



Annual Report

For the year ended 30 June 2009

Wanganui District Council

Annual Report

For the year ended 30 June 2009

101 Guyton Street
Wanganui
New Zealand

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Mayor Michael Laws
Wanganui District Council

A message from the Mayor: Annual Report 2008/9

Does anyone actually read these mayoral messages? Does anyone actually study our Annual Report?

No, I thought not.

So for the reason of posterity, and also to satisfy the curiosity of some future archivist or local government historian, I will quickly review the highlights of the council's financial year 1 July 2008 to 30 June 2009.

From a personal viewpoint, my son Theo was born on 1 October 2008 and has flourished in the interim.

He is the third child to be born during this mayoralty - after Lucy and Zoe - and rather proves that I have too much time on my hands.

Thanks to all councillors, rural board members and council staff: Wanganui continues to lead the country in just about everything.

Including ground-breaking social legislation like the anti-gang insignia act, the adoption of a family-friendly philosophy, the continued use of direct democracy - and the performance of our representative rugby team.

For that was the other notable of the past 12 months: Wanganui became the Heartland champions for 2008 and the only unbeaten team in the country.

Oh, and according to our annual survey, just about all of Wanganui loves what we're doing - the approval ratings of the mayor and councillors remaining high. Obama would currently kill for ratings like these.

Does life get any better? Small children and rugby triumphant. Brilliant!

A handwritten signature in black ink that reads "Michael Laws". The signature is written in a cursive, flowing style.

Michael Laws
Mayor

Organisational structure

Mayor & Councillors



Mayor
Michael Laws



Deputy Mayor
Cr Dot McKinnon



Cr Allan Anderson



Cr Philippa Baker-Hogan



Cr Barbara Bullock



Cr Randhir Dahya



Cr Nicki Higgie



Cr Rangi Wills



Cr Danny Jonas



Cr Ray Stevens



Cr Rob Vinsen



Cr Rana Waitai



Cr Sue Westwood

Wanganui Rural Community Board Members



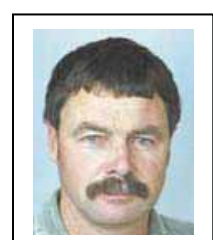
Chairman
Mr Andrew Collins



Deputy Chair
Mr Shaun Forlong



Mr Mark Lourie



Mr David Matthews



Mr Brian Maude



Mr Peter Molan



Mr Alan Taylor

Councillors Anderson and Higgie are appointed by the Council to the Wanganui Rural Community Board

Governance structure As at 30 June 2009

Council

**Presiding – Mayor Michael Laws
Deputy Mayor – Cr Dot McKinnon**

Committees

Community Development
Finance and Infrastructure
Hearings

Chair

Cr Ray Stevens
Cr Dot McKinnon
Cr Sue Westwood

Deputy Chair

Cr Dot McKinnon
Cr Ray Stevens

Subcommittees, Working Parties etc

Youth

Tupoho working party
TamaUpoko Link
Bylaws working party
Council Chambers working party
Community Taskforce on Youth
Wellbeing

International Events Centre
Kowhai Park
Referendum

Chair

Cr Danny Jonas

Decided at each meeting
Mr Barney Haami
Mayor Michael Laws
Mayor Michael Laws
(Co-Chairs)
Cr Barbara Bullock
Nancy Tuaine
Cr Philippa Baker-Hogan
Mayor Laws
Mayor Michael Laws

Co-Deputy Chairs

Yth Cr Jack Bullock
Yth Cr Whitney Tangaroa

Joint Committee

Wanganui District Councils' Forestry
Joint Committee

Chair

Mayor Michael Laws

Deputy Chair

Cr Dot McKinnon

Rural Community Board

Wanganui Rural Community Board

Chair

Mr Andrew Collins

Deputy Chair

Mr Shaun Forlong

Message from the Chief Executive

This year has seen many projects come to fruition after previous periods of reassessment, organisational change and strategic planning.

The Council mission to make Wanganui an attractive place for families and to ensure a quality of life for all was borne out of its family-friendly vision. Council has aligned its programme to achieving this vision.

Council's economic strategy and priorities have evolved over the year as the change of service delivery from Wanganui Inc to in-house service delivery has taken effect. Council has focussed on developing relationships with the business community, improving our image and developing our visitor strategy.

A conference bureau was established to encourage organisations to hold conferences in Wanganui, a Wanganui Conference Guide was published and the War Memorial Hall rebranded as the War Memorial Conference and Convention Centre.

The Wanganui.com website was revamped as the primary visitor portal for Wanganui and investigations into the relocation of the iSite were initiated. Nearly 60% of voters in the Referendum held in May 2009 supported moving the iSite to the riverfront area.

Council got serious about community safety with a zero tolerance approach to anti-social behaviour. The Gang Insignia Local Bill became an Act achieving Royal assent on 9 May 2009. This Act allowed Council to make a new bylaw – the Wanganui District Council (Prohibition of Gang Insignia) and came into force on 31 August 2009.

Council has continued to work to improve the wellbeing of youth through its support of the Taskforce on Youth Wellbeing, the Youth Committee and employment of a Youth Services Coordinator.

The Council entered into a ground-breaking partnership with the health sector to create the Gonville Café Library in the Gonville Centre, which also includes a health practice and a community meeting room. The Centre was officially opened on 31 August 2009.

The integration of Council with its outlying services at Queens Park has continued to strengthen.

Restoration of the Krupp Gun was completed in May 2009. The Wanganui Krupp Gun is a rare surviving example of its type, the only one known to exist in New Zealand.

Improving our natural and physical environment has also been a key element of Council's programme, including environmental restoration programmes, the development of strategies and capital works to enhance the community's enjoyment of our natural environment.

The Council took an innovative approach to improving the water quality at Virginia Lake with the use of solar-bee technology and other restoration methods. Other improvements were undertaken around the lake and the development of a Management Plan was initiated.

The development of a Waste Management and Minimisation Strategy will inform future decisions on waste management including recycling which is an important issue for the community. Funding from the Ministry for the Environment was also secured to provide public recycling bins.

The Council has continued to canvas community opinion to help its decision-making and the development of plans. In 2008 the Council facilitated a review of the community outcomes,

conducted a referendum to canvass community views on key issues, developed the 10-Year Plan 2009-19 and undertook a national survey on Perceptions of Wanganui.

We have strived to offer excellent customer service to the community and I congratulate our staff on their hard work throughout the year and dedication to the community we serve.

I also acknowledge our elected representatives for the leadership they have provided through their governance role. To be able to meet the outcomes the community desires, it is essential for governance, management and staff to work closely together and this has been achieved throughout the year.

A handwritten signature in black ink, appearing to read 'Kevin Ross', with a stylized flourish above the name.

Kevin Ross
Chief Executive

Statement of compliance and responsibility

For the year ended 30 June 2009

Compliance

The Council and management of Wanganui 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 the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control 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 2009 fairly reflect the financial position, results of operations and service performance achievements of Wanganui District Council.

Signatures



Mayor
Michael Laws



Chief Executive
Kevin Ross

Statement of financial performance

For the year ended 30 June 2009

| | | Budget 2009 \$000 | Council 2009 \$000 | 2008 \$000 | Group 2009 \$000 | 2008 \$000 |
|---------------------------------------|-------------|----------------------------------|-----------------------------------|-----------------------|---------------------------------|-----------------------|
| Income | Note | | | | | |
| Rates revenue | 1 | 35,458 | 35,759 | 33,791 | 35,759 | 33,791 |
| Finance income | 2 | 848 | 554 | 1,381 | 658 | 1,554 |
| Other revenue | 3 | 22,162 | 24,451 | 22,540 | 76,030 | 66,924 |
| Gains | 4 | - | (114) | 1,398 | (105) | 1,399 |
| <i>Total income</i> | | 58,468 | 60,650 | 59,110 | 112,342 | 103,668 |
| Expenditure | | | | | | |
| Personnel costs | 5 | 11,289 | 11,344 | 10,909 | 14,878 | 14,072 |
| Depreciation and amortisation expense | | 10,254 | 13,239 | 12,284 | 14,553 | 13,447 |
| Finance costs | 2 | 5,587 | 4,824 | 4,550 | 6,173 | 5,687 |
| Other expenses | 6 | 27,333 | 32,521 | 31,244 | 81,528 | 70,261 |
| <i>Total operating expenditure</i> | | 54,463 | 61,928 | 58,987 | 117,132 | 103,467 |
| Share of associate surplus/(deficit) | | - | 1 | (9) | 1 | (9) |
| Surplus/(deficit) before tax | | 4,005 | (1,277) | 114 | (4,789) | 192 |
| Income tax expense | 7 | - | (341) | (32) | (1,665) | (1,818) |
| Surplus/(deficit) after tax | | 4,005 | (936) | 146 | (3,124) | 2,010 |
| Attributable to: | | | | | | |
| Wanganui District Council | | 4,005 | (936) | 146 | (3,124) | 2,010 |
| Minority interest | | - | - | - | - | - |
| | | 4,005 | (936) | 146 | (3,124) | 2,010 |

Explanations of major variances against budget are detailed in note 36.

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2009

| Note | Budget 2009 \$000 | Council 2009 \$000 | 2008 \$000 | Group 2009 \$000 | 2008 \$000 |
|---|-------------------------|--------------------------|----------------|------------------------|----------------|
| Balance at 1 July | 638,239 | 745,611 | 638,238 | 749,829 | 639,930 |
| Amounts recognised directly in equity | | | | | |
| Financial assets at fair value through equity | - | 29 | 21 | 18 | (34) |
| Revaluation gains/(losses) | 55,000 | 46,181 | 107,674 | 46,181 | 107,899 |
| <i>Net income recognised directly in equity</i> | 55,000 | 46,210 | 107,695 | 46,199 | 107,865 |
| Surplus/(deficit) for the year | 4,005 | (936) | 146 | (3,124) | 2,010 |
| <i>Total recognised income and expense</i> | 59,005 | 45,274 | 107,841 | 43,075 | 109,875 |
| Attributable to: | | | | | |
| Wanganui District Council | 59,005 | 45,274 | 107,841 | 43,075 | 109,875 |
| Introduction of equity from CCO's | - | - | (468) | - | 24 |
| Movements in minority interest | - | - | - | - | - |
| Balance at 30 June | 23 697,244 | 790,885 | 745,611 | 792,904 | 749,829 |

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2009

| | | Budget 2009 \$000 | Council 2009 \$000 | 2008 \$000 | Group 2009 \$000 | 2008 \$000 |
|---|------|-------------------------|--------------------------|----------------|------------------------|----------------|
| | Note | | | | | |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 8 | 1,001 | 7,361 | 11,967 | 8,618 | 13,153 |
| Debtors and other receivables | 9 | 6,990 | 5,681 | 5,759 | 12,597 | 9,622 |
| Derivative financial instruments | 13 | - | - | - | (973) | 102 |
| Other financial assets | 10 | - | 61 | 573 | 61 | 573 |
| Inventories | 11 | 200 | 80 | 187 | 426 | 510 |
| Non-current assets held for sale | 12 | - | 1,442 | 1,665 | 1,442 | 1,665 |
| Taxation | | - | - | - | 141 | 138 |
| <i>Total current assets</i> | | 8,191 | 14,625 | 20,151 | 22,312 | 25,763 |
| Non-current assets | | | | | | |
| Derivative financial instruments | 13 | 784 | 75 | 387 | 75 | 387 |
| Investments in associates | 14 | - | 73 | 72 | 73 | 72 |
| Other financial assets | 10 | 14,117 | 12,084 | 13,425 | 1,863 | 2,878 |
| Property, plant and equipment | 15 | 739,420 | 842,204 | 782,096 | 869,867 | 809,839 |
| Intangible assets | 16 | 667 | 325 | 448 | 9,569 | 9,333 |
| Forestry assets | 17 | 5,656 | 3,413 | 3,962 | 3,413 | 3,962 |
| Investment property | 18 | 6,380 | 5,960 | 6,005 | 2,940 | 2,985 |
| <i>Total non-current assets</i> | | 767,024 | 864,134 | 806,395 | 887,800 | 829,456 |
| Total assets | | 775,215 | 878,759 | 826,546 | 910,112 | 855,219 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Derivative financial instruments | 13 | - | 41 | - | 41 | - |
| Creditors and other payables | 20 | 5,500 | 8,724 | 10,736 | 16,961 | 15,321 |
| Borrowings | 21 | - | 8,056 | 9,114 | 13,056 | 14,120 |
| Employee entitlements | 22 | 1,505 | 1,431 | 1,365 | 1,689 | 1,571 |
| <i>Total current liabilities</i> | | 7,005 | 18,252 | 21,215 | 31,747 | 31,012 |
| Non-current liabilities | | | | | | |
| Derivative financial instruments | 13 | - | 3,693 | 470 | 3,693 | 470 |
| Borrowings | 21 | 70,816 | 64,812 | 57,868 | 78,330 | 68,894 |
| Employee entitlements | 22 | 150 | 448 | 372 | 469 | 379 |
| Deferred tax liability | 7 | - | 669 | 1,010 | 2,969 | 4,635 |
| <i>Total non-current liabilities</i> | | 70,966 | 69,622 | 59,720 | 85,461 | 74,378 |
| Total liabilities | | 77,971 | 87,874 | 80,935 | 117,208 | 105,390 |
| Net assets | | 697,244 | 790,885 | 745,611 | 792,904 | 749,829 |
| Equity | | | | | | |
| Retained earnings | 23 | 649,023 | 523,917 | 524,971 | 525,751 | 528,991 |
| Restricted reserves | | 48,221 | 64,891 | 64,774 | 64,891 | 64,774 |
| Revaluation reserves | | - | 201,770 | 155,588 | 201,995 | 155,813 |
| Investment revaluation reserve | | - | 307 | 278 | 267 | 251 |
| <i>Total equity attributable to WDC</i> | | 697,244 | 790,885 | 745,611 | 792,904 | 749,829 |
| Total equity | | 697,244 | 790,885 | 745,611 | 792,904 | 749,829 |

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2009

| | Budget | Council | | Group | |
|---|---------------|-----------------|-----------------|-----------------|-----------------|
| Note | 2009 | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cash flows from operating activities | | | | | |
| Receipts from rates revenue | 35,458 | 35,247 | 33,315 | 35,247 | 33,566 |
| Interest received | 848 | 627 | 1,314 | 731 | 1,487 |
| Dividends received | - | - | - | 20 | 19 |
| Receipts from other revenue | 22,162 | 24,495 | 23,096 | 73,293 | 66,576 |
| Payments to suppliers and employees | (38,623) | (40,210) | (38,481) | (88,311) | (80,687) |
| Goods and services tax (net) | - | (156) | 180 | (384) | 961 |
| Interest paid | (5,587) | (4,958) | (3,784) | (6,306) | (5,994) |
| Income tax paid | - | - | 413 | - | 1,070 |
| <i>Net cash from operating activities</i> | 24 | 14,258 | 15,045 | 16,053 | 14,290 |
| Cash flows from investing activities | | | | | |
| Receipts from sale of property, plant and equipment | - | - | 1,370 | (35) | 1,736 |
| Receipts from sale/maturity of investments | - | 1,709 | 660 | 1,670 | 1,173 |
| Purchase of property, plant and equipment/investments | (20,649) | (27,246) | (29,312) | (28,832) | (31,238) |
| Purchase of intangible assets | - | - | - | - | - |
| <i>Net cash from investing activities</i> | | (20,649) | (25,537) | (27,197) | (28,329) |
| Cash flows from financing activities | | | | | |
| Proceeds from borrowings | 6,626 | 15,000 | 25,000 | 22,500 | 25,000 |
| Contributions from owners | - | - | - | - | - |
| Repayment of borrowings | (606) | (9,114) | (8,746) | (14,128) | (8,354) |
| <i>Net cash from financing activities</i> | | 6,020 | 5,886 | 16,254 | 8,372 |
| Net (decrease)/increase in cash and cash equivalents | | (371) | (4,606) | 5,024 | (4,535) |
| <i>Cash and cash equivalents at the beginning of the year</i> | | 1,372 | 11,967 | 6,943 | 13,153 |
| Cash and cash equivalents at the end of the year | 8 | 1,001 | 7,361 | 11,967 | 8,618 |

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

Statement of accounting policies

For the year ended 30 June 2009

REPORTING ENTITY

Wanganui District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Wanganui District Council group (WDC) consists of the ultimate parent Wanganui District Council and its subsidiaries, Wanganui District Council Holdings Limited (100% owned) which in turn owns 100% of Wanganui Gas Limited (WGL) and its subsidiaries, Wanganui District Councils' Forestry Joint Committee (95.09%), Wanganui Airport Joint Venture (50%), Cooks Gardens Trust Board and Wanganui Incorporated. Its 49% equity share of New Zealand Masters Games Limited, its 33% interest in the Ruapehu, Wanganui, Rangitikei Economic Development Trust, its 15% interest in the Manawatu Wanganui LASS Limited (no transactions this year) and its 33% interest in the Whanganui River Enhancement Trust are equity accounted. All WDC subsidiaries and associates are domiciled in New Zealand.

The primary objective of WDC is to provide goods or services for the community or social benefit rather than making a financial return.

Accordingly, WDC has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of WDC are for the year ended 30 June 2009. The financial statements were authorised for issue by Council on 30 October 2009.

BASIS OF PREPARATION

Statement of compliance

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

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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 and certain financial instruments (including derivative instruments).

Functional and presentation currency

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

Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

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

- NZ IAS 1 *Presentation of Financial Statements (revised 2007)* replaces NZ IAS 1 *Presentation of Financial Statements (issued 2004)* and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standard gives the WDC the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). WDC intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.
- NZ IAS 23 *Borrowing Costs (revised 2007)* replaces NZ IAS 23 *Borrowing Costs (issued 2004)* and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard will also require borrowing costs to be considered when revaluing property, plant and equipment to fair value based on depreciated replacement cost. Any

necessary adjustments to depreciated replacement carrying cost values will have flow on effects to depreciation expense. The Council has elected to take advantage of the public benefit entity exemption and will not apply NZ IAS 23.

- NZ IFRS 3 *Business combinations (revised 2008)* and the amended NZ IAS 27 *consolidated and Separate Financial Statements* are effective for reporting periods beginning on or after 1 July 2009 and must be applied prospectively from that date. The main changes the revised NZ IFRS 3 and amended NZ IAS 27 will make to existing requirements or practice are:
 - Partial acquisitions – non controlling interests are measured either as their proportionate interest in the net identifiable assets (which is the original NZ IFRS 3 requirement) or at a fair value.
 - Step acquisitions – the requirement to measure at fair value every asset and liability at each step for the purposes of calculating a portion of goodwill has been removed. Instead, goodwill is measured as the difference at acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired.
 - Acquisition-related costs – acquisition-related costs are generally recognised as expenses (rather than included in the cost of acquisition).
 - Contingent consideration – contingent consideration must be recognised and measured at fair value at the acquisition date. Subsequent changes in fair value are recognised in accordance with other NZ IFRS's, usually in profit or loss (rather than by adjusting the cost of acquisition).

WDC will adopt the revised NZ IFRS 3 and amended NZ IAS 27 for the year ended 30 June 2010, which will impact on business combinations that occur on or after 1 July 2009.

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, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Subsidiaries

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

WDC measures the cost of a business combination as the aggregate of the fair values, at the date of exchange of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

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 financial performance.

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

Associates

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

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

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

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

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations, WDC recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of income that it earns from the joint venture.

Revenue

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

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Gas

Revenue is derived from gas network distribution services and the sale of energy and appliances. Such revenue is recognised when earned and is reported in the financial period to which it relates. Energy sales include an accrual for energy supplied but not billed at the end of the financial period.

Government grants

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

Provision of services

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

Vested assets

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

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.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Development contributions

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

Borrowing costs

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

Grant expenditure

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

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

Income Tax

Income tax expense comprises both current and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

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.

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 profit.

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 profits 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 the 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 tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance leases

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

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Hire purchase receivables

Hire purchase and other long term debtors are recognised at amortised cost and exclude unearned interest. Interest is recognised on an accrual basis month by month.

Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of financial assets are recognised on trade-date, the date on which WDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the WDC has transferred substantially all the risks and rewards of ownership.

WDC classifies its financial assets into the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is categorised in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. WDC's financial assets at fair value through profit and loss include derivatives that are not designated as hedges.

After initial recognition they are measured at their fair values with gains or losses on remeasurement are recognised in the statement of financial performance.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. WDC's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, community and related party loans, long term receivables and hire purchase long term debtors.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Loans to community organisations made by WDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of financial performance as a grant.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that WDC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. WDC's held to maturity investments include interest bearing bonds (National Bank Subordinated Bonds, Government Indexed Bonds, and Toyota Bonds) and deposits and sinking funds.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. WDC's financial assets at fair value through equity comprise investments in quoted and unquoted shares. WDC includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These financial assets are: Unlisted shares in NZ Local Government Insurance Corporation Limited, Sarjeant Gallery NJ Young Fund with ABN Amro, listed shares in Vector Limited and listed shares in NZ Windfarm Limited.

WDC's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of financial assets

At each balance sheet date WDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

Loans and receivables

Impairment of a loan or a receivable is established when there is objective evidence that WDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset 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. For debtors and other receivables, 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 statement of financial performance. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the WDC will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and unquoted equity investments

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of financial performance) is removed from equity and recognised in the statement of financial performance. Impairment losses recognised in the statement of financial performance on equity investments are not reversed through the statement of financial performance.

