>Financial liabilities</i>				
Borrowings:				
- bank overdraft	-		-	
- term loans	(428)		857	
- derivatives	(320)		640	
Total sensitivity to interest rate risk	(837)	-	1,586	-

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 (2021 -50bps/+100bps).

Notes to the financial statements

For the year ended 30 June 2022

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 \$309,065,993

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 \$35,337,254

This cover is for the total replacement value of art, artifacts owned or on loan to WDC, as follows;

\$30,474,504 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 \$2,236,756

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

Infrastructure (3 Waters) -full replacement value \$1,329,321,091

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 \$704,008,723

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 \$2,182,000. This fund covers excesses for the Material Damage and Commercial Motor Vehicle policies.

Notes to the financial statements

For the year ended 30 June 2022

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	
	2022	2021
	\$000	\$000
Shares in subsidiary (at cost - WDCHL)	8,146	7,846
Unlisted shares in NZ Local Government Funding Agency Limited	465	421
Unlisted shares in NZ Local Government Insurance Corporation Limited	288	279
Manawatu Wanganui Local Advisory Shared Services (MW LASS)	52	37
Units in Whanganui Port Limited Partnership	29,189	-
	<u>38,139</u>	<u>8,582</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 2022

38. Explanation of major variances to budget

Statement of comprehensive revenue and expense

Revenue

Total rates revenue of \$67.5M is marginally lower than budget (0.3%), the main driver being slightly greater discounts and slightly lower metered water charges.

Finance revenue is \$294k higher than budget (43%), driven by more cash held on term deposit.

Development contributions are \$1.14M lower than budget (92%) as most completed developments vested the associated assets to Council, instead of paying cash. See Other Revenue below.

Subsidies and grants are \$22k lower than planned. Lower Sarjeant Gallery redevelopment grants are offset by unplanned stimulus grants for 3 waters, Roothing, CBD Development and Economic Development.

Other revenue is \$8.3M higher than budget (79%). The main drivers are the following non-cash transactions:

- unplanned vested assets from completed developments (\$5.5M).
- gains on assets transferred to the Port operating entity (\$2.2M).

This is further driven by the following cash transactions:

- higher consent fees in Resource Management (\$178k) and Building Control (\$60k).
- unplanned tankered waste revenue at the wastewater treatment plant (\$444k).
- higher waste minimisation levy revenue (\$162k).

Gains are \$8M higher than originally budgeted, driven by significant valuation increase in infrastructure assets, derivative financial instruments (swaps) and carbon credits.

Expenditure

Personnel costs are \$136k lower than budget (0.7%), as various roles throughout the organisation were vacant while candidates were sought.

Depreciation is \$850k higher than planned (3.8%), driven higher depreciation on buildings after the property revaluation in late 2020/21.

Finance costs are \$381k lower than budgeted (7.8%), driven by holding less debt than planned. This is partially offset by increasing interest rates.

Other expenses are \$10.56M higher than budget (25%). The main drivers are around the Port and Harbour:

- loss on disposal (\$6.5M) as Port and Harbour endowment assets have been transferred to the Port operating entity.
- unplanned repairs and maintenance (\$1.08M) on the Harbour Endowment portfolio, prior to transfer to the Port Operating Entity. As the transfer was delayed from the original date, Council continued to operate and maintain the Harbour Endowment portfolio in the interim.
- additional expenditure for Te Mata Puau contribution to the port redevelopment project (\$440k).

Other variances are:

- higher maintenance and response costs (\$1.2M) on roading assets, driven by weather events and additional sealed pavement maintenance.
- higher maintenance and contract costs on water- (\$331k) and wastewater reticulation (\$448k). Partially offset by lower consumables (\$343k) for both activities.
- unplanned expenditure on the Economic Development STAPP project (\$249k), fully funded by external subsidies.
- higher insurance premiums and unplanned excess deductions (\$224k).
- unplanned bulk funding to Whanganui & Partners Inc (\$1.8M). When W&P became independent of Council in March 2022, all remaining budget in the Economic Development activity (\$448k) and grant revenue for STAPP

Notes to the financial statements

For the year ended 30 June 2022

Statement of financial position

Assets

Cash and cash equivalents are \$1.83M higher than budget (27%), driven by higher borrowings at year end.