Derivative financial instruments

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

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

The associated gains or losses of derivatives that are not hedge accounted are recognised in the statement of financial performance.

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, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

WGL inventories (comprising network and retail) are 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 statement of financial performance 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 statement of financial performance. 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 artworks, cultural assets and parks and reserves. 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 gas distribution network and gas measurement systems 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.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

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

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

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

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

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

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.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

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 |
|--|--------------------|--------------------------|
| Buildings and leasehold improvements | 6 to 50 years | 2-15% |
| Plant and equipment | 3 to 25 years | 4-33% |
| Motor vehicles | 3 to 8 years | 13-33% |
| Library books | 10 years | 10% |
| <i>Infrastructural assets</i> | | |
| Roothing network | | |
| Pavement | 12 years | 8.3% |
| Basecourse | 80 years | 1.25% |
| Footpaths | 50 years | 2% |
| Bridges | 100 years | 1% |
| Kerb and channel | 80 years | 1.25% |
| Street lighting | 50 years | 2% |
| Culverts | 60 years | 1.6% |
| Wastewater system | 20 to 120 years | 1.2% - 5% |
| Water system | 50 to 100 years | 1% - 2% |
| Urban Water - Collection | 9 to 100 years | 1%- 11.1% |
| Urban Water - Distribution | 13 to 100 years | 1% - 7.69% |
| Rural Supply Schemes | 50 to 100 years | 1% - 2% |
| Gas distribution network mains and services | 10 to 100 years | 1% - 10% |
| Gas distribution network condition renewals | 50 years | 2% |
| Gas measurement systems and distribution network customer stations | 10 to 100 years | 1% - 10% |
| Airport runway | 50 years | 2% |

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

Intangible assets

Goodwill

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

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

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.

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

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

Customer list

WGL has capitalised the cost of the acquisition of the gas and electricity customers gained during the financial year. These are valued at cost.

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 statement of financial performance.

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 years | 33% |
| Customer list | 5 years | 20% |

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or 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. 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 is depreciated, replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

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 process, 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 statement of financial performance.

The costs to maintain forestry assets are included in the statement of financial performance.

Investment property

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

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

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

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

Borrowings are classified as current liabilities unless WDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave; have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and the present value of the estimated future cash flows. The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Equity

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

The components of equity are:

- retained earnings
- restricted reserves
- asset revaluation reserves
- fair value through equity reserves

Restricted reserves

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

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

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

WDC's objectives, policies and processes for managing capital are described in note 34.

Goods and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by WDC for the preparation of the financial statements.

Landfill post-closure costs

WDC, as past operator of the Balgownie landfill, has a legal obligation under the resource consent to provide ongoing monitoring of the landfill after its closure. Post-closure monitoring costs are recognised as expenses when the obligation for post-closure arises.

Cost allocation

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

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

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements WDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

WDC infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset;
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then WDC could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk, WDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the WDC's asset management planning activities, which gives WDC further assurance over its useful life estimates.

Experienced independent valuers perform or review the Council's infrastructural asset revaluations.

WGL infrastructural assets

At each balance date WGL reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires WGL to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by WGL, and expected disposal proceeds from the sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of financial performance, and carrying amount of

the asset in the statement of financial position. WGL minimises the risk of this estimation uncertainty to its infrastructure assets by:

- an annual review by an independent contractor of the value of the infrastructure assets to determine if any material changes exist.
- physical inspection of assets
- asset replacement programs
- review of second hand market prices for similar assets
- analysis of prior assets sales; and
- completing a revaluation of the infrastructure assets every third year

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

WGL's customer acquisition programme has incurred unprecedented costs during the year relating to the marketing and switching activities. Accordingly WGL has chosen to value these customers as an intangible asset at the cost of acquisition less amortisation at the rate of 20% per annum.

An incorrect estimate of the residual value will impact on the amortisable amount of an intangible asset impacting on the amortisation expense recognised in the statement of financial performance and the carrying amount of the intangible asset in the statement of financial position. WGL minimises the risk of this estimation uncertainty to its intangible assets by:

- an annual review of the value of the intangible assets to determine if any material changes exist.
- a review of any prices for trades of similar intangible assets.
- an annual review of the appropriateness of the amortisation rate.
- analysis of prior intangible asset sales.

Critical judgements in applying WDC's accounting policies

Management has exercised the following critical judgements in applying the WDC's accounting policies for the period ended 30 June 2009:

Classification of property

WDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

Notes to the financial statements

For the year ended 30 June 2009

1. Rates revenue

| | Council | | Group | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| CBD rate | 418 | 408 | 418 | 408 |
| General rate | 8,472 | 7,849 | 8,472 | 7,849 |
| Roading and footpath rates | 4,936 | 5,099 | 4,936 | 5,099 |
| Community facilities rate | 9,396 | 8,146 | 9,396 | 8,146 |
| Flood damage repair rate | 649 | 650 | 649 | 650 |
| Stormwater rate | 3,660 | 3,632 | 3,660 | 3,632 |
| Wastewater rate | 3,222 | 3,336 | 3,222 | 3,336 |
| Water charge | 3,998 | 3,875 | 3,998 | 3,875 |
| Fire capacity rate | 1,008 | 796 | 1,008 | 796 |
| Total rates revenue | 35,759 | 33,791 | 35,759 | 33,791 |

Rates remissions

Rates revenue is shown net of rates remissions and includes penalties. WDC's rates remission and postponement policies allows WDC to remit rates on conditions of a ratepayer's extreme financial hardship, and only for those ratepayers of residential properties. The Council considers all applications on a case by case basis. There were no rates remissions in the 2009 financial year (2008 nil).

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.

2. Finance income and finance costs

| | Council | | Group | |
|--|--------------|--------------|--------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Finance income | | | | |
| Interest income: | | | | |
| - money market and term deposits | 395 | 1,143 | 507 | 1,283 |
| - related party loans | 61 | 95 | - | 95 |
| - local authority and government stock | - | 15 | - | 15 |
| - community loans | 9 | 58 | 9 | 58 |
| - other | 89 | 70 | 141 | 103 |
| <i>Total finance income</i> | 554 | 1,381 | 657 | 1,554 |
| Finance costs | | | | |
| Interest expense: | | | | |
| - interest on bank borrowings | 4,814 | 4,528 | 6,163 | 5,665 |
| - interest on finance leases | 10 | 22 | 10 | 22 |
| <i>Total finance costs</i> | 4,824 | 4,550 | 6,173 | 5,687 |
| Net finance costs | 4,270 | 3,169 | 5,516 | 4,133 |

Notes to the financial statements

For the year ended 30 June 2009

3. Other revenue

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| User charges | 7,990 | 7,275 | 7,990 | 7,275 |
| New Zealand Transport Agency subsidies | 11,494 | 8,979 | 11,494 | 8,980 |
| Regulatory revenue | 1,501 | 1,843 | 1,501 | 1,843 |
| Rental from investment properties | 665 | 256 | 665 | 256 |
| Infringements and fines | 306 | 315 | 306 | 315 |
| Rendering of services | 259 | 345 | 259 | 345 |
| Petrol tax | 305 | 315 | 305 | 315 |
| Vested assets | 255 | 671 | 255 | 671 |
| Dividend income | 19 | 18 | 20 | 19 |
| Development contributions | 112 | 272 | 112 | 273 |
| Subvention payment | - | (928) | - | - |
| Other government grants | 454 | 209 | 484 | 243 |
| Forestry revenue | 249 | 610 | 249 | 610 |
| Other (includes trading income from Wanganui Gas Limited) | 842 | 2,360 | 52,390 | 45,779 |
| Total other revenue | 24,451 | 22,540 | 76,030 | 66,924 |

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

4. Gains

| | Council | | Group | |
|---|--------------|--------------|--------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Non-financial instruments | | | | |
| Investment property revaluation gains (note 18) | (114) | 377 | (114) | 377 |
| Property, plant and equipment gain on disposal | - | 850 | - | 851 |
| Change in fair value of property, plant and equipment | - | - | 9 | - |
| <i>Total non-financial instruments gains</i> | <i>(114)</i> | <i>1,227</i> | <i>(105)</i> | <i>1,228</i> |
| Financial instruments | | | | |
| Gains/(losses) from held-to-maturity investments | - | 171 | - | 171 |
| <i>Total financial instruments gains</i> | <i>-</i> | <i>171</i> | <i>-</i> | <i>171</i> |
| Total gains | (114) | 1,398 | (105) | 1,399 |

5. Personnel costs

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Salaries and wages | 11,203 | 10,787 | 14,624 | 13,821 |
| Employer contributions to superannuation | - | - | 12 | 9 |
| Increase/(decrease) in employee entitlements/liabilities | 141 | 122 | 242 | 242 |
| Total personnel costs | 11,344 | 10,909 | 14,878 | 14,072 |

Notes to the financial statements

For the year ended 30 June 2009

6. Other expenses

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Fees to principal auditor: | | | | |
| - audit fees for financial statement audit | 137 | 159 | 239 | 232 |
| - audit fees for LTCCP | 105 | - | 105 | - |
| - audit related fees for assurance services | - | - | - | 6 |
| Donations | - | 1 | - | 1 |
| Inventories expensed | - | - | - | 1,007 |
| General grants | 522 | 530 | 522 | 530 |
| Contractors | 13,256 | 13,350 | 13,312 | 13,397 |
| Insurance premiums | 337 | 661 | 337 | 665 |
| Directors' fees | - | - | 203 | 218 |
| Consultants and legal fees | 2,114 | 2,873 | 2,115 | 2,956 |
| Property, plant and equipment impairment (note 15) | - | - | - | - |
| Forestry asset revaluation losses (note 17) | 349 | 1,044 | 349 | 1,044 |
| Change in fair value of property, plant and equipment | 416 | 581 | 416 | 581 |
| Property, plant and equipment losses on disposal | 295 | 366 | 297 | 386 |
| Losses from derivative financial instruments | 3,575 | 867 | 4,655 | 1,015 |
| Impairment of receivables (note 9) | 500 | 107 | 300 | 148 |
| Minimum lease payments under operating leases | 66 | 6 | 217 | 131 |
| Forestry expenditure | 509 | 1,000 | 509 | 1,000 |
| Other operating expenses | 10,340 | 9,699 | 57,952 | 46,944 |
| Total other expenses | 32,521 | 31,244 | 81,528 | 70,261 |

7. Tax

| | Council | | Group | |
|---|--------------|-------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Components of tax expense | | | | |
| Current tax expense | - | - | - | (122) |
| Deferred tax expense | (340) | (32) | (1,665) | (1,696) |
| Income tax expense | (340) | (32) | (1,665) | (1,818) |
| Relationship between tax expense and accounting profit | | | | |
| Surplus/(deficit) before tax | (1,277) | 114 | (4,789) | 192 |
| Tax at 30% (2008 33%) | (384) | 35 | (1,437) | 57 |
| Non-deductible expenditure | 118 | 582 | (284) | (121) |
| Loss not recognised | 218 | 240 | 218 | 240 |
| Prior year adjustment | - | (489) | - | (486) |
| Deferred tax adjustment | (293) | (400) | (162) | (1,508) |
| Tax expense | (341) | (32) | (1,665) | (1,818) |

Council

A deferred tax asset has not been recognised in relation to tax losses of \$4,170,000 (2008 \$3,367,000). Tax losses have 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 1 July 2007 | 863 | - | (231) | (4) | 629 |
| Charged to profit and loss | (10) | - | (21) | - | (32) |
| Charged to equity | 413 | - | - | - | 413 |
| Balance 30 June 2008 | 1,266 | - | (252) | (4) | 1,010 |
| Charged to profit and loss | (34) | - | (307) | (1) | (341) |
| Charged to equity | - | - | - | - | - |
| Balance 30 June 2009 | 1,232 | - | (559) | (5) | 669 |
| Group | | | | | |
| Balance 1 July 2007 | 5,740 | (69) | (162) | (72) | 5,437 |
| Charge/(credit) to income | (187) | (26) | (1,427) | (56) | (1,696) |
| Charge/(credit) to equity | 893 | - | - | - | 893 |
| Balance 30 June 2008 | 6,446 | (95) | (1,589) | (128) | 4,634 |
| Charged to profit and loss | 248 | 43 | (1,955) | (1) | (1,665) |
| Charged to equity | - | - | - | - | - |
| Balance 30 June 2009 | 6,693 | (52) | (3,544) | (129) | 2,969 |

Notes to the financial statements

For the year ended 30 June 2009

8. Cash and cash equivalents

| | Council | | Group | |
|--|--------------|---------------|--------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Cash at bank and on hand | 4,361 | 6,967 | 5,618 | 8,153 |
| Term deposits with maturities less than 3 months | 3,000 | 5,000 | 3,000 | 5,000 |
| Total cash and cash equivalents | 7,361 | 11,967 | 8,618 | 13,153 |

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

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 (2008 \$nil).

9. Debtors and other receivables

| | Council | | Group | |
|--|--------------|--------------|---------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Rates receivables | 1,992 | 1,431 | 1,992 | 1,431 |
| Other receivables: | | | | |
| - related party receivables (note 27) | 237 | 470 | 33 | - |
| - New Zealand Transport Agency subsidies | 880 | 244 | 880 | 244 |
| - interest receivable | 36 | 109 | 36 | 109 |
| - other | 3,819 | 4,592 | 11,069 | 8,979 |
| Gross debtors and other receivables | 6,964 | 6,846 | 14,010 | 10,763 |
| Less provision for impairment | (1,283) | (1,087) | (1,413) | (1,141) |
| Total debtors and other receivables | 5,681 | 5,759 | 12,597 | 9,622 |

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximate their fair value.

Impairment

WDC does not provide for any impairment on rates receivable (except Maori land) as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

These powers allow WDC to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then WDC can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$ nil (2008 \$nil).

The status of receivables as at 30 June 2009 and 2008 are detailed below:

| | 2009 | | |
|----------------------|--------------|------------------|--------------|
| | Gross \$000 | Impairment \$000 | Net \$000 |
| Council | | | |
| Not past due | 2,830 | - | 2,830 |
| Past due 1-60 days | 917 | (4) | 913 |
| Past due 61-120 days | 448 | - | 448 |
| Past due > 120 days | 2,769 | (1,279) | 1,490 |
| Total | 6,964 | (1,283) | 5,681 |

| | 2008 | | |
|----------------------|--------------|------------------|--------------|
| | Gross \$000 | Impairment \$000 | Net \$000 |
| Council | | | |
| Not past due | 3,954 | - | 3,954 |
| Past due 1-60 days | 329 | (55) | 274 |
| Past due 61-120 days | 523 | (28) | 495 |
| Past due > 120 days | 2,040 | (1,004) | 1,036 |
| Total | 6,846 | (1,087) | 5,759 |

Notes to the financial statements

For the year ended 30 June 2009

| | 2009 | | |
|----------------------|----------------|---------------------|---------------|
| | Gross \$000 | Impairment \$000 | Net \$000 |
| Group | | | |
| Not past due | 9,523 | 1 | 9,524 |
| Past due 1-60 days | 1,018 | (4) | 1,014 |
| Past due 61-120 days | 690 | (120) | 570 |
| Past due > 120 days | 2,779 | (1,290) | 1,489 |
| Total | 14,010 | (1,413) | 12,597 |

| | 2008 | | |
|----------------------|----------------|---------------------|--------------|
| | Gross \$000 | Impairment \$000 | Net \$000 |
| Group | | | |
| Not past due | 7,784 | (16) | 7,768 |
| Past due 1-60 days | 355 | (55) | 300 |
| Past due 61-120 days | 534 | (29) | 505 |
| Past due > 120 days | 2,090 | (1,041) | 1,049 |
| Total | 10,763 | (1,141) | 9,622 |

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

| | Council | | Group | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | 2009 \$000 | 2008 \$000 | 2009 \$000 | 2008 \$000 |
| Individual impairment | 223 | 237 | 223 | 237 |
| Collective impairment | 1,060 | 850 | 1,190 | 904 |
| Total provision for impairment | 1,283 | 1,087 | 1,413 | 1,141 |

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are as follows:

| | Council | | Group | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 2009 \$000 | 2008 \$000 | 2009 \$000 | 2008 \$000 |
| Past due 1-60 days | - | 54 | - | 54 |
| Past due 61-120 days | 4 | 29 | 4 | 29 |
| Past due > 120 days | 219 | 154 | 219 | 154 |
| Total individual impairment | 223 | 237 | 223 | 237 |

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

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2009 \$000 | 2008 \$000 | 2009 \$000 | 2008 \$000 |
| At 1 July | 1,087 | 1,055 | 1,125 | 1,120 |
| Additional provisions made during the year | 500 | 139 | 300 | 184 |
| Provisions reversed during the year | - | - | - | (19) |
| Receivables written-off during period | (304) | (107) | (12) | (148) |
| At 30 June | 1,283 | 1,087 | 1,413 | 1,137 |

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

Notes to the financial statements

For the year ended 30 June 2009

10. Other financial assets

| | Council 2009 \$000 | 2008 \$000 | Group 2009 \$000 | 2008 \$000 |
|--|--------------------------|---------------|------------------------|---------------|
| Current portion | | | | |
| Sinking funds | 61 | 58 | 61 | 58 |
| National Bank Subordinated Bonds | - | 515 | - | 515 |
| <i>Total current portion</i> | 61 | 573 | 61 | 573 |
| Non-current portion | | | | |
| Community loans | 67 | 65 | 67 | 65 |
| Loans to related parties | - | - | - | - |
| Long term receivables | 20 | 403 | 20 | 167 |
| Hire purchase long term debtors | - | - | 266 | 142 |
| Government Indexed Bonds | 679 | 651 | 679 | 651 |
| Toyota Bonds | - | 989 | - | 989 |
| Unlisted shares in NZ Local Government Insurance Corporation Limited | 418 | 417 | 418 | 417 |
| Sarjeant Gallery NJ Young Fund with ABN Amro | - | - | 362 | 391 |
| Listed shares in Vector Limited | - | - | 11 | 10 |
| Listed shares in NZ Windfarm Limited | - | - | 40 | 46 |
| Shares in subsidiary (at cost - WDCHL) | 10,900 | 10,900 | - | - |
| <i>Total non-current portion</i> | 12,084 | 13,425 | 1,863 | 2,878 |
| Total other financial assets | 12,145 | 13,998 | 1,924 | 3,451 |

Fair value

Term Deposits

The carrying amounts of term deposits approximates their fair value \$nil (2008 \$nil).

Government stock

The fair value of government stock is its carrying value.

Community loans

The fair value of community loans is their carrying value of \$68,000 (2008 \$65,000). 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 loans to related parties is \$nil (2008 \$nil).

Unlisted shares

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 2009.

Quoted shares

The fair values of listed shares are determined by reference to published current bid price quotation in an active market.

Sinking funds

Sinking funds are put aside for the repayment of loans and are held by the Wanganui District Council Sinking Fund Commissioners. Sinking fund investments are restricted in use to the repayment of associated borrowings.

The Sarjeant Gallery NJ Young Fund with ABN Amro is valued at market value. Council considers this to be fair value at 30 June 2009.

Impairment

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

Notes to the financial statements

For the year ended 30 June 2009

11. Inventories

| | Council | 2008 | Group | 2008 |
|---|----------------|--------------|--------------|--------------|
| | 2009 | \$000 | 2009 | \$000 |
| | \$000 | \$000 | \$000 | \$000 |
| <i>Held for distribution/Commercial inventories</i> | | | | |
| Network | 80 | 187 | 276 | 360 |
| Appliances | - | - | 150 | 150 |
| Total inventories | 80 | 187 | 426 | 510 |

Inventories are pledged as security for liabilities - \$343,000 (2008 \$319,000). There has been no write-down of commercial inventories to net realisable value (2008 \$nil).

12. Non-current assets held for sale

Non-current assets held for sale at 30 June are: 9 Karoro Road, 152 Somme Parade, 15 Karoro Road, 8 Gilmour Street and 57 Heads Road (City Freehold); and 181 Guyton Street (City Endowment).

| | Council | 2008 | Group | 2008 |
|---|----------------|--------------|--------------|--------------|
| | 2009 | \$000 | 2009 | \$000 |
| | \$000 | \$000 | \$000 | \$000 |
| Land | 1,196 | 1,663 | 1,196 | 1,663 |
| Buildings | 246 | 2 | 246 | 2 |
| Total non-current assets held for sale | 1,442 | 1,665 | 1,442 | 1,665 |

13. Derivative financial instruments

| | Council | 2008 | Group | 2008 |
|--|----------------|--------------|--------------|--------------|
| | 2009 | \$000 | 2009 | \$000 |
| | \$000 | \$000 | \$000 | \$000 |
| Current asset portion | | | | |
| Interest rate swaps - fair value hedges | - | - | (973) | 102 |
| | - | - | (973) | 102 |
| Non-current asset portion | | | | |
| Interest rate swaps - fair value hedges | 75 | 387 | 74 | 387 |
| | 75 | 387 | 74 | 387 |
| Total derivative financial instrument assets | 75 | 387 | (899) | 489 |
| Current liability portion | | | | |
| Interest rate swaps - fair value hedges | 41 | - | 41 | - |
| | 41 | - | 41 | - |
| Non-current liability portion | | | | |
| Interest rate swaps - fair value hedges | 3,693 | 470 | 3,693 | 470 |
| | 3,693 | 470 | 3,693 | 470 |
| Total derivative financial instrument liabilities | 3,733 | 470 | 3,733 | 470 |

Fair value

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for WDC were \$50,000,000 (2008 \$45,000,000) and for the WDC group were \$53,000,000 (2008 \$53,000,000). At 30 June 2009, the fixed interest rates of cash flow hedge interest rate swaps vary from 5.98% to 8.41% (2008 5.98% to 8.41%).

Notes to the financial statements

For the year ended 30 June 2009

14. Investments in associates

| | Council | | Group | |
|--|-----------|-----------|-----------|-----------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Ruapehu, Wanganui, Rangitikei Economic Development Trust (RED Trust) | - | 6 | - | 6 |
| Whanganui River Enhancement Charitable Trust (WRET) | 58 | 61 | 58 | 61 |
| New Zealand Masters Games Limited (NZMGL) | 15 | 5 | 15 | 5 |
| Total investments in associates | 73 | 72 | 73 | 72 |

Group

Movements in the carrying amount of investments in associates

| | 2009 | 2008 |
|---|-----------|-----------|
| | \$000 | \$000 |
| Balance at 1 July | 72 | 26 |
| New investments during the year | - | 79 |
| Disposal of investments during the year | - | - |
| Share of total recognised revenues and expenses | 1 | (33) |
| Share of dividend | - | - |
| Balance at 30 June | 73 | 72 |

Summarised financial information of associate entities

| | RED Trust | |
|-------------------|-----------|-------|
| | 2009 | 2008 |
| | \$000 | \$000 |
| Assets | 108 | 188 |
| Liabilities | 124 | 170 |
| Revenues | 717 | 416 |
| Surplus/(deficit) | (33) | (12) |
| Group's interest | 33% | 33% |

| | WRET | |
|-------------------|-------|-------|
| | 2009 | 2008 |
| | \$000 | \$000 |
| Assets | 328 | 297 |
| Liabilities | 152 | 113 |
| Revenues | 134 | 143 |
| Surplus/(deficit) | (8) | (55) |
| Group's interest | 33% | 33% |

| | NZMGL | |
|-------------------|-------|-------|
| | 2009 | 2008 |
| | \$000 | \$000 |
| Assets | 31 | 10 |
| Liabilities | - | - |
| Revenues | 189 | 144 |
| Surplus/(deficit) | 20 | (9) |
| Group's interest | 49% | 49% |

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 has been set up in 2008 by seven Local Councils to investigate the possibilities of economies of scale by joint procurement. To date there has been no call on share capital and no financial transactions. Wanganui District Council owns 1/7th or 14% of this Company and has a liability for \$1,000 share capital.

Notes to the financial statements For the year ended 30 June 2009

15. Property, plant and equipment

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

| | Cost/ revaluation 1/7/2008 \$000 | Accumulated depreciation and impairment charges 1/7/2008 \$000 | Carrying amount 1/7/2008 \$000 | Current year additions \$000 | Current year disposals \$000 | Accumulated depreciation eliminated on & disposals \$000 | Current year depreciation & impairment charges \$000 | Transfers \$000 | Revaluation surplus \$000 | Cost/ revaluation 30/6/2009 \$000 | Accumulated depreciation and impairment charges 30/6/2009 \$000 | Carrying amount 30/6/2009 \$000 |
|--|---|--|---|------------------------------------|------------------------------------|--|--|--------------------|---------------------------------|--|---|--|
| Operational assets | | | | | | | | | | | | |
| Land | 65,703 | - | 65,703 | - | (2) | - | - | (99) | - | 65,602 | - | 65,602 |
| Buildings | 57,538 | (124) | 57,414 | 1,719 | (22) | - | (1,164) | (788) | (10) | 58,437 | (1,288) | 57,149 |
| Plant, equipment and motor vehicles | 8,243 | (5,424) | 2,819 | 956 | (509) | 509 | (959) | 89 | - | 8,779 | (5,874) | 2,905 |
| Leased equipment | 573 | (398) | 175 | - | - | - | (107) | - | - | 573 | (505) | 68 |
| Furniture and fittings | 2,554 | (1,589) | 965 | 120 | (1) | - | (107) | - | - | 2,673 | (1,696) | 977 |
| Library books | 3,240 | (1,621) | 1,619 | 300 | (359) | 359 | (338) | - | - | 3,181 | (1,600) | 1,581 |
| Artworks | 31,996 | - | 31,996 | 48 | - | - | - | 32 | - | 32,076 | - | 32,076 |
| Capital work in progress | 1,859 | - | 1,859 | 1,668 | - | - | - | (1,028) | - | 2,499 | - | 2,499 |
| Total operational assets | 171,706 | (9,156) | 162,550 | 4,811 | (893) | 868 | (2,675) | (1,794) | (10) | 173,820 | (10,963) | 162,857 |
| Infrastructural assets | | | | | | | | | | | | |
| Wastewater system | 183,298 | - | 183,298 | 7,925 | - | - | (3,933) | - | 38,190 | 225,480 | - | 225,480 |
| Water system | 56,825 | - | 56,825 | 3,117 | - | - | (1,469) | - | 8,001 | 66,474 | - | 66,474 |
| Roading network | 318,587 | - | 318,587 | 10,858 | - | - | (4,504) | 1,680 | - | 331,125 | (4,504) | 326,621 |
| Land under roads | 7,975 | - | 7,975 | - | - | - | - | - | - | 7,975 | - | 7,975 |
| Airport runway | 2,238 | - | 2,238 | - | - | - | (46) | - | (416) | 1,776 | - | 1,776 |
| Total infrastructural assets | 568,923 | - | 568,923 | 21,900 | - | - | (9,952) | 1,680 | 45,775 | 632,830 | (4,504) | 628,326 |
| Restricted assets | | | | | | | | | | | | |
| Land | 33,735 | - | 33,735 | - | (124) | - | - | - | - | 33,611 | - | 33,611 |
| Buildings | 16,888 | (0) | 16,888 | 860 | - | - | (338) | - | - | 17,748 | (338) | 17,410 |
| Total restricted assets | 50,623 | (0) | 50,623 | 860 | (124) | - | (338) | - | - | 51,359 | (338) | 51,021 |
| Total property, plant and equipment | 791,252 | (9,156) | 782,096 | 27,571 | (1,017) | 868 | (12,965) | (114) | 45,765 | 858,009 | (15,805) | 842,204 |

Notes to the financial statements For the year ended 30 June 2009

| Group 2009 | Cost/ revaluation 1/7/2008 \$000 | Accumulated depreciation and impairment charges 1/7/2008 \$000 | Carrying amount 1/7/2008 \$000 | Current year additions \$000 | Current year disposals \$000 | Accumulated depreciation eliminated on & Impairment disposals \$000 | Current year depreciation & Impairment charges \$000 | Transfers | Revaluation surplus \$000 | Cost/ revaluation 30/6/2009 \$000 | Accumulated depreciation and impairment charges 30/6/2009 \$000 | Carrying amount 30/6/2009 \$000 |
|--|---|--|---|------------------------------------|------------------------------------|--|--|----------------|---------------------------------|--|---|--|
| Operational assets | | | | | | | | | | | | |
| Land | 65,703 | - | 65,703 | - | (2) | - | - | (99) | - | 65,602 | - | 65,602 |
| Buildings | 58,323 | (705) | 57,618 | 2,089 | (701) | 520 | (1,197) | (788) | (10) | 58,913 | (1,382) | 57,531 |
| Plant, equipment and motor vehicles | 10,123 | (6,761) | 3,362 | 1,427 | (1,719) | 1,290 | (1,111) | 89 | - | 9,920 | (6,582) | 3,338 |
| Leased equipment | 652 | (472) | 180 | - | (79) | 79 | (112) | - | - | 573 | (505) | 68 |
| Furniture and fittings | 2,680 | (1,684) | 996 | 142 | (106) | 81 | (116) | - | - | 2,716 | (1,719) | 997 |
| Library books | 3,240 | (1,621) | 1,619 | 300 | (359) | 359 | (338) | - | - | 3,181 | (1,600) | 1,581 |
| Art work | 31,996 | - | 31,996 | 48 | - | - | - | 32 | - | 32,076 | - | 32,076 |
| Capital work in progress | 1,859 | - | 1,859 | 1,668 | - | - | - | (1,028) | - | 2,499 | - | 2,499 |
| Total operational assets | 174,576 | (11,243) | 163,333 | 5,674 | (2,966) | 2,329 | (2,874) | (1,794) | (10) | 175,480 | (11,788) | 163,692 |
| Infrastructural assets | | | | | | | | | | | | |
| Wastewater system | 183,298 | - | 183,298 | 7,925 | - | - | (3,933) | - | 38,190 | 225,480 | - | 225,480 |
| Water system | 56,825 | - | 56,825 | 3,117 | - | - | (1,469) | - | 8,001 | 66,474 | - | 66,474 |
| Roading network | 318,587 | - | 318,587 | 10,858 | - | - | (4,504) | 1,680 | - | 331,125 | (4,504) | 326,621 |
| Land under roads | 7,975 | - | 7,975 | - | - | - | - | - | - | 7,975 | - | 7,975 |
| Airport runway | 2,238 | - | 2,238 | - | - | - | (46) | - | (416) | 1,776 | - | 1,776 |
| Gas network infrastructure | 26,201 | (2,261) | 23,940 | 24,604 | (26,201) | 2,261 | (796) | - | - | 24,604 | (796) | 23,808 |
| Total infrastructural assets | 595,124 | (2,261) | 592,863 | 46,504 | (26,201) | 2,261 | (10,748) | 1,680 | 45,775 | 657,434 | (5,300) | 652,134 |
| Restricted assets | | | | | | | | | | | | |
| Land | 36,755 | - | 36,755 | - | (124) | - | - | - | - | 36,631 | - | 36,631 |
| Buildings | 16,888 | () | 16,888 | 860 | - | - | (338) | - | - | 17,748 | (338) | 17,410 |
| Total restricted assets | 53,643 | () | 53,643 | 860 | (124) | - | (338) | - | - | 54,379 | (338) | 54,041 |
| Total property, plant and equipment | 823,343 | (13,504) | 809,839 | 53,038 | (29,291) | 4,590 | (13,960) | (114) | 45,765 | 887,293 | (17,426) | 869,867 |

Notes to the financial statements For the year ended 30 June 2009

| Council 2008 | Cost/ revaluation 1/7/2007 \$000 | Accumulated depreciation and impairment charges 1/7/2007 \$000 | Carrying amount 1/7/2007 \$000 | Current year additions \$000 | Current year disposals \$000 | Accumulated depreciation eliminated on disposals \$000 | Current year depreciation \$000 | Transfer \$000 | Revaluation surplus \$000 | Cost/ revaluation 30/6/2008 \$000 | Accumulated depreciation and impairment charges 30/6/2008 \$000 | Carrying amount 30/6/2008 \$000 |
|--|---|--|---|------------------------------------|------------------------------------|--|---------------------------------------|-------------------|---------------------------------|--|---|--|
| Operational assets | | | | | | | | | | | | |
| Land | 29,704 | - | 29,704 | 105 | (726) | - | - | (2,539) | 39,159 | 65,703 | - | 65,703 |
| Buildings | 43,567 | (1,830) | 41,737 | 1,664 | (718) | - | (944) | 2,012 | 13,663 | 57,538 | (124) | 57,414 |
| Plant, equipment and motor vehicles | 7,030 | (4,708) | 2,322 | 1,275 | (62) | - | (716) | - | - | 8,243 | (5,424) | 2,819 |
| Leased equipment | 573 | (170) | 403 | - | - | - | (228) | - | - | 573 | (398) | 175 |
| Furniture and fittings | 2,442 | (1,497) | 945 | 117 | - | - | (97) | - | - | 2,554 | (1,589) | 965 |
| Library books | 3,532 | (1,845) | 1,687 | 300 | - | - | (368) | - | - | 3,240 | (1,621) | 1,619 |
| Artworks | 23,711 | - | 23,711 | 67 | - | - | - | - | 8,218 | 31,996 | - | 31,996 |
| Capital work in progress | 6,135 | - | 6,135 | 409 | - | - | - | (4,685) | - | 1,859 | - | 1,859 |
| Total operational assets | 116,694 | (10,050) | 106,644 | 3,937 | (1,506) | - | (2,353) | (5,212) | 61,040 | 171,706 | (9,156) | 162,550 |
| Infrastructural assets | | | | | | | | | | | | |
| Wastewater system | 186,503 | - | 186,503 | 9,144 | - | - | (4,023) | - | (8,326) | 183,298 | - | 183,298 |
| Water system | 59,382 | - | 59,382 | 3,134 | - | - | (1,471) | 723 | (4,943) | 56,825 | - | 56,825 |
| Roading network | 285,304 | (7,429) | 277,875 | 8,475 | - | - | (4,064) | - | 36,301 | 318,587 | - | 318,587 |
| Land under roads | 6,966 | - | 6,966 | - | - | - | - | 1,009 | - | 7,975 | - | 7,975 |
| Airport runway | 2,953 | (78) | 2,875 | - | - | - | (56) | - | (581) | 2,238 | - | 2,238 |
| Total infrastructural assets | 541,108 | (7,507) | 533,601 | 20,753 | - | - | (9,614) | 1,732 | 22,451 | 568,923 | - | 568,923 |
| Restricted assets | | | | | | | | | | | | |
| Land | 14,844 | - | 14,844 | - | (413) | - | - | - | 19,304 | 33,735 | - | 33,735 |
| Buildings | 5,436 | (220) | 5,216 | 4,773 | (40) | - | (133) | 2,360 | 4,712 | 16,888 | (0) | 16,888 |
| Total restricted assets | 20,280 | (220) | 20,060 | 4,773 | (453) | - | (133) | 2,360 | 24,016 | 50,623 | (0) | 50,623 |
| Total property, plant and equipment | 678,082 | (17,777) | 660,305 | 29,463 | (1,959) | - | (12,100) | (1,120) | 107,507 | 791,252 | (9,156) | 782,096 |

Notes to the financial statements For the year ended 30 June 2009

| Group 2008 | Cost/ revaluation 1/7/2007 \$000 | Accumulated depreciation and impairment charges 1/7/2007 \$000 | Carrying amount 1/7/2007 \$000 | Current year additions \$000 | Current year disposals \$000 | Accumulated depreciation eliminated on disposals \$000 | Current year depreciation \$000 | Transfers \$000 | Revaluation surplus \$000 | Cost/ revaluation 30/6/2008 \$000 | Accumulated depreciation and impairment charges 30/6/2008 \$000 | Carrying amount 30/6/2008 \$000 |
|--|---|--|---|------------------------------------|------------------------------------|--|---------------------------------------|--------------------|---------------------------------|--|---|--|
| Operational assets | | | | | | | | | | | | |
| Land | 29,704 | - | 29,704 | 105 | (726) | - | - | (2,539) | 39,159 | 65,703 | - | 65,703 |
| Buildings | 44,301 | (2,382) | 41,919 | 1,714 | (737) | - | (975) | 2,034 | 13,663 | 58,323 | (705) | 57,618 |
| Plant, equipment and motor vehicles | 8,566 | (5,679) | 2,887 | 1,442 | (62) | - | (874) | (31) | - | 10,123 | (6,761) | 3,362 |
| Leased equipment | 652 | (232) | 420 | - | - | - | (240) | - | - | 652 | (472) | 180 |
| Furniture and fittings | 2,553 | (1,578) | 975 | 120 | - | - | (108) | 9 | - | 2,680 | (1,684) | 996 |
| Library books | 3,532 | (1,845) | 1,687 | 300 | - | - | (368) | - | - | 3,240 | (1,621) | 1,619 |
| Art work | 23,711 | - | 23,711 | 67 | - | - | - | - | 8,218 | 31,996 | - | 31,996 |
| Capital work in progress | 6,135 | - | 6,135 | 409 | - | - | - | (4,685) | - | 1,859 | - | 1,859 |
| Total operational assets | 119,154 | (11,716) | 107,438 | 4,157 | (1,525) | - | (2,565) | (5,212) | 61,040 | 174,576 | (11,243) | 163,333 |
| Infrastructural assets | | | | | | | | | | | | |
| Wastewater system | 186,503 | - | 186,503 | 9,144 | - | - | (4,023) | - | (8,326) | 183,298 | - | 183,298 |
| Water system | 59,382 | - | 59,382 | 3,134 | - | - | (1,471) | 723 | (4,943) | 56,825 | - | 56,825 |
| Roading network | 285,304 | (7,429) | 277,875 | 8,475 | - | - | (4,064) | - | 36,301 | 318,587 | - | 318,587 |
| Land under roads | 6,966 | - | 6,966 | - | - | - | - | 1,009 | - | 7,975 | - | 7,975 |
| Airport runway | 2,954 | (78) | 2,875 | - | - | - | (56) | - | (581) | 2,238 | - | 2,238 |
| Gas network infrastructure | 24,806 | (1,473) | 23,334 | 689 | - | - | (789) | - | 706 | 26,201 | (2,261) | 23,940 |
| Total infrastructural assets | 565,915 | (8,980) | 556,935 | 21,442 | - | - | (10,403) | 1,732 | 23,157 | 595,124 | (2,261) | 592,863 |
| Restricted assets | | | | | | | | | | | | |
| Land | 14,844 | - | 14,844 | - | (413) | - | - | 3,020 | 19,304 | 36,755 | - | 36,755 |
| Buildings | 5,436 | (220) | 5,216 | 4,773 | (40) | - | (133) | 2,360 | 4,712 | 16,888 | (0) | 16,888 |
| Total restricted assets | 20,280 | (220) | 20,060 | 4,773 | (453) | - | (133) | 5,380 | 24,016 | 53,643 | (0) | 53,643 |
| Total property, plant and equipment | 705,349 | (20,916) | 684,433 | 30,372 | (1,978) | - | (13,101) | 1,900 | 108,213 | 823,343 | (13,504) | 809,839 |

Notes to the financial statements

For the year ended 30 June 2009

15. Property, plant and equipment (continued)

Valuation

Operational and restricted land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Mr DJ Gadsby, Bycroft Petherick, Valuers and the valuation is effective as at 30 June 2008.

Infrastructural asset classes: roads, airport runway, water system, sewerage reticulation, stormwater system and gas distribution network

At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date WDC assesses the carrying values of its infrastructural assets 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 most recent valuation of roading assets was performed by Opus International Consultants Ltd (Wanganui), as at 30 June 2008. The valuation of the water reticulation, wastewater reticulation and stormwater systems and airport assets was undertaken by Robin Mackie (an employee of the WDC), NZCE, Member of NZWWA, at 30 June 2009. John Vessey, of Opus International Consultants Ltd (Wellington), has confirmed the methodology. It is WDC's policy to revalue roading and airport infrastructure assets every three years and the water reticulation, wastewater reticulation and stormwater systems annually.

The distribution network of WGL is valued at depreciated replacement cost, as at 30 June 2008 by Geoff Evans, BE (Mech) - Network Manager and reviewed in accordance with NZ IAS 16 by Bruce Wattie, CA, BCA, Partner - Financial Advisory Services, of PricewaterhouseCoopers, and James Coe BSc, BE (Electrical), MBA, and member of IPENZ - Director, JT Consulting Limited and a NZ IFRS/ODV review by Guenter Wabnitz, Dip Ing, CPEng, MIPENZ, Principal Consultant Gas and Clean Fuels, Maunsell Limited. The network is revalued on a three yearly cycle.

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.

Art collection

The art collection of the Sarjeant Gallery has been valued by Mr James Parkinson of Art + Object; Christies of London and Mr Greg Anderson, Curator, Sarjeant Gallery on 30 June 2008. This is considered deemed cost. Subsequent additions are shown at cost.

Total fair value of property, plant and equipment valued by each valuer

| | Council 2009 \$000 | Group 2009 \$000 |
|---|-----------------------------------|---------------------------------|
| Mr James Parkinson, Art + Object, Auckland (2008) | 10,758 | 10,758 |
| Christies of London, London (2008) | 8,658 | 8,658 |
| Mr Greg Anderson, Curator, Sarjeant Gallery, Wanganui (2008) | 12,514 | 12,514 |
| Mr Robin Mackie, Wanganui District Council, Wanganui | 291,954 | 291,954 |
| Opus International Consultants Ltd, Wanganui (2008) | 320,957 | 320,957 |
| Mr DJ Gadsby, Bycroft Petherick Ltd, Wanganui | 5,965 | 5,965 |
| Mr BE Evans, Network Manager, Wanganui Gas Ltd, Wanganui | 24,604 | 26,201 |
| Mr KD Pawson, Pawson Property Solutions Ltd, (trading as Morgans Property Advisors), Wanganui | 172,386 | 172,386 |

Impairment

No impairment losses have been booked for the year ended 30 June 2009 (2008 \$nil).

Work in progress

The total amount of property, plant and equipment in the course of construction is \$831,000 (2008 \$2,585,000).

Leasing

The net carrying amount of plant and equipment held under finance leases is \$53,000 (2008 \$55,000).