Receivables is \$139k (1.7%) higher than planned, however fluctuates regularly due to timing of invoicing and workloads.

The current portion of other financial assets (\$17.44M) is made up of loans to subsidiaries and cash from subsidies and pre-funding held on term deposit.

A section of land with improvements valued at \$1.4M has been reclassified as non-current assets held for sale, as the sale has been approved by Council and expected to be completed within the next 12 months.

Total non-current assets is \$236.6M higher than budget (22%), mainly due to a significant valuation increase (\$247.7M) for Council's infrastructure assets. This is partially offset by less shares in the Whanganui Port Limited Partnership than expected (\$20.3M), as capital works have progressed as planned.

Liabilities

Payables is \$1.56M (15%) higher than planned, however fluctuates regularly due to the timing of invoicing and workloads.

Total borrowings are \$13.8M lower than budget (11%), mainly due to lower capital expenditure and unplanned subsidy funding. This is partially offset higher loans to subsidiaries.

The favourable variance to budget of \$11.8M (92%) in derivative financial instruments is due to changing market conditions affecting the revaluation of these instruments, driven by growing interest rates. These instruments will appreciate and become an asset if interest rates continue to rise.

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 \$30.2M cash surplus from operating activities. This is an unfavourable variance to budget of \$8.2M (21%), mainly due to higher expenditure in the Port and Harbour Endowment activities.

Investing activities

Cash flows from investing activities show net asset purchases to be \$32.1M, which is \$6.2M (16%) 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 \$5M, with greater borrowings than repayments. This variance of \$5.2M is driven by a combination of pre-funding loans and on-lending to subsidiaries.

Notes to the financial statements

For the year ended 30 June 2022

Mayor's Relief Fund

	Actual	
	2022	2021
	\$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 2022

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

	Long Term Plan 2022 \$000	Annual Report 2022 \$000	Annual Plan 2021 \$000	Annual Report 2021 \$000
Operating funding in the FIS	84,213	91,703	82,270	83,745
Subsidies and grants for capital expenditure	20,436	12,398	5,231	13,436
Development and financial contributions	1,248	106	189	269
Vested Assets	-	5,457	-	324
Property, plant and equipment gain on disposal	-	2,348	-	40
Other dedicated capital funding	29	578	19,029	18
Net gains not included in the FIS	359	8,372	554	13,361
Total Revenue in the Statement of Comprehensive revenue and expense	106,284	120,962	107,273	111,194
Application of operating funding in the FIS	67,436	70,317	65,587	66,873
Depreciation not included in the FIS	22,363	23,213	22,537	21,778
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	89,799	100,689	88,124	88,651

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. A regular review of our EEO policy is undertaken to ensure we are modern in our thinking and can be adaptable and flexible in understanding how we can best support our diversity as a workplace and community.
- 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 have undertaken a stocktake with Diversity Works NZ to progress the development of our Diversity and Inclusion Programme and any additional supporting strategies and policies.
- Internally, a three-year Collaborative Culture programme, developed for the organisation, has been progressively rolled out to staff in the 2020/21 reporting year. This tranche of the programme was completed at the end of 2022, delivery expectations were 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 2022 and into 2023. The purpose of the programme is to build culturally competent council staff with effective community engagement strategies and an increased understanding of Whanganuitanga, Te Tiriti o Waitangi and local Whānau, Hapū and Iwi. It is also intended to inform council's development of a Cultural Tool Kit and content for council's staff induction process.
The programme includes te reo, tikanga, and cultural activities, and has proved to be very valuable in providing staff with the tools to navigate two world-views, provide insight into the importance of Iwi / Hapū engagement and to develop knowledge so that we can become more responsive in a way that achieves a positive outcome for everyone.
- 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 2022

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 20 December 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 143 to 146 and pages 148 to 204:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2022;
 - 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 Long-term plan;
- the Groups of activities on pages 16 to 95:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 20 to 93, 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 22 to 95, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 135 to 142, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

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.

Emphasis of matter - The Government's three waters reform programme

Without modifying our opinion, we draw attention to note 31 on page 192, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's 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 Groups of activities, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 3 to 15, 96 to 134 and 205 to 207, 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 issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and the report on the disclosure requirements, we have audited the District Council's 2021-2031 Long-term plan amendment and carried out a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

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



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