Notes to the financial statements

For the year ended 30 June 2009

16. Intangible assets

Movements for each class of intangible asset are as follows:

| | Council computer software \$000 | Group other \$000 | Group goodwill \$000 | Group total \$000 |
|---|--|-------------------------|----------------------------|-------------------------|
| Balance at 1 July 2008 | | | | |
| Cost | 1,740 | 1,671 | 8,000 | 11,411 |
| Accumulated amortisation and impairment | (1,292) | (786) | - | (2,078) |
| Opening carrying amount | 448 | 885 | 8,000 | 9,333 |
| Year ended 30 June 2009 | | | | |
| Additions | 150 | 677 | - | 827 |
| Amortisation charge | (273) | (318) | - | (591) |
| Closing carrying amount | (123) | 359 | - | 236 |
| Balance at 30 June 2009 | | | | |
| Cost | 1,890 | 2,348 | 8,000 | 12,238 |
| Accumulated amortisation and impairment | (1,565) | (1,104) | - | (2,669) |
| Closing carrying amount | 325 | 1,244 | 8,000 | 9,569 |
| Balance at 1 July 2007 | | | | |
| Cost | 1,665 | 730 | 8,000 | 10,395 |
| Accumulated amortisation and impairment | (1,109) | (621) | - | (1,730) |
| Opening carrying amount | 556 | 109 | 8,000 | 8,665 |
| Year ended 30 June 2008 | | | | |
| Additions | 75 | 941 | - | 1,016 |
| Amortisation charge | (183) | (164) | - | (347) |
| Closing carrying amount | (108) | 777 | - | 669 |
| Balance at 30 June 2008 | | | | |
| Cost | 1,740 | 1,671 | 8,000 | 11,411 |
| Accumulated amortisation and impairment | (1,292) | (786) | - | (2,078) |
| Closing carrying amount | 448 | 885 | 8,000 | 9,333 |

There are no restrictions over the title of WDC's intangible assets, nor are any intangible assets pledged as security for liabilities.

Impairment

Goodwill

Goodwill arises on consolidation of Wanganui Gas Limited in the books of Wanganui District Council Holdings Limited.

Notes to the financial statements

For the year ended 30 June 2009

17. Forestry assets

| | Council | | Group | |
|---|--------------|--------------|--------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 July | 3,962 | 5,656 | 3,962 | 5,656 |
| Increases due to purchases | - | - | - | - |
| Gains/(losses) arising from changes in fair value | (349) | (1,044) | (349) | (1,044) |
| Gains/(losses) arising from physical changes | - | - | - | - |
| Decreases due to sales | - | - | - | - |
| Decreases due to harvest | (200) | (650) | (200) | (650) |
| | - | - | - | - |
| Balance at 30 June | 3,413 | 3,962 | 3,413 | 3,962 |

Through its investment in the Wanganui District Councils' Forestry Joint Committee, WDC owns 1,080 hectares of pinus radiata forest, which are at varying stages of maturity ranging from 6 to 26 years.

Valuation assumptions

Independent registered valuers Alan Bell and Associates have valued forestry assets as at 30 June 2009. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- a pre-tax discount rate of 8% (2008 8%) has been used in discounting the present value of expected cash flows;
- notional land rental costs have been included for freehold land;
- the forest has been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis;
- no allowance for inflation has been provided;
- costs are current average costs. No allowance has been made for cost improvements in future operations; and
- log prices are based on a 3 year historical rolling average.

Financial risk management strategies

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

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

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

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

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

Harvesting - Local, national and international prices, transport costs and supply and demand are monitored to be aware of impending sudden decreases or potential increases in prices. If the latter occurs, production levels may be increased. All contracts have a 3 month exit clause or sooner by agreement. Access roads are established at least 6 months in advance of harvesting to allow them to stabilise in order to prevent collapse during operations. If this happens, timber may be isolated and lose quality. A bond is held with BNZ for the current harvesting agent, John Turkington Limited, to cover one month's harvesting if payment is in default. At present this is \$112,000 (2008 \$112,000).

Notes to the financial statements

For the year ended 30 June 2009

18. Investment property

| | Council | | Group | |
|---|--------------|--------------|--------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 July | 6,005 | 5,550 | 2,985 | 5,550 |
| Additions from acquisitions | 69 | 78 | 69 | 78 |
| Disposals/Transfers | - | - | - | (3,020) |
| Fair value gains/(losses) on valuation (note 4) | (114) | 377 | (114) | 377 |
| Balance at 30 June | 5,960 | 6,005 | 2,940 | 2,985 |

WDC's investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuation was performed by Bycroft Petherick Limited - Engineers, Valuers and Arbitrators. Bycroft Petherick is an experienced valuer with extensive market knowledge in the types of investment properties owned by WDC.

Contractual obligations in relation to investment properties at balance date but not recognised in the financial statements are as follows:

| | Council | | Group | |
|---|---------|-------|-------|-------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Rental income | 665 | 256 | 665 | 256 |
| Expenses from investment property generating income | (149) | (191) | (149) | (191) |
| Expenses from investment property not generating income | - | - | - | - |
| Contractual obligations for capital expenditure | - | - | - | - |
| Contractual obligations for operating expenditure | - | - | - | - |

19. Joint ventures

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

| | Council and Group | |
|-------------------------|-------------------|-------|
| | 2009 | 2008 |
| | \$000 | \$000 |
| Current assets | 42 | 23 |
| Non-current assets | 5,653 | 4,296 |
| Current liabilities | 61 | 45 |
| Non-current liabilities | 670 | 947 |
| Income | 200 | 104 |
| Expenses | 357 | 171 |

WDC has an interest in the Wanganui District Councils' Forestry Joint Committee. WDC's share is 95.09%. WDC's interest in the jointly controlled operation is as follows:

| | Council and Group | |
|-------------------------|-------------------|-------|
| | 2009 | 2008 |
| | \$000 | \$000 |
| Current assets | 266 | 364 |
| Non-current assets | 6,699 | 7,247 |
| Current liabilities | 42 | 97 |
| Non-current liabilities | - | - |
| Income | 252 | 643 |
| Expenses | 858 | 2,044 |

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 25 and 26.

Notes to the financial statements

For the year ended 30 June 2009

20. Creditors and other payables

| | Council | | Group | |
|---|--------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Trade payables | 5,969 | 7,048 | 10,647 | 11,064 |
| Deposits and bonds | 1,507 | 2,139 | 1,507 | 2,138 |
| Accrued expenses | 217 | 230 | 3,785 | 951 |
| Amounts due to related parties (note 27) | 10 | 151 | - | - |
| Rates in advance | 340 | 354 | 340 | 354 |
| Accrued interest payable | 681 | 814 | 681 | 814 |
| Total creditors and other payables | 8,724 | 10,736 | 16,960 | 15,321 |

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

21. Borrowings

| | Council | | Group | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Current portion | | | | |
| Secured loans | 8,000 | 9,007 | 13,000 | 14,007 |
| Finance leases | 56 | 107 | 56 | 113 |
| <i>Total current portion</i> | 8,056 | 9,114 | 13,056 | 14,120 |
| Non-current portion | | | | |
| Secured loans | 64,800 | 57,800 | 78,318 | 68,818 |
| Finance leases | 12 | 68 | 12 | 76 |
| <i>Total non-current borrowings</i> | 64,812 | 57,868 | 78,330 | 68,894 |
| Total borrowings | 72,868 | 66,982 | 91,386 | 83,014 |

Secured loans

WDC's secured debt of \$72,800,000 (2008 \$66,807,000) 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 0.13-0.77% for credit risk.

Security

Council loans are secured over rates revenue or property. There has been no variation to the Liability Management Policy during the 2008/09 year.

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

Fair values of non-current borrowings

The carrying amounts and the fair values of non-current borrowings are as follows:

| | Carrying amounts | | Fair values | |
|-------------------------|------------------|--------|-------------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| Secured loans (Council) | 72,800 | 66,807 | 55,359 | 45,588 |

The fair values are based on cash flows discounted using a rate based on the borrowing rates ranging from of 5.15% to 10.50% (2008 6.55% to 10.50%).

The carrying amounts of borrowings repayable within one year approximate their fair value, as the impact of discounting is not significant.

Notes to the financial statements

For the year ended 30 June 2009

Analysis of finance leases

| | Council | | Group | |
|--|-----------|------------|-----------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Total minimum lease payments are payable | | | | |
| Not later than one year | 60 | 118 | 60 | 124 |
| Later than one year and not later than five years | 12 | 72 | 12 | 78 |
| Later than five years | - | - | - | 8 |
| <i>Total minimum lease payments</i> | 72 | 190 | 72 | 210 |
| Future finance charges | (4) | (15) | (4) | (21) |
| <i>Present value of minimum lease payments</i> | 68 | 175 | 68 | 189 |
| Present value of minimum lease payments payable | | | | |
| Not later than one year | 56 | 107 | 56 | 113 |
| Later than one year and not later than five years | 12 | 68 | 12 | 76 |
| Later than five years | - | - | - | - |
| <i>Total present value of minimum lease payments</i> | 68 | 175 | 68 | 189 |
| Represented by: | | | | |
| Current | 56 | 107 | 56 | 113 |
| Non-current | 12 | 68 | 12 | 76 |
| Total finance leases | 68 | 175 | 68 | 189 |

Description of material leasing arrangements

WDC has entered into finance leases for various items of plant and equipment. The net carrying amount of the leased items within each class of property, plant and equipment is shown in note 15.

The finance leases 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 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 finance leasing arrangements.

22. Employee entitlements

| | Council | | Group | |
|------------------------------------|--------------|--------------|--------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Current portion | | | | |
| Accrued pay | 297 | 207 | 376 | 207 |
| Annual leave | 1,093 | 1,030 | 1,259 | 1,217 |
| Retirement and long service leave | 28 | 64 | 31 | 83 |
| Sick leave | 13 | 64 | 23 | 64 |
| <i>Total current portion</i> | 1,431 | 1,365 | 1,689 | 1,571 |
| Non-current portion | | | | |
| Retirement and long service leave | 448 | 372 | 469 | 379 |
| <i>Total non-current portion</i> | 448 | 372 | 469 | 379 |
| Total employee entitlements | 1,879 | 1,737 | 2,158 | 1,950 |

Notes to the financial statements

For the year ended 30 June 2009

23. Equity

| | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Retained earnings | | | | |
| Balance at 1 July | 524,971 | 556,846 | 528,991 | 558,520 |
| Transfers (to)/from restricted reserves | (117) | (31,553) | (117) | (31,553) |
| Introduction of equity from CCO's | - | 55 | - | 14 |
| Remove Sarjeant equity from Council to Group | - | (523) | - | - |
| Surplus/(deficit) for the year | (936) | 146 | (3,124) | 2,010 |
| Balance at 30 June | 523,918 | 524,971 | 525,751 | 528,991 |
| Restricted reserves | | | | |
| Balance at 1 July | 64,774 | 33,221 | 64,774 | 33,221 |
| Transfers (to)/from retained earnings | 117 | 31,553 | 117 | 31,553 |
| Balance at 30 June | 64,891 | 64,774 | 64,891 | 64,774 |
| Restricted reserves consist of: | | | | |
| - Trusts and bequests | | | | |
| - Self funding insurance | | | | |
| Asset revaluation reserves | | | | |
| Balance at 1 July | 155,588 | 47,914 | 155,813 | 47,914 |
| Revaluation gains/(losses) | 46,182 | 108,087 | 46,182 | 108,792 |
| Deferred tax on revaluation | - | (413) | - | (893) |
| Balance at 30 June | 201,770 | 155,588 | 201,995 | 155,813 |
| Asset revaluation reserves consist of: | | | | |
| Operational assets: | | | | |
| - land | 39,158 | 39,199 | 39,158 | 39,199 |
| - buildings | 13,240 | 13,210 | 13,240 | 13,210 |
| - library books | - | - | - | - |
| - Artworks | 8,218 | 8,218 | 8,218 | 8,218 |
| Infrastructural assets: | | | | |
| - wastewater system | 71,048 | 32,856 | 71,048 | 32,857 |
| - water system | 9,789 | 1,788 | 9,789 | 1,788 |
| - roading network | 36,301 | 36,301 | 36,301 | 36,301 |
| - Airport runway | - | - | - | - |
| - gas network infrastructure | - | - | 225 | 224 |
| Restricted assets: | | | | |
| - land | 19,304 | 19,304 | 19,304 | 19,304 |
| - buildings | 4,712 | 4,712 | 4,712 | 4,712 |
| | 201,770 | 155,588 | 201,995 | 155,813 |
| Fair value through equity reserve | | | | |
| Balance at 1 July | 278 | 256 | 251 | 275 |
| Valuation gains/(losses) taken to equity | 29 | 32 | 16 | (24) |
| Remove Sarjeant equity from Council to Group | - | (10) | - | - |
| Transfers to statement of financial performance on disposal | - | - | - | - |
| Balance at 30 June | 307 | 278 | 267 | 251 |

Notes to the financial statements

For the year ended 30 June 2009

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

| | Council | | Group | |
|---|---------------|---------------|----------------|---------------|
| | 2009 \$000 | 2008 \$000 | 2009 \$000 | 2008 \$000 |
| Surplus/(deficit) after tax | (936) | 146 | (3,124) | 2,010 |
| Add/(less) non-cash items | | | | |
| Share of associate surplus/(deficit) | 1 | (9) | 1 | (9) |
| Depreciation and amortisation expense | 13,239 | 12,284 | 14,553 | 13,447 |
| Vested assets | (255) | (671) | (255) | (671) |
| (Gains)/losses in fair value of biological assets | 349 | 1,044 | 349 | 1,044 |
| (Gains)/losses in fair value of investment property | 114 | (377) | 114 | (377) |
| (Gains)/losses on derivative financial instruments | 3,575 | 867 | 4,655 | 386 |
| (Gains)/losses from held-to-maturity investments | - | (171) | - | (171) |
| (Gains)/losses in fair value of plant, property and equipment | 416 | - | 416 | - |
| Increase/(decrease) in deferred tax | (341) | - | (1,666) | - |
| (Gains)/losses on other investments | 273 | 1,133 | (1) | (611) |
| | 17,371 | 14,100 | 18,166 | 13,038 |
| Add/(less) items classified as investing or financing activities | | | | |
| (Gains)/losses on disposal of property, plant and equipment | 295 | (484) | 297 | (464) |
| | 295 | (484) | 297 | (464) |
| Add/(less) movements in working capital items | | | | |
| Accounts receivable | 78 | 1,561 | (2,980) | 154 |
| Inventories | 107 | 64 | 83 | 90 |
| Accounts payable | (1,946) | 405 | 1,758 | 1,902 |
| Employee benefits | 76 | 261 | 90 | 268 |
| | (1,685) | 2,291 | (1,049) | 2,414 |
| Net cash inflow/(outflow) from operating activities | 15,045 | 16,053 | 14,290 | 16,998 |

25. Capital commitments and operating leases

| | Council | | Group | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | 2009 \$000 | 2008 \$000 | 2009 \$000 | 2008 \$000 |
| Capital commitments | | | | |
| Property, plant and equipment | 7,818 | 12,996 | 7,818 | 12,996 |
| Intangible assets | - | - | - | - |
| Investment property | - | - | - | - |
| Total capital commitments | 7,818 | 12,996 | 7,818 | 12,996 |

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

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 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

| | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2009 \$000 | 2008 \$000 | 2009 \$000 | 2008 \$000 |
| Not later than one year | 26 | 60 | 26 | 60 |
| Later than one year and not later than five years | - | 12 | - | 12 |
| Later than five years | - | - | - | - |
| Total non-cancellable operating leases | 26 | 72 | 26 | 72 |

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2008 \$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 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 has a lease with Ocean Terminals Limited which provides for the rents from Harbour Endowment properties to be paid to the company. WDC pays to the company the net amount of the rents for the current year after deducting costs incurred.

WDC's financial statements include lease expenditure of \$46,214 (2008 \$46,000). The lease expenditure is for vehicles and plant.

Notes to the financial statements

For the year ended 30 June 2009

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 | |
|---|---------------|--------------|---------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Not later than one year | 1,429 | 1,248 | 1,429 | 1,248 |
| Later than one year and not later than five years | 4,018 | 1,786 | 4,018 | 1,786 |
| Later than five years | 6,191 | 690 | 6,191 | 690 |
| Total non-cancellable operating leases | 11,638 | 3,724 | 11,638 | 3,724 |

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

26. Contingencies

| | Council | | Group | |
|-------------------------------------|------------|------------|------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Litigation | 160 | 160 | 160 | 160 |
| Building Act claims | 80 | 100 | 80 | 100 |
| Financial guarantees | - | - | - | - |
| Network guarantee | - | - | 388 | 388 |
| Guarantees | - | - | - | - |
| Other legal proceedings | - | - | - | - |
| Total contingent liabilities | 240 | 260 | 628 | 648 |

RiskPool Insurance

Wanganui District Council obtain public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool up to and including the 30th June 2009. From the 1st July 2009, Wanganui District Council obtains public liability and professional indemnity insurance from QBE. RiskPool operates as mutual fund where each member makes an annual contribution to obtain cover however should claims exceed contributions then calls can be made on the members of that fund year for the shortfall amount. During 2009 a call was advised for \$53,000 for which full provision has been made. RiskPool have advised that further calls of a similar amount may be required for past pool periods. As the amount and timing is uncertain no provision has been made for any future calls.

Notes to the financial statements

For the year ended 30 June 2009

27. Related party transactions

WDC is the ultimate parent of the group and controls six entities, being Wanganui District Council Holdings Limited, which in turn owns Wanganui Gas Limited, Wanganui Incorporated, Wanganui Airport Joint Venture, Cooks Gardens Trust Board, The Sarjeant Gallery Trust and Wanganui District Councils' Forestry Joint Committee.

Related party transactions with subsidiaries, joint ventures or associates

| | Council | |
|---|----------------|--------------|
| | 2009 | 2008 |
| | \$000 | \$000 |
| Wanganui Gas Limited | | |
| Services provided by WDC | 126 | 293 |
| Services provided to WDC | - | 84 |
| Loans payable to WDC | - | - |
| Accounts payable to WDC | 135 | 34 |
| Accounts receivable from WDC | - | 44 |
| Energy Direct NZ Limited | | |
| Services provided by WDC | 117 | - |
| Services provided to WDC | - | - |
| Loans payable to WDC | - | - |
| Accounts payable to WDC | 12 | - |
| Accounts receivable from WDC | - | - |
| GasNet Limited | | |
| Services provided by WDC | 131 | - |
| Services provided to WDC | - | - |
| Loans payable to WDC | - | - |
| Accounts payable to WDC | 14 | - |
| Accounts receivable from WDC | - | - |
| Wanganui District Council Holdings Limited | | |
| Services provided by WDC | - | - |
| Services provided to WDC | 139 | 186 |
| Accounts payable to WDC | - | - |
| Wanganui Incorporated | | |
| Services provided by WDC | 95 | 95 |
| Services provided to WDC | (5) | 61 |
| Loans payable to WDC | - | 341 |
| Accounts payable to WDC | 4 | 107 |
| Accounts receivable from WDC | - | - |
| Wanganui Joint Venture Airport (50% JV) | | |
| Services provided by WDC | 49 | 32 |
| Services provided to WDC | 39 | 8 |
| Loans payable to WDC | 42 | 195 |
| Accounts payable to WDC | - | - |
| Accounts receivable from WDC | 10 | - |
| Cooks Gardens Trust Board | | |
| Services provided by WDC | - | 38 |
| Services provided to WDC | 45 | - |
| Loans payable to WDC | - | 235 |
| Accounts payable to WDC | - | 68 |
| Sarjeant Gallery Trust Board | | |
| Services provided by WDC | 541 | 601 |
| Services provided to WDC | - | 41 |
| Loans payable to WDC | - | - |
| Accounts payable to WDC (includes WDC current account) | 72 | - |
| Wanganui District Council Forestry Joint Committee (95.09% JV) | | |
| Interest paid to WDC | - | - |
| Services provided by WDC | 24 | 30 |
| Services provided to WDC | - | - |
| Loans receivable from WDC | - | - |
| Loans payable to WDC | 1 | 4 |
| Accounts payable to WDC | - | 27 |
| Accounts receivable from WDC | - | - |
| Ruapehu, Wanganui, Rangitikei Economic Development Trust (33% associate) | | |
| Contribution from WDC | 55 | 43 |
| Whanganui River Enhancement Charitable Trust (33% associate) | | |
| Contribution from WDC | - | - |
| New Zealand Masters Games Limited (49% associate) | | |
| Services Provided by WDC | 2 | - |
| Contribution from WDC | 68 | 5 |

Notes to the financial statements

For the year ended 30 June 2009

Transactions with key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the WDC (such as payment of rates, purchase of rubbish bags etc).

WDC purchased contracting services from B Bullock and Co in which Councillor Barbara Bullock's spouse has a shareholding. The value of these services was \$1,269,514 (2008 \$1,675,897). These services were supplied on normal commercial terms. There is a balance of \$494,888 (2008 \$249,793) outstanding for unpaid invoices at year end.

Councillor Barbara Bullock's spouse has a shareholding in Wood Enterprises Limited and the company supplied services to WDC worth \$2,435 (2008 \$4,100). These services were supplied on normal commercial terms. There is a balance of \$498 (2008 \$305) outstanding for unpaid invoices at year end.

Councillor Barbara Bullock's spouse has a shareholding in Bullocks Concrete & Gravel Ltd and the company supplied services to WDC worth \$nil (2008 \$2,136). These services were supplied on normal commercial terms. There is a balance of \$nil (2008 \$nil) outstanding for unpaid invoices at year end.

Councillor Dot McKinnon's company Kingsgate Hotel supplied services to Council worth \$7,970 (2008 \$10,846). These services were supplied on normal commercial terms. There is a balance of \$1,855 (2008 \$nil) outstanding for unpaid invoices at year end.

Councillor Dot McKinnon's Spouses company Moore Law supplied services to Council worth \$1,638 (2008 \$nil). These services were supplied on normal commercial terms. There is a balance of \$nil (2008 \$nil) outstanding for unpaid invoices at year end.

For all Councillors, approval from the Auditor-General was sought prior to contract by WDC.

David Warburton received \$9,474 in his capacity as Director of Wanganui Gas Limited (2008 \$25,000). Councillor Dot McKinnon received \$10,000 (2008 \$13,000) in her capacity as Director of Wanganui District Council Holdings Limited.

A provision has been recognised for impairment of receivables for any loans or other receivables to related parties \$nil (2008 \$34,000).

Key management personnel compensation

| | Council | | Group | |
|--|----------------|--------------|--------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Salaries and other short term employee benefits | 1,557 | 1,487 | 2,353 | 2,618 |
| Post-employment benefits | - | - | - | - |
| Other long-term benefits | - | - | 25 | - |
| Termination benefits | - | - | 121 | 1 |
| | - | - | - | - |
| Total key management personnel compensation | 1,557 | 1,487 | 2,499 | 2,619 |

Key management personnel include the Mayor, Councillors, Chief Executive and other senior management personnel.

Notes to the financial statements

For the year ended 30 June 2009

28. Remuneration

Chief Executive

The Chief Executive received the following remuneration:

| | Group 2009 \$000 | 2008 \$000 |
|---|------------------------|---------------|
| Salary (including WDCHL for 2008) | 216 | 199 |
| Vehicle (market value plus FBT) | 17 | - |
| Parking (market value plus FBT) | - | - |
| Medical insurance (market value plus FBT) | - | - |
| Superannuation subsidy | 3 | - |
| Total remuneration | 236 | 199 |

Of the salary paid to the Chief Executive, \$32,281 was paid to David Warburton, \$46,154 was paid to Kevin Ross while he was Acting Chief Executive, and \$137,448 was paid to Kevin Ross after being appointed Chief Executive.

In terms of his contract, the Chief Executive also received professional subscriptions of \$nil (2008 \$260).

Elected representatives

Elected representatives received the following remuneration:

| | Council 2009 \$000 | 2008 \$000 | WGL/WDCHL 2009 \$000 | 2008 \$000 |
|-----------------------------------|--------------------------|---------------|----------------------------|---------------|
| Mayor Michael Laws (includes car) | 81 | 82 | - | - |
| Deputy Mayor Dot McKinnon | 44 | 43 | 10 | 13 |
| Councillor Barbara Bullock | 26 | 29 | - | - |
| Councillor Sue Westwood | 27 | 29 | - | - |
| Councillor Randhir Dahya | 27 | 28 | - | - |
| Councillor Nicki Higgie | 26 | 30 | - | - |
| Councillor Danny Jonas | 26 | 19 | - | - |
| Councillor Rana Waitai | 27 | 19 | - | - |
| Councillor Ray Stevens | 35 | 32 | - | - |
| Councillor Rangī Wills | 26 | 31 | - | - |
| Councillor Philippa Baker-Hogan | 26 | 30 | - | - |
| Councillor Allan Anderson | 28 | 11 | - | - |
| Councillor Murray Hughes | - | 9 | - | - |
| Councillor Marty Lindsay | - | 23 | - | - |
| Councillor Don McGregor | - | 10 | - | - |
| Councillor Rob Vinsen | 27 | - | - | - |
| Rural Community Board | | | | |
| Andrew Collins | 9 | 9 | - | - |
| Shaun Forlong | 6 | 6 | - | - |
| Mark Lourie | 5 | 4 | - | - |
| David Matthews | 5 | 4 | - | - |
| Brian Maude | 5 | 2 | - | - |
| Peter Molan | 5 | 6 | - | - |
| Alan Taylor | 6 | 6 | - | - |
| S A Ross (nee Wickham) | - | 2 | - | - |
| Steve Anstis | - | 4 | - | - |
| | 469 | 468 | 10 | 13 |

29. Severance payments

Severance payments were made to two employees during the year. The payment amounts totalled \$8,565. (2008 seven payments totalling \$88,447).

30. Events after the balance date

Council are progressing a local bill initiative that may affect the future policy of the Sea port activity

There were no other significant events after balance date.

Notes to the financial statements

For the year ended 30 June 2009

31. Financial instruments

Financial instrument categories

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

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2009 \$000 | 2008 \$000 | 2009 \$000 | 2008 \$000 |
| Financial assets | | | | |
| Fair value through profit and loss | | | | |
| Derivative financial instrument assets | 75 | 387 | (899) | 489 |
| Loans and receivables | | | | |
| Cash and cash equivalents | 7,361 | 11,967 | 8,618 | 13,153 |
| Debtors and other receivables | 5,681 | 5,759 | 12,597 | 9,622 |
| Held to maturity | | | | |
| National Bank Subordinated Bonds | - | 515 | - | 515 |
| Toyota Bonds | - | 989 | - | 989 |
| Fair value through equity | | | | |
| Other financial assets: | | | | |
| - unlisted shares | 418 | 417 | 418 | 417 |
| - listed shares | - | - | 51 | 56 |
| Government Indexed Bonds* | 679 | 651 | 679 | 651 |
| Sinking funds* | 61 | 58 | 61 | 58 |
| Financial liabilities | | | | |
| Fair value through profit and loss | | | | |
| Derivative financial instrument liabilities | 3,733 | 470 | 3,733 | 470 |
| Other financial assets | 10,987 | 11,368 | 716 | 765 |
| Financial liabilities at amortised cost | | | | |
| Creditors and other payables | 8,724 | 12,410 | 16,961 | 16,996 |
| Borrowings: | | | | |
| - secured loans | 72,800 | 66,807 | 91,318 | 82,825 |

*The early sale of some 'held to maturity' Bonds requires other investments to be reclassified as 'fair value through equity'

32. 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 the 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 2009 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the fair value through equity reserve by \$3,255 (2008 \$10,750). If interest rates on borrowings at 30 June 2009 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$364,000 (2008 \$45,000) as a result of higher/lower interest expense on floating-rate borrowings.

Notes to the financial statements

For the year ended 30 June 2009

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 Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers. Council 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.

Maximum exposure to credit risk

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

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Cash at bank and term deposits | 7,361 | 11,967 | 8,618 | 13,153 |
| Debtors and other receivables | 5,681 | 5,759 | 12,597 | 9,622 |
| Derivative financial instrument assets | 75 | 387 | (899) | 489 |
| Total credit risk | 13,117 | 18,113 | 20,316 | 23,264 |

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 | |
|---|--------------|---------------|--------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | \$000 | \$000 | \$000 | \$000 |
| Counterparties with credit ratings | | | | |
| Cash at bank and term deposits: | | | | |
| AA | 7,361 | 11,967 | 8,618 | 13,153 |
| AA- | - | - | - | - |
| <i>Total cash at bank and term deposits</i> | <i>7,361</i> | <i>11,967</i> | <i>8,618</i> | <i>13,153</i> |
| Derivative financial instrument assets: | | | | |
| AA | 75 | 387 | (899) | 489 |
| AA- | - | - | - | - |
| <i>Total derivative financial instrument assets</i> | <i>75</i> | <i>387</i> | <i>(899)</i> | <i>489</i> |

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

Notes to the financial statements

For the year ended 30 June 2009

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 13 and 21 respectively.

In meeting its liquidity requirements, WDC maintains a target level of investments that must mature within the next 12 months. WDC manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the WDC's Long Term Council Community Plan.

Contractual maturity analysis of financial liabilities

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

| | Carrying amount and contractual cash flows \$000 | Less than 1 year \$000 | 1-2 years \$000 | 2-5 years \$000 | More than 5 years \$000 |
|------------------------------|--|------------------------|-----------------|-----------------|-------------------------|
| Parent 2009 | | | | | |
| Creditors and other payables | 8,724 | 8,724 | - | - | - |
| Secured loans | 85,781 | 14,804 | 23,679 | 36,630 | 10,668 |
| Finance leases | 72 | 60 | 12 | - | - |
| Total | 94,577 | 23,588 | 23,691 | 36,630 | 10,668 |
| Group 2009 | | | | | |
| Creditors and other payables | 16,961 | 16,961 | - | - | - |
| Secured loans | 101,974 | 17,216 | 23,679 | 50,411 | 10,668 |
| Finance leases | 72 | 60 | 12 | - | - |
| Total | 119,007 | 34,237 | 23,691 | 50,411 | 10,668 |
| Parent 2008 | | | | | |
| Creditors and other payables | 12,410 | 12,410 | - | - | - |
| Secured loans | 81,360 | 13,601 | 14,101 | 53,609 | 50 |
| Finance leases | 190 | 117 | 72 | - | - |
| Total | 93,960 | 26,128 | 14,173 | 53,609 | 50 |
| Group 2008 | | | | | |
| Creditors and other payables | 16,996 | 16,997 | - | - | - |
| Secured loans | 100,240 | 19,592 | 16,362 | 62,190 | 2,096 |
| Finance leases | 210 | 123 | 78 | - | 8 |
| Total | 117,446 | 36,712 | 16,440 | 62,190 | 2,104 |

Notes to the financial statements

For the year ended 30 June 2009

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 |
|-------------------------------|--|------------------------------|--------------------|-------------------------------|
| Parent 2009 | | | | |
| Cash and cash equivalents | 7,361 | 7,361 | | |
| Debtors and other receivables | 5,681 | 5,681 | | |
| Net settled derivative assets | - | - | | |
| Other financial assets: | | | | |
| - term deposits | - | - | | |
| - related party loans | - | - | | |
| Total | 13,042 | 13,042 | - | - |
| Group 2009 | | | | |
| Cash and cash equivalents | 8,618 | 8,618 | | |
| Debtors and other receivables | 12,597 | 12,597 | | |
| Net settled derivative assets | - | - | | |
| Other financial assets: | | | | |
| - term deposits | - | - | | |
| - related party loans | - | - | | |
| Total | 21,215 | 21,215 | - | - |
| Parent 2008 | | | | |
| Cash and cash equivalents | 11,967 | 11,967 | | |
| Debtors and other receivables | 5,759 | 5,759 | | |
| Net settled derivative assets | - | - | | |
| Other financial assets: | | | | |
| - term deposits | - | - | | |
| - related party loans | - | - | | |
| Total | 17,726 | 17,726 | - | - |
| Group 2008 | | | | |
| Cash and cash equivalents | 13,153 | 13,153 | | |
| Debtors and other receivables | 10,112 | 10,112 | | |
| Net settled derivative assets | - | - | | |
| Other financial assets: | | | | |
| - term deposits | - | - | | |
| - related party loans | - | - | | |
| Total | 23,265 | 23,265 | - | - |

Notes to the financial statements

For the year ended 30 June 2009

Sensitivity analysis

The tables below illustrate the potential profit and loss 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.

Parent

2009 \$000

Interest rate risk

Financial assets

Cash and cash equivalents
Derivatives
Other financial assets:

Financial liabilities

Borrowings:
- bank overdraft
- term loans

Total sensitivity to interest rate risk

| | Profit | - 100bps Other Equity | Profit | + 100bps Other Equity |
|--|--------------|-----------------------------|------------|-----------------------------|
| Cash and cash equivalents | (74) | | 74 | |
| Derivatives | (1) | | 1 | |
| Other financial assets: | | | | |
| Borrowings: | | | | |
| - bank overdraft | - | | - | |
| - term loans | (728) | | 728 | |
| Total sensitivity to interest rate risk | (803) | - | 803 | - |

Parent

2008 \$000

Interest rate risk

Financial assets

Cash and cash equivalents
Derivatives
Other financial assets:
Toyota bonds

Financial liabilities

Borrowings:
- bank overdraft
- term loans

Total sensitivity to interest rate risk

| | Profit | - 100bps Other Equity | Profit | + 100bps Other Equity |
|--|--------------|-----------------------------|------------|-----------------------------|
| Cash and cash equivalents | (120) | | 120 | |
| Derivatives | (4) | | 4 | |
| Other financial assets: Toyota bonds | | 10 | | (10) |
| Borrowings: | | | | |
| - bank overdraft | - | | - | |
| - term loans | (668) | | 668 | |
| Total sensitivity to interest rate risk | (792) | 10 | 792 | (10) |

Group

2009 \$000

Interest rate risk

Financial assets

Cash and cash equivalents
Derivatives
Other financial assets:

Financial liabilities

Borrowings:
- bank overdraft
- term loans

Total sensitivity to interest rate risk

| | Profit | - 100bps Other Equity | Profit | + 100bps Other Equity |
|--|--------------|-----------------------------|------------|-----------------------------|
| Cash and cash equivalents | (86) | | 86 | |
| Derivatives | (1) | | 1 | |
| Other financial assets: | | | | |
| Borrowings: | | | | |
| - bank overdraft | - | | - | |
| - term loans | (554) | | 554 | |
| Total sensitivity to interest rate risk | (641) | - | 641 | - |

Group

2008 \$000

Interest rate risk

Financial assets

Cash and cash equivalents
Derivatives
Other financial assets:
Toyota bonds

Financial liabilities

Borrowings:
- bank overdraft
- term loans

Total sensitivity to interest rate risk

| | Profit | - 100bps Other Equity | Profit | + 100bps Other Equity |
|--|--------------|-----------------------------|------------|-----------------------------|
| Cash and cash equivalents | (126) | | 126 | |
| Derivatives | (5) | | 5 | |
| Other financial assets: Toyota bonds | | 10 | | (10) |
| Borrowings: | | | | |
| - bank overdraft | - | | - | |
| - term loans | (828) | | 828 | |
| Total sensitivity to interest rate risk | (959) | 10 | 959 | (10) |

Notes to the financial statements For the year ended 30 June 2009

33. Cost of Service statements reconciliation

| | Community Facilities \$000 | Community Support \$000 | Governance \$000 | Transport \$000 | Water \$000 | Investments Management \$000 | Corporate Management \$000 | Other* | Total \$000 |
|--------------------------------------|----------------------------------|-------------------------------|---------------------|--------------------|----------------|---------------------------------|----------------------------------|--------------|----------------|
| Revenue | | | | | | | | | |
| User Fees and Other Revenue | 2,643 | 3,017 | 1 | 591 | 3,609 | 2,416 | 760 | 303 | 13,340 |
| Subsidies | 118 | 54 | - | 11,493 | - | - | - | - | 11,665 |
| Total non rates revenue | 2,761 | 3,071 | 1 | 12,084 | 3,609 | 2,416 | 760 | 303 | 25,005 |
| Operating expenses | | | | | | | | | |
| Operating expenses | 9,839 | 6,157 | 1,230 | 6,349 | 6,954 | 2,415 | 6,284 | 4,637 | 43,865 |
| Debt servicing - Interest | 948 | 192 | 13 | 322 | 3,251 | (16) | 114 | - | 4,824 |
| Depreciation | 1,916 | 285 | 26 | 4,512 | 5,576 | 224 | 700 | - | 13,239 |
| Council overhead | 2,084 | 1,379 | 220 | 527 | 1,324 | 500 | (6,034) | - | - |
| Total operating expenses | 14,787 | 8,013 | 1,489 | 11,710 | 17,105 | 3,123 | 1,064 | 4,637 | 61,928 |
| Non funded depreciation | (1,916) | (285) | (26) | (4,512) | (5,576) | (224) | (700) | - | (13,239) |
| Operational rates requirement | 10,110 | 4,657 | 1,462 | (4,886) | 7,920 | 483 | (396) | 4,334 | 23,684 |
| Capital acquisitions | 467 | 216 | 25 | 2,523 | 9,888 | 685 | 217 | - | 14,021 |
| Capital replacements | 1,540 | 2 | - | 8,334 | 2,961 | 283 | 425 | - | 13,545 |
| Total Capital Expenditure | 2,007 | 218 | 25 | 10,857 | 12,849 | 968 | 642 | | 27,566 |
| Total funding requirement | 12,117 | 4,875 | 1,487 | 5,971 | 20,769 | 1,451 | 246 | | 46,916 |
| Transfers (to)/from special funds | 82 | (45) | - | (89) | 40 | 1,034 | (655) | | 367 |
| New loans/(loans repaid) | 835 | (559) | 170 | 810 | 7,338 | 943 | 402 | | 9,939 |
| Total capital funding | 917 | (604) | 170 | 721 | 7,378 | 1,977 | (253) | | 10,306 |
| Rate Requirement | 11,200 | 5,479 | 1,317 | 5,250 | 13,391 | (526) | 499 | | 36,610 |

*Other is made up of non funded items including Gains/(loss) on sale of assets and financial instruments

Notes to the financial statements

For the year ended 30 June 2009

34. 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 Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act 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 LTCCP.

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.

35. Prior period error disclosure

WDC recognised an error in treatment of a property transaction in the 2007/08 financial statements. An amount of \$1,675,000 relating to a property transaction was held in deposits at 30 June 2008. The gain on sale, vested assets income was not recognised in the correct reporting period. Under NZ IAS 8 paragraph 42 (a) where a material prior period error is discovered, the entity shall correct the prior period error by restating the amounts of the prior period.

To correct the prior period error in the 2008/09 financial statements:

- The gains recognised in the 2007/08 statement of financial performance have been increased by \$851,000 and other income recognised in the 2007/08 statement of financial performance has been increased by \$640,000, increasing total income to \$59,111,000 (Group \$103,667,000) and the surplus before tax to \$114,000 (Group \$191,000) and after tax to \$146,000 (Group \$2,009,000).
- The comparatives for Surplus/(deficit) for the year in the statement of changes in equity, will increase by \$1,491,000 to \$146,000 (Group \$2,009,000).
- The net surplus included in retained earnings for 2007/08 has been increased by \$1,491,000 increasing the closing 2007/08 retained earnings balance to \$524,971,000 (Group \$528,991,000).
- Deposits and bonds for 2007/08 have been reduced by \$1,675,000 to \$2,139,000 (Group \$2,139,000)
- Plant, property and equipment for 2007/08 have been reduced by \$224,000 to \$782,097,000 (Group \$809,839,000)
- Revaluation reserves for 2007/08 have been reduced by \$40,000 to \$201,770,000 (Group \$201,994,000)

Notes to the financial statements

For the year ended 30 June 2009

36. Explanation of major variances to budget

Income

Rates revenue is 0.8% higher due to growth in the rating base. Finance income is 35% lower due to lower than predicted investment interest rates during the year, as the OCR rate reduced from 8.25% to 2.5%. Other revenue is 11% higher due to more Land Transport New Zealand subsidies received as a result of mostly flood damage capital works being carried forward from last year, giving additional subsidy of \$2.7M. Losses on revaluations of 114K were not budgeted.

Expenditure

Depreciation and amortisation expense is 29% higher due to large revaluations of Infrastructure assets in June 2008, not included in the Annual Plan model. Finance costs are 14% lower due to the lower cost of borrowing and proactive interest rate risk management. Other expenses are 19% or \$5.2M higher.

\$4.9M of the increase relates to non-cash devaluations of property, plant and equipment, forestry, and derivative financial instruments not budgeted for. The remaining increase of 300K is contributed to by energy cost rises and inflationary rises for contract payments. Operating expenditure variances were reforecasted during the year.

The variance of \$4.5M between the budgeted surplus of \$4.0M and the actual deficit of \$0.5M is mainly due to non-cash devaluation items processed as expenditure at year end, partially offset by increased Land Transport New Zealand subsidies received.

Assets

Cash and cash equivalents are \$6.3M higher due to borrowings taken in advance and invested in the money market at favorable rates. Property, plant and equipment has been revalued leading to the \$103M variance. Forestry assets and investment property were devalued due to market conditions.

Liabilities

Borrowings were higher than budget by \$2.0M. This was mainly due to the Water Softening project being brought forward following the bore failure mid-year.

Vision, mission and values & a Family-friendly future

Council's vision

Wanganui – a vibrant and prosperous community

Council's mission

To enhance the quality of life in Wanganui through a proactive approach to:

- Promoting a positive image of Wanganui as a great place to live and visit
- Developing quality amenities and recreational facilities
- Encouraging economic prosperity

Council's values

Leadership – to provide leadership for the community and to advocate on its behalf
Community stewardship – to effectively and efficiently manage community facilities and resources
Participatory democracy – to consult with the community to identify needs and determine priorities for allocating resources
Regional cooperation – to work with our regional partners
Accountability to ratepayers – to balance the provision of services with the community's ability to pay

Council's strategic direction

We aim to take a sustainable development approach in promoting the wellbeing of the community. This means we'll promote development which meets the needs of the present without compromising the ability of future generations to meet their own needs. For communities to flourish they need a secure livelihood, a safe and healthy environment, happiness and fulfilment.

The four dimensions of community wellbeing include: **Social, Economic, Environmental** and **Cultural**. These are defined as:

Social wellbeing – relates to education, health, financial and personal security, the strength of community networks and associations, rights and freedoms and levels of equity.

Economic wellbeing – relates to the ability of the economy to generate the employment and wealth which enables communities to afford the goods and services they desire.

Environmental wellbeing – relates to the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.

Cultural wellbeing – relates to the shared beliefs, values, customs, behaviours and identities reflected through language, stories, experiences, visual and performing arts, ceremonies, heritage and sports.

Outcomes and strategies

| | |
|--|--|
| <p>Social wellbeing – An educated, safe and healthy community enjoying civil and political rights</p> | <p>Diverse and quality educational opportunities</p> <ul style="list-style-type: none"> ○ Assist with the development of educational opportunities and facilities <p>A safe and healthy community</p> <ul style="list-style-type: none"> ○ Enhance community safety ○ Provision of services and facilities to support physical activity and promote health ○ Advocate for retention of community healthcare services ○ Complete the Wastewater Project <p>Community involvement in their future</p> <ul style="list-style-type: none"> ○ Set the standards for the community and take a proactive approach ○ Internal and regional co-operation ○ Involve Iwi and the wider community in decision-making ○ Involve youth in Council decision-making processes |
| <p>Economic wellbeing – A growing economy</p> | <p>A growing business sector</p> <ul style="list-style-type: none"> ○ Support new and existing businesses ○ Liaise with the wealth generators ○ Prevent population decline <p>A vibrant tourism sector</p> <ul style="list-style-type: none"> ○ Support the development of the tourism product ○ Take a lead role and effectively promote attractions and events ○ Continue to develop an improved Wanganui image <p>Improved standard of services and infrastructure to support growth</p> <ul style="list-style-type: none"> ○ Develop services and infrastructure to support sustainable growth ○ Improve access to the Central Business District (CBD) and amenities |
| <p>Environmental wellbeing – Quality built and natural environment</p> | <p>A clean city</p> <ul style="list-style-type: none"> ○ Improve the overall cleanliness and visual appearance of the District ○ Promote responsible resource use, including waste minimisation and recycling, as appropriate for the community <p>A clean and accessible river and coast enjoyed by the community</p> <ul style="list-style-type: none"> ○ Enhancement of the Whanganui River waterfront ○ Develop the scenic value of the beach and improve recreational opportunities <p>Improved energy efficiency</p> <ul style="list-style-type: none"> ○ To remain aware of energy and climate issues that may affect the community |

| | |
|---|---|
| Cultural wellbeing – Strong cultural identity | Recognition as a great place to live and visit <ul style="list-style-type: none">○ Integration of the cultural precinct○ Promotion of heritage and use of heritage buildings○ Work with the arts sector High standard of amenities and recreational opportunities <ul style="list-style-type: none">○ Develop and prudently manage our recreational and sports facilities |
|---|---|

In August 2008 Council resolved to adopt a Family-friendly Strategy to ensure that the enhancement of Wanganui as a family-friendly place was at the core of all future planning and policy. This vision is about delivering quality of life for existing residents, while also attracting new people to the district. It comprises the following strategic goals:

Family-friendly Wanganui - the preferred place for my family home where the community enjoys:

1. Economic opportunities
2. A good image and sense of identity
3. A safe community
4. Good health care services
5. Connectivity
6. Community networks
7. Quality educational opportunities
8. Quality and affordable housing in contemporary family neighbourhoods
9. Access to recreational and cultural activities

This new strategic underpinning was communicated through the Council's 10-Year Plan 2009-2019 and will steer the district's continued development. A Community Outcomes review process was also enacted during this period and revised outcomes were finalised in October 2008. These outcomes also inform Council's strategic plan and will be reflected in planning and service delivery.

Our plans and our reporting

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

Under the Local Government Act 2002 (the Act), Council is required to adopt a 10-Year Plan (Long-term Council Community Plan) every three years. In the year in which a 10-Year Plan is prepared, the first year of the Plan becomes the Annual Plan for that year. In the intervening years, years two and three after the 10-Year Plan is adopted, an Annual Plan must be produced.

The Annual Plan 2008/09 and 10-Year Plan 2006-2016

This Annual Report is reporting on the Annual Plan 2008/09. The Annual Plan 2008/09 is Council's annual budget document, which aligns with year three of Council's 10-Year Plan 2006-2016. Council received 106 submissions to the draft Annual Plan 2008/09. On 22 May 2008 Council heard 39 of these submissions. All submissions, both written and oral, were considered by Council at its deliberation meeting on 5 June 2008. Council adopted the Annual Plan 2008/09 in June 2008.

The 10-Year Plan 2006-2016 was published for public consultation from 10 April to 12 May 2006. The Council received 207 submissions and heard these submissions at a meeting on 29 May 2006. 50 submitters chose to present oral submissions. The Council deliberated on the submissions on 6 June 2006. On 29 June 2006 the 10-Year Plan was adopted.

Changes to the rating basis for the Waste minimisation activity triggered an amendment to the Revenue and Financing Policy in the 10-Year Plan 2006-2016. This amendment was undertaken via the Annual Plan 2008/09

Annual Report

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

- Compare actual activities and actual performance with the intended level of activity and performance as set out in the 10-Year Plan and Annual Plan.
- Promote accountability of the local authority to the community for decisions made throughout the year.

The report must contain:

| | |
|--|---|
| <p>In relation to each group of activities</p> | <ul style="list-style-type: none"> • The activities included within the group. • The Community Outcomes to which the group primarily contributes. • The result of any measurement undertaken during the year on progress towards the achievement of the Community Outcomes. • A description of any identified effects that any activity within the group has had on the social, economic, environmental or cultural wellbeing of the community. • An audited statement of service provision, comparing intended levels with actual levels and giving the reasons for any significant variance between actual and intended levels. <p>An audited statement of any significant new or replacement assets in the year to which the report relates, with reasons for acquisition or replacement and explaining any significant variation between budgeted cost and actual cost</p> |
|--|---|

| | |
|--|--|
| <p>A report on each Council Controlled Organisation</p> | <ul style="list-style-type: none"> • The extent to which each Council Controlled Organisation has attained the Council's policies and objectives. • A comparison between the actual and intended nature and scope of the organisation. • A comparison between actual performance and key performance targets. |
| <p>Audited financial statements for core and consolidated Council.</p> | |
| <p>Remuneration paid to elected representatives and the chief executive.</p> | |
| <p>Information relating to severance payments to the chief executive and any other staff.</p> | |
| <p>A statement that the requirements of the Act in relation to the Annual Report have been complied with.</p> | |
| <p>A report on the activities the Council has undertaken to establish and maintain processes to provide opportunities for Maori to contribute to the decision-making process of Council.</p> | |

Groups of activities

Overview

The Council's activities fall into seven groups: Community facilities; Community support; Governance; Investments; Land transportation; Water; and Corporate.

Community facilities

This group incorporates those activities which serve as facilities for use by the community.

| | |
|--|----------------------------|
| Cemeteries | Regional Museum |
| Central Business District services (maintenance) | Royal Wanganui Opera House |
| Community buildings and rural halls | Sarjeant Gallery |
| Library | Sports grounds |
| Minor transport | Cooks Gardens |
| Parks and reserves | Swimming pools |
| Pensioner housing | War Memorial Hall |

The Community facilities group primarily contributes to the following Community Outcomes:

- A growing economy
- Diverse and quality educational opportunities
- A safe and healthy community
- Recognition as a great place to live and visit
- Development of amenities and recreational opportunities

Community support

This group includes those activities which act as services for the support of the community.

| | |
|-----------------------|----------------------|
| Community development | Environmental policy |
| Economic development | Regulatory services |
| Emergency management | Waste minimisation |
| Parking | |

The Community support group primarily contributes to the following Community Outcomes:

- A growing economy
- Diverse and quality educational opportunities
- A safe and healthy community
- Recognition as a great place to live and visit
- Development of amenities and recreational opportunities
- People working together

Governance

This group represents the Governance and democracy activity. This activity serves a delivery and support function for Council's democratic processes and also assists Council's elected members.

Governance and democracy

The Governance group primarily contributes to the following Community Outcomes:

- People working together

Investments

This group relates to and supports Council's investment activity.

| | |
|-------------|----------|
| Investments | Property |
|-------------|----------|

The Investments group primarily contributes to the following Community Outcomes:

- A growing economy
- Development of amenities and recreational opportunities

Land transportation

This group includes those activities which support transportation by land for vehicular traffic, cyclists and pedestrians.

| | |
|----------|---------|
| Pathways | Roading |
|----------|---------|

The Land Transport group primarily contributes to the following Community Outcomes:

- A growing economy
- A safe and healthy community

Water

This group includes all those activities which constitute Council's water services.

| | |
|--------------------------------|-------------------------|
| Stormwater | Water supply |
| Wastewater | Whanganui River control |
| Waterways and natural drainage | |

The Water group primarily contributes to the following Community Outcomes:

- A safe and healthy community
- Development of amenities and recreational opportunities
- Development of the full cultural and environmental potential of the Whanganui River

Corporate

This group includes the activities that make up and assist the internal running of Council and the delivery of other Council functions.

| |
|----------------------|
| Corporate management |
|----------------------|

The Corporate group primarily contributes to the following Community Outcomes:

- People working together

Progress made towards the achievement of the Community Outcomes

The Local Government Act 2002 requires the Council to report on progress towards achieving the Community Outcomes at least once every three years. A Community Outcomes Survey was undertaken in December 2006 and a report on progress towards the achievement of the outcomes was provided in June 2007.

This report was tasked with detailing:

- The work that the Council and other participating key stakeholders had undertaken in an effort to best meet the outcomes specific to the Wanganui community;
- Measuring the state of Wanganui's current social, cultural, environmental and economic wellbeing; and
- Forecasting planned projects and priorities that may impact on Community Outcomes into the future.

In order to accurately monitor this progress, each outcome was assigned a number of monitoring indicators. The indicators are a mixture of qualitative and quantitative measures and were developed in consultation with key stakeholders as part of the action planning process. Data collection has been an ongoing process and is recorded in Council's Interplan database. The reporting for this Annual Report is based upon both the updated statistics gathered and the contribution Council has made through its work programmes.

During 2008 the Community Outcomes were reviewed and in 2009 these new outcomes were incorporated into the 10-Year Plan 2009-19.

An ongoing process of reviewing and revising monitoring procedures is necessary to ensure the required outcomes are being met. Monitoring over time will confirm the appropriateness of the existing activities, or may identify the need to make changes in order to improve their effectiveness.

Ongoing review of Council's partner organisations in the Community Outcomes process will also be undertaken to ensure effective practices of community collaboration and to most broadly reflect the achievements of the Wanganui District.

Indicators of a growing economy

| | |
|---------------------------------------|---|
| Age structure | <p>Population aging is occurring. This is reflected in a decline in the 15 to 39 age bracket – down 3,000 (22%) between 1996 and 2006 – and an increase in those aged 65+ - up 600 (9%). A further 22% decline across the 15-39 age group is projected by 2031, with a 63% increase in those 65 or older.</p> <p>Wanganui's median age is expected to increase from 39.6 in 2006 to 42 years by the 2011 Census. The national median age sat at 35.9 years in 2006.</p> |
| Growth in number of businesses | <p>Growth in the number of businesses continued into the 2008/09 period. This figure totalled 3,174 in 2006/07, 3,930 in 2007/08 and 4,144 in 2008/09.</p> |
| Population | <p>Wanganui's estimated resident population dropped from 43,600 in 2007 to 43,400 in 2008, representing a projected loss of 200 residents.</p> |
| Retail sales | <p>Annual retail sales suffered a downturn of 11.1% when compared to the previous period. This saw sales drop from \$720.1M in 2007/08 to \$667.4M in 2008/09.</p> |
| Tourism | <p>Guest night figures in 2008/09 represented an increase of 1,842 on those for the 2007/08 period, growing to 199,709. This surpasses the target of 199,500 and may be attributed in part to the Masters Games which was held in January 2009.</p> <p>Guest arrivals declined from 115,640 during the 2007/08 period to 98,757 in 2008/09.</p> |
| Unemployment | <p>Unemployment benefit recipients in the Wanganui / Waverley area grew between 2007/08 and 2008/09. Although this number had dropped between June 2007 and June 2008 (from 834 to 619), by June 2009 it had risen again to 847.</p> <p>This trend is true of the wider employment status of New Zealand.</p> |

Council actions that have contributed to 'A growing economy'

| | |
|-----------------------------|--|
| Economic development | <p>Economic development functions continued to enhance the economic and social wellbeing of the community through general measures such as:</p> <p><i>WINC</i></p> <ul style="list-style-type: none"> • Supporting government programmes – for example the Young Enterprise Scheme • Ownership of the Private Training Establishment, Wanganui Educational Institute (WEI), and management of the Wanganui Glass School • Coordinating externally funded economic development |
|-----------------------------|--|

| | |
|---------------------------------|---|
| | <ul style="list-style-type: none"> contracts – e.g. the Glass Development Project • Delivery of the NZTE Enterprise Training Programme • Delivery of the NZTE BIZ information service • Participation in the regional economic development entity – Enterprise Mid West <p><i>Council</i></p> <ul style="list-style-type: none"> • Support for infrastructure growth – e.g. broadband • Support for business development and growth • Support for the Skilled Worker Attraction Programme (SWAP) – promoting Wanganui to skilled workers overseas (there were 82 enquiries for the 2008/09 year and one move to Wanganui) • Re-establishing and operating the Conference Bureau – encouraging organisations to hold conferences in Wanganui and publishing the Wanganui Conference Guide • Marketing Wanganui nationally and internationally • Operating ĩSite • Support for events aimed at attracting visitors to Wanganui • Assisting with the development of the Cemetery Circuit • Operating the Film Liaison Office – promoting Wanganui as a film-friendly destination and coordinating film approval applications • Coordinating the Impact Fund – supporting events that provide economic benefit to the community <p>Other economic development work has included:</p> <ul style="list-style-type: none"> • Commencement of the business forum • Development of an investment group for Wanganui • Attendance at Wanganui Chamber of Commerce events and interaction with the Chamber on issues of significance • Development of Wanganui.com as Wanganui’s visitor portal • Drafting of a revised Economic Development Strategy • Participation in the Major Regional Initiative – Te Kahui Tupua • Publication of the Wanganui Visitor Guide |
| <p>Conference Bureau</p> | <p>The Wanganui Conference Bureau provided assistance to 12 conferences that were either held or booked during the 2008/09 year. Support included referrals to venues and service providers, advice on funding, assistance with bid preparation and provision of collateral – for example visitor guides and maps. The Bureau also provided venue options for smaller meetings and seminars.</p> <p>The Bureau was represented at the Central Conference Expo in March 2009 and produced a Wanganui Conference Guide to facilitate the marketing of Wanganui as a premier regional conference destination.</p> |
| <p>ĩSite recognition</p> | <p>In September 2008 Wanganui’s ĩSite was recognised with two national awards – the InterCity (Coaches) Award for Agent of the Year and the Interislander Award for Most Pro-Active Agent (North Island). This represented the first time in the 12 year history of the Awards that that any ĩSite had been acknowledged with both of these awards in the same period.</p> |

| | |
|---|--|
| <p>Ī-Site move</p> | <p><i>Referendum '09</i> was held in May 2009. It canvassed public opinion on six key issues, including whether Wanganui's Ī-Site should be relocated to the Moutoa Quay / Riverfront area. Nearly 60% of voters supported this proposal and Council communicated its intention to pursue this option through the 10-Year Plan 2009-2019. As a result, the relocation's capital cost of \$1.03M will be spread over years 2009/10 and 2010/11.</p> |
| <p>Image and Promotion Working Party</p> | <p>The Image and Promotion Working Party was established following the Council's workshop on 16 January 2009. It held its first meeting in March 2009 and is tasked with the following responsibilities:</p> <ul style="list-style-type: none"> • Tourism • Major Regional Initiative (MRI) • Visitor Strategy • Ī-Site Information Centre and its relocation • Events • Promotion • Impact Fund <p>Membership comprises Crs Dot McKinnon (Chair), Allan Anderson (Deputy Chair) and Rob Vinsen as well as co-opted persons with an interest or involvement in Wanganui's visitor industry. Development of a draft Visitor Strategy and the delivery of a national Perceptions of Wanganui survey have been key considerations over the 2008/09 period.</p> |
| <p>Perceptions Survey</p> | <p>A nationwide survey was undertaken in March 2009 to obtain insight into how people view Wanganui over a range of quality of life indicators, with some specific questions around tourism / visiting Wanganui, image, employment and desire to relocate. This data was then used to inform and support the drafting of a Visitor Strategy, as well as an accompanying targeted marketing plan. The survey canvassed 766 respondents and sought to target both Wanganui's traditional visitor regions (Wellington, Taranaki, Manawatu and Auckland) as well as other key centres. Analysis of these results suggested a platform of opportunity. This is because most respondents indicated an interest in the type of landscape features and outdoor attractions that Wanganui naturally possesses but also suggested that Wanganui's visitor value had yet to penetrate the wider New Zealand visitor market.</p> |
| <p>Family-friendly Strategy</p> | <p>In August 2008 Council unanimously resolved that a family-friendly philosophy should be at the core of all future planning and policy, with the resultant adoption of a Family-friendly Strategy. This strategy reflects this Council's focus on enhancing Wanganui as a family-friendly place in an effort to ensure quality of life for existing residents, as well as to attract new people to the district. Economic opportunities are a core element of this strategy and will be pursued in the following ways:</p> <ul style="list-style-type: none"> • Identify and develop economic development initiatives • Improve business and industry growth, investments and performance • Facilitate training and education opportunities • Promote and support the tourism sector / Regional Tourism Organisation functions |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Promote and support events • Encourage and support the uptake of technology that assists economic development |
| Growth Strategy | Council has developed a draft Growth Strategy for Wanganui that will future-proof the district and assist new businesses and industries to locate a site with the appropriate infrastructure and services necessary for their activities. The draft Growth Strategy identifies key areas for infrastructure development and has a strong focus on compact business and industrial zones that have excellent transport and communication links. Consultation on this draft will be undertaken in conjunction with the District Plan review process. |
| Masters Games | Wanganui hosted the Masters Games from 30 January to 8 February 2009. Approximately 6,000 competitors participated across 63 sports. |
| Broadband access | <p>Council initiated a number of steps towards enhanced broadband access in the 2008/09 year. These efforts were predicated on the fact that Wanganui currently suffers from a lack of affordable, high speed and high capacity broadband and that this is negatively affecting the district's schools, businesses and industry – as well as the public sector. As a result, the Council:</p> <ul style="list-style-type: none"> • Submitted a successful bid to the former Government's Broadband Investment Fund and is now continuing work to ensure the rapid introduction of affordable, ultra-fast broadband to the District. • Produced a Draft Broadband Strategy • Is working with interested parties to develop an open access, affordable broadband network • Has developed its own wireless infrastructure • Is trialing an extension of its wireless 'reach' to include a selection of local schools |
| People's Network project | The People's Network is a collaborative digital accessibility project based at the Davis Library and undertaken in conjunction with National Library of New Zealand. Its purpose is to facilitate the provision of free public access to the Internet. In 2008/09 this involved further development of wireless technology and plans to incorporate the network into the new Gonville Centre Library initiative. The project is funded from Central Government's Digital Strategy (Community Partnerships Fund), and aims to enhance confidence and connection to the online world for digitally disadvantaged New Zealanders. |
| Development Contributions Policy review | Council's Development Contributions Policy was reviewed as part of the preparation of the 10-Year Plan 2009-2019. Development contributions are charged when demand for services is increased as a result of growth. These charges are imposed at the time of subdivision and are calculated as a proportion of the cost of the infrastructure relating to growth. |
| River Road construction | The sealing of the Whanganui River Road is a joint project between the Wanganui and Ruapehu district councils; it is now entering its third year of a six year period of construction. In 2008/09 the earthworks contract for the entire 30km length neared completion and aggregate supply from Jerusalem |

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| | continued successfully. The pavement construction contract for the remainder of the pavement work is now due to be retendered to ensure that prices / rates remain competitive. |
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Indicators of diverse and quality educational opportunities

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| Early leaving rates | <p>Overall, early leaving exemptions, suspensions and stand-downs declined from 484 in 2007 to 435 in 2008.</p> <p>While suspensions were up on 2007, totalling 105 as opposed to 85, fewer early leaving exemptions were both applied for and approved and stand-downs decreased from 385 to 323.</p> |
| Level of educational attainment | <p>The number of people aged 15 years or over with a tertiary qualification increased from 1,842 in 2001 to 2,688 in 2006.</p> <p>The number of people aged over 15 years with no qualification decreased from 9,933 in 2001 to 9,768 in 2006.</p> |
| Number of international students | <p>The number of international students attending secondary schools in the district declined between 2007 and 2008. In 2007 there were 172 international students enrolled and in 2008 there were 130.</p> |
| Student enrolments | <p>The number of students enrolled in some form of education decreased from 12,886 in 2007 to approximately 12,234 in 2008.</p> <p>This figure represents the total number of students enrolled at early childhood, primary and secondary schools as well as at Whanganui UCOL.</p> <p>Early childhood enrolments grew slightly between 2007/08 and 2008/09 – up by 100, while primary rolls demonstrated a small decrease and secondary students somewhat stabilised. The biggest drop occurred in overall student enrolments at Whanganui UCOL – down from 2,090 in 2008 to 1,477 in 2009.</p> <p>Total full-time equivalent students at Whanganui UCOL also dropped from 778 in 2007, to 693 in 2008 and by a further 34 to 659 in 2009.</p> <p>When looking at the viability of individual secondary schools it can be seen that rolls dropped slightly at Girls' College (356, -17), Collegiate School (505, -15) and Cullinane College (296, -19), while rolls at City College and St. Dominics College remained much the same, at 488 and 47 respectively. High School had a small increase of 54 students – taking its roll to 1,753 for the 2008 year.</p> <p>The Community Education Service continued to operate as a popular alternative education provider, with approximately 2,106 enrolments in 2008/09. This represented an increase of 867 enrolments on the previous year.</p> |

Council actions that have contributed to 'Diverse and quality educational opportunities'

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| <p>Computers in Homes</p> | <p>This project continued into its third consecutive year with funding secured through the Digital Strategy in partnership with the Department of Internal Affairs, the 2020 Communications Trust and Whanganui UCOL. In 2008/09 additional funding was also provided by the Powerco Wanganui Trust. Key project milestones over the previous year include:</p> <ul style="list-style-type: none"> • Wanganui's selection as one of the first regions in New Zealand to participate in the 'Stepping UP' initiative. This will bring additional funding of \$74,500 over three years (for 500 participants) into our community and is a Computers in Homes / Microsoft NZ collaboration. The project intends to enhance community digital literacy by providing additional free ICT training to existing Computers in Homes participants as well as others looking to upskill. • Ministry of Economic Development recognition of Wanganui's unique, highly strategic approach to digital capacity building. Representatives from the Ministry attended a briefing on Wanganui's innovative 'platform development' approach in March 2009. • Submission of a strong bid to the Digital Strategy Community Partnership Fund for the 2009 – 2011 period. This would enable provision of services for 150 new families. • Graduation of 158 families as at the end of June 2009 - in excess of the 150 family target under the project agreement. <p>Project evaluation has also revealed positive intergenerational gains. For example, while children are performing better at school, older family members are also receiving benefit by making increased contributions to the community, obtaining employment or improved employment and undertaking further education or training.</p> |
| <p>Computer Clubhouse</p> | <p>Successful application was also made to the Department of Internal Affairs for funding of a Wanganui Computer Clubhouse. The clubhouse will be developed in partnership with UCOL and Youth Services Trust and will operate in conjunction with other initiatives such as Computers in Homes and the Library-based Aotearoa People's Network. Its intention is to provide broadband access, a range of ICT applications and enhance the knowledge, skills and confidence of Wanganui's citizens – particularly those young people in 'underserved' communities. \$396,000 is available over two years to set up and operate this service. The Computer Clubhouse will be situated within Youth Services Trust, and supported by a Clubhouse Coordinator, mentors and UCOL tutors. It is expected to be operational by April 2010.</p> |
| <p>Wanganui Glass School</p> | <p>Successful operation of the Wanganui Glass School continued. In July 2008 the Wanganui Educational Institute was registered as a Private Training Establishment in order to preserve its position as the only school of its type in New Zealand and in December 2008</p> |

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| | a NZQA Audit was carried out with all compliance measures satisfactorily met. |
| Civil Defence in schools programme | Emergency management staff assisted twelve schools during the 2008/09 year. This programme involved lessons with individual classes and their teachers, wider syndicate groups and whole school assemblies. During this period particular focus was directed towards participation with partner agencies in the 'Junior Neighbourhood Support' programme at Tawhero and Castlecliff Schools. |
| Literacy based programmes | The Library continued its delivery of literacy based programmes with a total of 222 programmes offered to children and teenagers throughout the year. This exceeded the target of 148 and was due to particularly busy periods during the third and fourth quarters and the popularity of Matariki and Sea Week. |
| Recycling Centre school visits | The Recycling Centre continues to be a popular venue for school visits, with children encouraged to learn about sustainable waste minimisation practices in a real-life context. Five official school visits occurred during the year. |

Indicators of a safe and healthy community

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| Access to public hospital | <p>Approximately 1,000 residents reside more than 30 minutes from the hospital.</p> <p>There are only five settlements outside a thirty minute radius of Wanganui Hospital – Jerusalem (54 minutes), Ranana (54 minutes), Kakatahi (56 minutes), Koriniti (42 minutes) and Mangamahu (42 minutes). This equates to approximately 1,000 affected residents.</p> |
| Crime levels | Total reported crime incidents dropped over the 2008/09 period. These equated to 4,300, representing a decrease of 428 on the previous year. |
| Cycle safety | <p>Incidents involving cyclists increased from six in 2007/08 to nine in 2008/09.</p> <p>The degree of severity of each incident is not recorded which makes comparisons between years difficult.</p> |
| Flights in and out of Wanganui | <p>The number of commercial flights in and out of Wanganui demonstrated further increase, up from 3,138 in 2006/07 and 3,282 in 2007/08 to 3,412 in 2008/09.</p> <p>For the purpose of this indicator commercial flights have been defined as: Air New Zealand flights or any other airline routinely flying in and out of Wanganui ferrying multiple passengers. Chartered flights for sports fixtures and/or hospital transfers, etc. have not been included.</p> |

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| <p>Health status</p> | <p>At an average of 6.2, Wanganui's level of deprivation is just above the national average of 6.</p> <p>The decile number is based on household income, car and telephone access, household crowding, employment, home ownership status and people <60 in a single parent family. This index categorises communities from decile 1, least deprived, to decile 10, most deprived. Within our District Health Board area, 60% of our suburbs record a decile rating greater than 5. St Johns Hill is the only suburb to score 1 while Castlecliff (10), Mosston (10) and Central Wanganui (10) are equally ranked the most deprived.</p> |
| <p>Life expectancy</p> | <p>Life expectancy for the district's residents increased from 76.5 years in 2002 to 79.9 in 2005. Males are expected to reach 77.9 years, while women are expected to live to 81.9 years.</p> |
| <p>Number of general practitioners</p> | <p>GP numbers sustained a progressive decline. While there were 44 GPs in Wanganui in 2001, this number had dropped to 40 by 2005 and by a further four just a year later. In the 2007/08 year Wanganui had 35 GPs and in 2008/09 we had just 32 full-time GPs, however, this number is bolstered by occasional part-time locums.</p> |
| <p>Pedestrian safety</p> | <p>Pedestrian casualty incidents decreased from 10 in 2007/08 to nine in 2008/09.</p> |
| <p>Perceptions of safety</p> | <p>Perceptions of safety continue to be measured through the Community Views Survey. In 2009 nearly all residents felt their home afforded safety 'all of the time' or 'most of the time'. The CBD was also perceived to be a very safe location during the day, however, this figure dropped to 52% in the evening.</p> <p>With regard to the measured target, perceptions of safety continue to undergo positive change. 74% of residents felt mostly safe at home in the evening in 2007, this number grew to 85% in 2008 and then 96% in 2009. The 2009 survey also included provision for 'all of the time' as a response, with 75% of people selecting this option.</p> |
| <p>Recycling</p> | <p>Recycling targets were again exceeded, with the volume of waste recycled increasing from 19,198 cubic metres in 2007/08 to 19,492 cubic metres in 2008/09, far outperforming the 14,000 cubic metre target. Volumes of recycled material collected by the Recycling Centre have continued to increase since the centre was opened.</p> |
| <p>Road safety</p> | <p>Total reported road crashes on local roads equalled 124 in 2008. There were no fatal crashes during this period, the first time in at least ten years. In 2007 the road death rate was five.</p> <p>Trends are reflecting a reduction in severe crashes but an increase in minor crashes; however, variations in reporting rates need to be considered when drawing conclusions from crash statistics.</p> <p>This is particularly the case for instances of serious casualty as it is estimated that only a third of serious injury casualties actually presented to hospital in 2008. This ratio represents the number of</p> |

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| | <p>people with serious injuries in reported crashes divided by the number of people admitted to hospital with serious injuries.</p> <p>The severity of a crash is determined by the most seriously injured casualty:</p> <p><u>Fatal</u>: injuries that result in death within 30 days of a crash</p> <p><u>Serious</u>: fractures, concussion, internal injuries, crushing, severe cuts and lacerations, severe general shock necessitating medical treatment, and any injury involving removal to and detention in hospital</p> <p><u>Minor</u>: injuries which are not serious but which require first aid, or cause discomfort or pain to the person injured, e.g. sprains and bruises</p> |
| Visual quality | <p>In 2008/09 the graffiti team 'painted out' 2,031 instances of graffiti. This is the first year of complete result reporting; between 1 April 2007 and 30 June 2008, 394 cases of graffiti removal were undertaken.</p> <p>In addition, the Community Views Survey 2009 introduced a specific question on graffiti to capture the community's perception of its prevalence. The survey revealed that the majority of people (55%) considered that the problem of unwanted graffiti and tagging was less of an issue when compared to the previous year. Only 5% indicated that it was worse than last year.</p> |
| Waiting time for access to hospital | <p>742 people were on the inpatient waiting list at Wanganui Hospital in 2008/09 compared to 747 in 2007/08. Of this number, 552 were expecting treatment within six months, 11 had certainty of treatment within six months and were booked and 138 were on active review.</p> |

Council actions that have contributed to 'A safe and healthy community'

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| CCTV strategy | <p>Improvements to our CCTV network were kicked off with the commissioning of a wireless upgrade for all existing and future cameras. These enhancements will also incorporate an upgrade to the Wanganui Central Police station monitoring suite as well as accommodation of the server at the Council's municipal building. Three additional cameras were also installed. The next proposed camera is a rapid deployment model which will enable a camera to be temporarily installed in problem areas as identified in consultation with the Police.</p> |
| Safer Wanganui Steering Group | <p>The Safer Community Action Group continued to meet but is now referred to as the Safer Wanganui Steering Group. This group is preparing a Safety Plan as part of its application to seek World Health Organisation accreditation of Wanganui as a safe city. The application is due to be submitted in July 2010.</p> <p>Work to date has been assisted by Family & Community Services, Ministry of Social Development and a Community Report should be released in December 2009.</p> |

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| <p>Wanganui District Council (Prohibition of Gang Insignia Act) and bylaw</p> | <p>The Gang Insignia Act achieved its successful passage through Parliament in 2008/09, passing its third reading on 6 May 2009 and achieving Royal assent on 9 May 2009. This Act allows for Council to make a new bylaw – the Wanganui District Council (Prohibition of Gang Insignia) Bylaw 2009 which includes definitions of terms, identifies gangs and specifies public places where the display of gang insignia is prohibited at all times. Public consultation on the draft bylaw was undertaken from 4 June 2009 until 6 July 2009.</p> |
| <p>Gambling policy review</p> | <p>Council's gambling policy was reviewed and an amended policy adopted in August 2008 following a period of public consultation. This process constituted the first review of the policy and saw the Council introduce a cap on gambling machine numbers in the district via a continuous sinking lid policy. This reduction will take place by a process of natural attrition as venues cease operating.</p> |
| <p>Earthquake prone buildings policy review</p> | <p>Consultation was sought at the end of 2008 on a reviewed draft. This proposed an extension to the timeframes specified in the original policy for Council and the community to undertake building upgrades. The revised plan was adopted in August 2009.</p> |
| <p>Draft Waste Management and Minimisation Plan</p> | <p>Drafting of a Waste Management and Minimisation Plan, in line with the requirements of the Waste Minimisation Act, was undertaken in 2008/09. The draft plan envisions a family friendly district where people have access to services that encourage individual and community responsibility for sustainable waste minimisation. It also sets a target of 60% reduction of waste to landfill by 2015 and specifies the intended expenditure of nationally distributed waste levy funding during the first year of allocation. Public consultation on the draft plan closed on 24 August 2009.</p> |
| <p>Recycling bins in public places</p> | <p>A successful bid to the 'Recycling in Public Places Initiative', administered by Ministry for the Environment, saw the installation of nine recycling bins in high profile Wanganui locations in May 2009 – as well as provision of a recycling trailer for events. This initiative aims to encourage people to make sustainable choices when out in the community by offering and highlighting recycling facilities. As a result, the bins are located in busy and prominent positions: the riverfront / boardwalk area; Kowhai Park; inside the Splash Centre; at the Airport; and in Majestic Square. Funding will run until June 2010.</p> |
| <p>Ministry for the Environment Green Ribbon Awards 2009</p> | <p>Council's environmentally-friendly SolarBee approach to algal bloom issues at Virginia Lake was nominated in the 'Innovative Solutions for the Environment' category of the 2009 Green Ribbon Awards. Despite not placing in the awards, this was the first time that Council had been nominated and was fitting recognition of Council's efforts to seek an innovative approach to: "protect, enhance or improve the environment."¹</p> |
| <p>Review of Civil Defence radio and sirens</p> | <p>A complete review of the previous system was undertaken in 2008/09 and a technical report commissioned on audible coverage before an overhaul of all components was achieved. This included</p> |

¹ <http://www.mfe.govt.nz/withyou/awards/green-ribbon-winners-past.html>

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| | resiting most of the eight urban sirens to provide better coverage in the case of tsunami threat. The Mowhanau siren was also upgraded to extend coverage and meet the needs of the community following development of the village. Two satellite phones were purchased to add to the Civil Defence alternate communications resource kit and the VHF network was expanded, with another rural set based at Kakatahi. |
| Water softening project | Soft water was successfully discovered in November 2008. The soft water project will positively affect every urban household and business, delivering estimated household savings of \$230 a year, every year. It is anticipated that the two new soft water bores (Abelard and Heloise) will be commissioned in the 2009/10 year. |

Indicators of recognition as a great place to live and visit

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| Heritage assistance | <p>Only one heritage assistance grant was made during the 2008/2009 year. This equated to \$1,093 for a heritage building resource consent.</p> <p>The Fund was established to aid heritage building owners to meet the cost of professional assessments to address compliance issues. The grant is used to pay 50 percent of structural or fire assessments, up to \$1,500 per assessment.</p> |
| Number of events | The number of events supported by Council decreased from 56 in 2007/08 to 46 in 2008/09. This total includes those delivered or supported by Make It. Take It. and the Youth Committee. |
| Number of heritage buildings / sites | The number of Wanganui sites registered with the New Zealand Historic Places Trust (NZHPT) increased from 88 to 90 with the addition of the St Mary's Presbytery and the Wanganui Native Land Court. |
| Participation in arts and cultural activities | <p>The 2009 Community Views Survey revealed that Wanganui residents participate in a number of arts and cultural activities, with 93% of people undertaking at least one of the identified options in the previous 12 month period.</p> <ul style="list-style-type: none"> • 71% had used the library • 65% had been to the movies • 46% had been active in a community organisation • 38% had attended a performance at the Royal Wanganui Opera House • 37% had visited the Regional Museum • 35% had visited an historic site • 34% had visited the Sarjeant Gallery • 23% had attended the theatre (Amdram or Repertory) • 14% had attended a Maori cultural event/performance <p>However, despite generally positive participation rates, data comparison with the previous year identifies significantly fewer respondents participating in most of the activities measured; specifically those attending a performance at the Royal Wanganui Opera House (-9%), visiting the Regional Museum (-16%), attending the theatre (-10%) and attending a Maori cultural event/performance (-14%). The only activity to witness a significant increase in patronage was the library (7%).</p> |

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| <p>Perceptions of Wanganui's image</p> | <p>In 2009 72% of the population had no intention of moving out of Wanganui. This compares to 76% in 2008 and 71% in 2007 as measured by the Community Views Survey. The survey also revealed that 'quality of life' perceptions worsened between 2009 and 2008, with only 30% of respondents believing that the district was 'better than it was last year' (42% believed this in 2008). However, this discrepancy is likely due in part to a change in the survey measure, with comparisons now being tracked between years, as opposed to an assessment of the three years prior. When considered in an overall sense, 92% of respondents said it was 'better or the same' compared to 85% in 2008.</p> <p>A national perceptions of Wanganui survey was also commissioned in April 2009. The objective of this survey was to obtain insight into how external people viewed Wanganui over a range of quality of life indicators, with some specific questions around tourism/visiting Wanganui, image, employment and desire to relocate. Its results informed the development of a draft Visitor Strategy for the district and revealed that although Wanganui possesses a wealth of landscape features and outdoor attractions that it is not currently considered a tourism or lifestyle location.</p> |
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Council actions that have contributed to 'Recognition as a great place to live and visit'

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| <p>Make It. Take It. project</p> | <p>The Council's Youth Development Project reached the end of its three year funding agreement with the Ministry of Youth Development; expending the total funding received of \$250,000. The Project has successfully developed local networks and built substantial capacity within our community to assist effective youth development practice. All project milestones were achieved, including the establishment of a youth service within the Council that supports effective communication and relationships with both young people and community organisations. The benefits afforded by the Council's youth service interface will continue and a number of key outcomes will be sustained e.g. Youth Wanganui website, Youth Leadership Awards and the Underground Fashion Show.</p> |
| <p>Youth Committee</p> | <p>The Wanganui District Council's Youth Committee has been operating for four years. Eighteen young people, between the ages of 12 and 24, are appointed for a term of at least one year. Youth on the Committee are considered to appropriately match Wanganui's diverse makeup, to share a passion for youth issues and to be able to act as mature and reflective youth advocates. This role was formalised within Council's official committee structure and ensures that the Youth Committee not only assumes the same rights and responsibilities as other Council committees but that Wanganui also clearly proclaims the significance of our young people in demonstrable and proactive ways. The Youth Committee continues to cement its firm advocacy role by reporting direct to Council, managing its own budget, up-taking direct liaison with advisors within the Ministry of Youth Development, pursuing promotional opportunities and creating its own brand DUB.DEE.SEE.</p> |

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| Older People's Forum | The Older People's Forum continued to meet during the 2008/09 period and to progress issues of significance for older people in our community. |
| Events | <p>The following events were supported by the Council by way of marketing and / or funding assistance:</p> <ul style="list-style-type: none"> • Wanganui Festival of Glass • Cemetery Circuit • National Jetsprint Championship • Jazzboat Festival • Artrageous • Wanganui Opera Week • NZGP Hydroplane Racing • NZ Superstock Championships • Heritage Weekend • Artists Open Studios • Targa Rally • NZ Road Cycling Nationals • North Island Judo Championships • Women's Anniversary Bowls Tournament • Whanganui Artists Open Studios • Billy Webb Centennial Regatta • National Photography Convention • NZ Community Patrols Conference • Business Awards • Grandchildren's AA exhibition (visual arts) • City Mission Christmas party • 'Have Your Say' mobile studio • 28th Maori Battalion • National Science-Technology Roadshow <p>The Make It. Take It. project and the Wanganui District Council Youth Committee supported or delivered the following events over the 2008/09 year:</p> <ul style="list-style-type: none"> • Project Legit graffiti management workshops • YMCA youth studio events • Underground Youth Fashion Show, including pre and post events • Young Enterprise Scheme Regional Awards • Superhero Rave • Picnic in the Park • Waitangi Day celebrations • Bus to the Big Day Out • Michel Tuffery Graffiti Art workshop • Chatham Island school visit • Youth Seminar in Stratford • Stone Soup • Youth Week promotion and events • Olympians Club of New Zealand • Youth Committee Christmas Party • National Children's Day • Raise Up YMCA events • Bully Nerd Squad • Y2Y Aerosol Art Project • Puanga / Matariki • It is not OK! Campaign • Youth Access to Alcohol (YATA) |

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| <p>Graffiti Management Strategy</p> | <p>Implementation of the Graffiti Management Strategy was pursued during the 2008/09 year. In particular, a 'graffiti' page was developed on the Council website. This page provides information on the Council's efforts to eradicate graffiti, links to the Graffiti Management Strategy and a 'graffiti hotline' number.</p> <p>Additional work has also been undertaken in partnership with utility companies. Some utility companies have signed a Customer Services Charter (a commitment to collaborate with the Council in the eradication, enforcement and prevention of graffiti in Wanganui) or have demonstrated that they have existing policies in place to address these issues.</p> |
| <p>Kowhai Park skateboard ramp project</p> | <p>The Youth Committee began work in early 2009 on a series of initiatives to infuse Kowhai Park's skatebowl with greater and more positive examples of youth culture. This project will continue over the next two years and will see a number of environmental improvement projects undertaken, including the development of a locally themed mural in partnership with world-renowned New Zealand contemporary artist Michel Tuffery.</p> |
| <p>Community Taskforce on Youth Wellbeing</p> | <p>This Taskforce continued to progress initiatives to improve the wellbeing of young people in our community. In 2008/09 this included focus on youth engagement opportunities.</p> |
| <p>Southern entranceway concept</p> | <p>The southern entranceway (SH3 from Marybank to the Cobham Bridge) is regarded as an eyesore that detracts from Wanganui's image, and discourages passing traffic from visiting our city. In concert with the New Zealand Transport Agency, Council has resolved to upgrade the southern city entrance and beautify the surrounds. The development of concept plans continued during the 2008/09 year and in June 2009 the Council resolved to allocate \$220,000 in 2009/10 to landscape the area and purchase land.</p> |
| <p>Sports Hall of Fame</p> | <p>One-off funding of \$6,000 for a static display was allocated during the 10-Year Plan 2009-2019 deliberation process in June. This will see Sports Hall of Fame inductees recognised through the compilation of a display (including captioned photographs and memorabilia) in 2009/10.</p> |
| <p>Arts Policy</p> | <p>A revised Arts Policy was adopted by the Council on 3 November 2008. This policy aims to promote cultural wellbeing in the district through 'the arts' and provides a cohesive vision and set of goals that the arts sector, the Council and the whole community can effectively work toward.</p> |
| <p>Urban Design Protocol Action Plan</p> | <p>An Urban Design Protocol Action Plan was adopted by the Council on 3 November 2008 in line with our responsibilities as signatories to the Urban Design Protocol. This protocol aims to make New Zealand towns and cities more successful through quality urban design and, as a result, the action plan outlines this Council's urban design aspirations and its commitment to excellence.</p> |
| <p>Community Views Survey</p> | <p>The Community Views Survey continued to be delivered on an annual basis. Key results in relation to 'recognition as a great place to live and visit' included identification of Wanganui's best</p> |

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| | <p>attributes and its family friendly elements. The top responses for each category are provided below:</p> <ul style="list-style-type: none"> • "What, if anything, do you think most contributes to making Wanganui a family friendly city?" <ul style="list-style-type: none"> ○ The people / good community (24%) ○ Lots of outdoor spaces available (23%) ○ Good facilities (18%) ○ Sport facilities (13%) • "What do you think is the best thing about living in Wanganui? The thing you like most?" <ul style="list-style-type: none"> ○ Close proximity of everything (19%) ○ Not too big / good size (17%) ○ Good community / nice people (17%) ○ Easy to get around / no traffic (15%) |
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Indicators of the development of amenities and recreational opportunities

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| <p>Community satisfaction with Council facilities</p> | <p>Community satisfaction with specific Council facilities was measured through the Community Views Survey. These ratings equated to a 65% satisfaction level overall and revealed that in 12 out of 14 instances 50% or more of residents were fairly or very satisfied with facility provision. The only facility to demonstrate a significant increase in its satisfaction rating between 2008 and 2009 was cemeteries, rising from 55% in 2008 to 70% in 2009.</p> |
| <p>Participation in sport and recreational activities</p> | <p>The community's level of participation in sport and recreational activities was canvassed by the Community Views Survey 2009. The vast majority of respondents to this survey (96%) indicated participation in at least one of the activity options over the last year.</p> <p>Three new activity options were included in the 2009 survey to better reflect the level of usage of the district's facilities as well as instances of physical activity. These were: using the city's walkways; playing sport on an informal basis; and using or attending an event at Cooks Gardens.</p> <p>Respondents were asked which of the following they had undertaken in the previous 12 month period:</p> <ul style="list-style-type: none"> • 88% had used or visited a park or reserve in the Wanganui district • 72% had used the Whanganui riverbank walkways • 65% had used or visited a sports ground in the Wanganui district • 64% had used other walkways around the city • 50% had used or attended an event at Cooks Gardens • 50% had played sport on an informal basis • 46% had played organised sport for a club • 40% had undertaken activities on the Whanganui River |

Council actions that have contributed to the 'Development of amenities and recreational opportunities'

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| Krupp Gun | Restoration of the Krupp Gun was completed in May 2009. The Wanganui Krupp Gun is a rare surviving example of its type and the only one known to exist in New Zealand. |
| Cemetery monument policy | This policy was developed to provide standards and certainty in relation to monuments and adornments at Council owned cemeteries. It was adopted by the Council on 24 February 2009. |
| War Memorial Conference and Convention Centre policy | Review of the War Memorial Hall policy continued during the 2008/09 year. The draft policy proposed greater focus on the hall's potential as a conference and convention facility and was consulted on at the beginning of 2009. The final policy eventually cemented this thinking with a name change to the War Memorial Conference and Convention Centre. It was adopted on 20 July 2009. |
| Community organisations lease policy | <p>This policy was developed in 2008/09 in response to the specialised needs of community group lessees of Council land and buildings. The policy also recognises the critical role that the Council has to play in fostering the well-being and strength of communities. This role includes facilitating community networks, providing recreation opportunities, and supporting community facilities. As Council land and buildings are limited resources that have competing interests for their use, the Council needs to be able to say with some degree of certainty that the resource is being purposefully used to meet the district's Community Outcomes and the Council's strategic direction.</p> <p>The policy was adopted by the Council on 15 December 2008.</p> |
| Sustainable Living Programme | The Council resolved to become partner to the Sustainable Living Programme at the end of June 2008. This programme is a community-based adult education programme administered by the Community Education Service and delivered by Sustainable Living Wanganui. The module is undertaken over an eight week period and promotes practical ways to live a more eco-friendly lifestyle. Courses range from energy efficiency, eco-building and renovation through to reducing waste, shopping wisely, gardening with nature and being water wise. |
| Draft Virginia Lake Management Plan | The Virginia Lake Working Party led the drafting of this plan over the 2008/09 year. The purpose of the plan is to produce a working document that defines the Council's management objectives and policies for the day-to-day and long term management of Virginia Lake reserve. Consultation on the draft Virginia Lake Management Plan was undertaken from 28 May 2009 until 31 July 2009. |
| Virginia Lake upgrades | <p>Improvement work at Virginia Lake included:</p> <ul style="list-style-type: none"> • Lion restoration – funded by Lotteries grant • Fencing of the playground • Disabled access at the Winter Gardens |

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| <p>Parks and open spaces improvements</p> | <p>Work in 2008/09 included:</p> <ul style="list-style-type: none"> • Replacement of the western boundary fence along the hillside at Bason Botanic Gardens • The initial replacement of water pipes in the Aramoho Cemetery, with additional work planned for 2009/10 • General furniture and signage installations and replacements • Erection of naming signage at some rural parks, e.g. Matipo Park, Plimmer Reserve, Hogg Park, Mosquito Park, Thomas Dix Park and Ototoka Beach • An upgrade of the public toilets at Alma Road • Tarsealing of the carpark at Mosquito Point |
| <p>Virginia Lake restoration project</p> | <p>The Virginia Lake restoration project neared completion with the remainder of the work to be completed by mid-October 2009.</p> |

Indicators of the development of the full cultural and environmental potential of the Whanganui River

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| <p>Access to the river</p> | <p>Access to the Whanganui River was measured through the Community Views Survey, specifically in relation to activities on the surface of the water and use of the riverbank walkways.</p> <p>Although the number of respondents who indicated use of the riverbank walkway dropped to 72% from 100% in 2008, this figure is still a significant improvement on the 2007 figure (57%). The reduction is also indicative of the high level of use in 2007/08 as a result of the riverfront boardwalk's opening in late 2007. The popularity of activities undertaken on the river remained similar between 2007/08 and 2008/09, at 39% and 40% respectively.</p> <p>Overall 80% of respondents to the Community Views Survey 2009 had undertaken activities on the river or its walkways over the previous 12 month period.</p> |
| <p>Length of riverbank walkways</p> | <p>There was no change to the length of the riverbank walkway in 2008/09, it remained at 7.83km. Additional work will be undertaken in 2009/10 as plans to construct new walkways atop the stopbank between Balgownie Avenue / Affco through to the end of Gilberd Street are progressed.</p> |
| <p>River biodiversity</p> | <p>21 species of fish have been identified as inhabiting the Whanganui River and Estuary. While there is little data currently available to specifically capture Whanganui River biodiversity; general biodiversity patterns in the Wanganui District have been measured by Horizons Regional Council as part of a report on the 'Revised Wastewater Scheme: Assessment of Effects on the Environment' (2001).</p> <p>The report noted the following:</p> <p>The Department of Conservation considers that the Whanganui River estuary is of national importance as a nursery for freshwater and estuarine species. It advises that the area is a nationally</p> |

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| | <p>important ecosystem for bird species and provides a habitat for threatened species. Sparse populations of blue mussels and small green lipped mussels are present on the rocks and slabs comprising the moles at the river mouth. Tuatuas may also occur in the vicinity of the river mouth but these shellfish are also sparsely distributed. The lower River supports a number of freshwater fish and also provides habitat for some marine species which make forays into the tidal reach. The estuary is an important breeding ground for many species including the black flounder and freshwater native species such as galaxids (whitebait) and is recognised as such in the Regional Coastal Plan.</p> <p>A list of the common names of the fish species found in the Whanganui River and Estuary:</p> <ul style="list-style-type: none"> • Shortfinned Eel • Longfinned Eel • Black Flounder • Lamprey • Torrentfish • Inanga • Common Bully • Redfinned Bully • Koura • Common Smelt • Perch • Catfish • Brown Trout • Banded Kokopu • Koaro • Yellow Mullet • Grey Mullet • Kahawai • Youth Belly Flounder • Goldfish • Short-Jawed Kokopu |
| <p>River water quality</p> | <p>In 2008/09 <i>E. Coli</i> levels in the Whanganui River (measured at the Town Bridge) met national swimming spot guidelines 52% of the time compared to 76% of the time in 2007/08. <i>E. Coli</i> bacteria are an indicator of public health-risk. Horizons Regional Council undertakes weekly testing at the Town Bridge site during the summer season. Results that do not comply with the national standard mean that the river may be unsafe for swimming at the time the sample was taken. It is likely that the apparent poorer water quality in 2008/09 was due to a wetter summer period.</p> |

Council actions that have contributed to the 'Development of the cultural and environmental potential of the Whanganui River'

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| <p>Riverfront boardwalk – Dublin Street Bridge to Park Place</p> | <p>This project was progressed during the 2008/09 year with a concept plan by Void Architecture presented to Council in September 2008 and NZTA funding approved in December 2008. This funding comprises 72% of the \$800,000 required to construct</p> |
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| | the 1.1km pathway. In May 2009 work began on the shared pathway and this stage is due for completion in September 2009. |
| Riverbank walkways | Horizons Regional Council commenced initial work on the construction of a walkway atop the stop-bank between Balgownie Avenue / Affco through to the end of Gilbert Street. This work will continue over the next 12 months and will constitute a wider and more elevated shared use pathway with on and off ramps for both cyclists and pedestrians. |

Indicators of people working together

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| Community involvement in decision-making | <p>The 2009 Community Views Survey revealed that 73% of the community believed that the Council had responded 'well or very well' to its needs and issues. However, this constituted a slight decrease in confidence from the previous year, down from 77%. The performance of the Mayor and Councillors was also assessed by this survey. 72% of the community rated this performance as good or very good, compared to 75% in 2008. Provision of the right amount of information was rated at 80% but was down 7% on the 2007/08 period.</p> <p>In addition, the 2009 Community Views Survey introduced a specific question on community satisfaction with the decision-making process. 68% of respondents were fairly or very satisfied with their level of inclusion and involvement.</p> |
| Level of participation in planning processes | <p>Annual referenda continued to be held, with the community canvassed in both 2008 and 2009.</p> <p><i>Referendum '08</i> was staged on 6 December 2008 and asked the community to indicate preference for a list of four potential projects: Events centre / velodrome; Kowhai Park development; Library – a new building or upgrade; and Mosston Road widening, including Fitzherbert Avenue extension. Only 46.3% of eligible voters participated in this referenda, the first time that the return rate had dipped below 50%.</p> <p>However, <i>Referendum '09</i> in May 2009 outstripped the previous participation rate high (55.5% in 2006) by delivering a response rate of 61%. This referendum was used to complement the traditional 10-Year Plan submission process by consulting directly with the community on a number of issues. The following six questions were asked, with the results feeding directly into the 10-Year Plan 2009-2019 and Council decisions mirroring the wishes of the community on each count:</p> <ul style="list-style-type: none"> • Should the Visitor Information Centre be relocated to Moutoa Quay / Riverfront? (<i>Community preference: Yes</i>) • Should a small levy be imposed upon all businesses and households for the purpose of promoting Wanganui nationally – as a residence and a place to visit? (<i>Community preference: No</i>) • Should the Council sell Energy Direct, the retail trading arm of Wanganui Gas? (<i>Community preference: No</i>) • Should Council transfer ownership of part or all of its |

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| | <p>pensioner housing complexes? (<i>Community preference: No</i>)</p> <ul style="list-style-type: none"> • Which average rate increase for 2009/10 do you consider to be in the best interest of our community? (<i>Community preference: 3%</i>) • Wanganui or Whanganui? (<i>Community preference: Wanganui</i>) <p>The traditional submission process to the 10-Year Plan 2009-2019 also attracted 61 submissions. The last 10-Year Plan was prepared in 2006 where 207 submissions were received. In 2008 the Annual Plan attracted 107 submissions.</p> |
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Council actions that have contributed to 'People working together'

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| <p>Family-friendly Strategy</p> | <p>In August 2008 Council resolved to adopt a Family-friendly Strategy to ensure that the enhancement of Wanganui as a family-friendly place was at the core of all future planning and policy. This vision is about delivering quality of life for existing residents, while also attracting new people to the district. It comprises the following strategic goals:</p> <p><i>Family-friendly Wanganui - the preferred place for my family home where the community enjoys:</i></p> <ul style="list-style-type: none"> • Economic opportunities • A good image and sense of identity • A safe community • Good health care services • Connectivity • Community networks • Quality educational opportunities • Quality and affordable housing in contemporary family neighbourhoods • Access to recreational and cultural activities <p>This new strategic underpinning was communicated through the Council's 10-Year Plan 2009-2019, adopted in June 2009. It complements the district's Community Outcomes and will steer Wanganui's continued development.</p> |
| <p>Rural Community Board</p> | <p>Representative community governance is provided by the Wanganui Rural Community Board. The role of the Community Board is to:</p> <ul style="list-style-type: none"> • Represent and act as an advocate for the interests of the rural community. • Consider and report on any matter referred to it by Council and any issues of interest to the Community Board. • Make an annual submission to Council for expenditure within the community. • Maintain an overview of services provided by Council to the rural community. • Determine temporary rural road closure applications as |

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| | <p>delegated.</p> <ul style="list-style-type: none"> • Communicate with community organisations in the rural area. • Undertake any other responsibilities delegated to it by Council. <p>In 2008/09 the Rural Community Board held a series of meetings in different locations in the rural community, during which they asked people to prioritise the issues that were important to them. The Board used this information in its submission to the 10-Year Plan 2009-2019. The meetings were partly to address issues raised in the 2008 Community Views Survey, including the failure of the Board to meet its performance target. Poor visibility was identified as an element of concern to the Board and, as a result, it also undertook the following during 2008/09:</p> <ul style="list-style-type: none"> • It resolved to develop its own 10-Year Plan (<i>Rural Directions 2020</i>) • It developed a draft Communications Strategy • It developed a 'strategic direction' statement to guide its strategic plan <p>The Council's 10-Year Plan 2009–2019 deliberation process in June 2009 also saw \$10,000 included in each year of the Plan, for the Board to undertake and support economic development initiatives in the rural community.</p> |
| <p>Community Outcomes identification process</p> | <p>In 2008 Council embarked on a process to review the district's Community Outcomes. This review was undertaken in accordance with Section 91(1) of the Local Government Act 2002. Key stakeholders were engaged to take a lead role in identifying these outcomes in partnership with the community and were selected to appropriately match the four aspects of community wellbeing (social, economic, cultural and environmental). The views of the general public were also captured by attendance at events where the community were already gathered i.e. River Traders Market, Trafalgar Square shopping centre and major community events. At these gatherings Council pictorially displayed Wanganui's progress over the years across the community wellbeings. Additionally, Council sought the general public's views through a dedicated section on Council's website.</p> <p>Once captured, priority rankings were established in consultation with key stakeholder groups. Finalisation of the Wanganui Community Outcomes occurred in October 2008, with endorsement at a meeting of the Council in November 2008. Promotional booklets were then developed and distributed in February 2009 in conjunction with the Community Outcomes Plan.</p> <p>The new Community Outcomes are:</p> <ul style="list-style-type: none"> • A healthy community • A safe community • A prosperous community • A well connected community • A community where people work together • A community with quality education • A community with well developed amenities and recreational opportunities |

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|--|--|
| | <ul style="list-style-type: none"> • A community with identity • An environmentally sustainable community |
| Unitary authority and shared services investigation | Opportunities for shared services with other councils in the region has continued. Research was also undertaken to determine the efficiency of Council assuming services currently provided by Horizons Regional Council through the establishment of a unitary authority. These investigations will continue. |
| Review of Council committee structure | <p>At the commencement of this Council's term Mayor Laws introduced Councillor spokespersonship roles. The intention of this power-sharing arrangement was to give each Councillor an area of Council interest in which to take a wider leadership role. At the Council's meeting on 2 February 2009 a formal reporting structure through Council's standing committees was introduced to ensure the spokespersonship portfolios were actively engaged. Also at the Council's meeting on 2 February the following Working Parties were established:</p> <ul style="list-style-type: none"> • Image and Promotion • Contracts and Tender Review • District Plan Review • Council-Commerce Liaison <p>The Council now has two standing committees – Finance and Infrastructure Committee; and Community Development Committee. A Hearings Committee deals with the Resource Management Act and other regulatory matters.</p> |

Community Outcomes and identified effects on community wellbeing

A growing economy

- Community facilities group
- Community support group
- Investments group
- Land transportation group

The Council undertook a number of initiatives to support economic growth over the 2008/09 period. This included commencement of the business forum, development of Wanganui.com, adoption of a family-friendly strategy to enhance Wanganui's image, hosting of the Masters Games, drafting of a Visitor Strategy for the district through the Image and Promotion Working Party and continued championing of improved broadband access.

Economic indicators also revealed growth in the number of businesses and positive gains in tourist numbers. However, nationwide economic 'downturn' trends have been reflected, demonstrating impact on the level of unemployment in the district.

The Scorecard for 'A growing economy' generally indicates maintenance of economic wellbeing in the community.

Diverse and quality educational opportunities

- Community facilities group
- Community support group

Wanganui's educational options are generally meeting the aspirations of residents by providing quality standards and diverse opportunities. Our tertiary qualification attainment rates are increasing and early leaving rates have dropped. Opportunities for informal, life-long learning continue to be encouraged by the Library, Sarjeant Gallery and Regional Museum. In addition, Wanganui's unique and highly strategic approach to digital capacity building has been recognised by a visit from the Ministry of Economic Development and successful application to the Department of Internal Affairs for a Computer Clubhouse and Computers in Homes.

The Scorecard for 'Diverse and quality educational opportunities' indicates generally positive contributions to the social wellbeing of the community.

A safe and healthy community

- Community facilities group
- Community support group
- Land transportation group
- Water group

Council continued its commitment to work in partnership with other organisations to deliver on the community's vision of a safe and healthy Wanganui. These efforts are reflected in sustained increases in perceptions of safety, the work of the Safer Wanganui Steering Group, a reduction in crime levels and the drafting of a Wanganui District Council (Prohibition of Gang Insignia) Bylaw.

The Scorecard for 'A safe and healthy community' indicates positive impact on the social wellbeing of the community.

Development of amenities and recreational opportunities

- Community facilities group
- Investments group
- Water group

General satisfaction with Council facilities remained high, with ongoing maintenance and positive development also sustained, for example at our parks and reserves. In addition, 96% of respondents to the Community Views Survey had undertaken some form of participation in the district's sports and recreation offerings over the 2008/09 year.

The Scorecard for 'Development of amenities and recreational opportunities' indicates that positive contributions to the community's wellbeing continue to be made.

Recognition as a great place to live and visit

- Community facilities group
- Community support group

The Council's focus on active promotion of Wanganui as an attractive place to live and visit was solidified in 2008/09 with the creation of an Image and Promotion Working Party and the development of a draft Visitor Strategy. However, indicators were somewhat impacted by global economic conditions, reflecting slightly less positive views and reduced community participation.

The Scorecard for 'Recognition as a great place to live and visit' reveals that cultural wellbeing is continuing to be supported.

Development of the full cultural and environmental potential of the Whanganui River

- Community facilities group
- Community support group

- Water group

Enhancement and promotion of the Whanganui River as a unique and valued feature has continued. This position was reinforced through the national Perceptions Survey and will see Wanganui engage in ongoing efforts to develop its full cultural and environmental potential.

Additional development of the riverfront area was progressed during the 2008/09 year with work on a shared pathway between Dublin Street Bridge and Park Place beginning in May 2009.

The Scorecard for 'Development of the full cultural and environmental potential of the Whanganui River' indicates positive effects on the cultural and environmental wellbeing of the community.

People working together







- Community support group
- Governance group
- Corporate group

Although community satisfaction with the Council's responsiveness to its needs and issues was slightly down on last year, it still remains relatively high at 73%. In addition, provision of the 'right amount of information' met its performance target of 80%. Community engagement in Council's planning and decision-making processes was sustained, with *Referendum '09* delivering the highest participation rate of a referendum to date and also allowing direct consultation with the community on specific issues for the 10-Year Plan 2009-2019. The community was further canvassed regarding future aspirations through the Community Outcomes review at the end of 2008.

The Scorecard for 'People working together' reveals a healthy political environment, community engagement and inter-sector collaboration – all of which contribute to the enhancement of social wellbeing in the community.

| Linked Items | Unit | Target | Actual | Indicator | Comments |
|--|------|-----------|-----------|-----------|---|
| People working together | | | | | |
| Community involvement in decision-making | % | 77.00 | 73.00 | | In 2009 73% of the community felt the Council had responded well to community needs and issues. This was down from 77% in 2007. |
| Level of voter turnout at local elections | % | 0.00 | 0.00 | | Not measured. |
| Level of participation in planning processes | % | 50.80 | 61.00 | | Two referenda were held during the 2008/09 period. In December 2008 46.3% of eligible voters participated in Referendum '08 and in May 2009 61% of eligible voters participated in Referendum '09. |
| Community perceptions of harmony | % | 0.00 | 0.00 | | Not measured. |
| Diverse and quality educational opportunities | | | | | |
| Number of international students | # | 172.00 | 130.00 | | The number of international students attending secondary schools in the district declined between 2007 and 2008. In 2007 there were 172 international students enrolled and in 2008 there were 130. |
| Early leaving rates | # | 484.00 | 435.00 | | Early leaving exemptions, suspensions and stand-downs reduced from 484 in 2007 to 435 in 2008. |
| Student enrolments | # | 12,886.00 | 12,234.00 | | The number of students enrolled in education decreased from 12,886 in 2007 to 12,234 in 2008. |
| Level of educational attainment | # | 1,842.00 | 2,688.00 | | The numbers of the population aged over 15 years with a tertiary qualification increased from 1,842 in 2001 to 2,688 in 2006. |
| A growing economy | | | | | |
| Growth in | # | 3,930.00 | 4,144.00 | | Growth in the number of |

| Linked Items | Unit | Target | Actual | Indicator | Comments |
|--|------|-------------|-------------|-----------|--|
| number of businesses | | | | | businesses continued into the 2008/09 period. This figure totalled 3,174 in 2006/07, 3,930 in 2007/09 and 4,144 in 2008/09. |
| Retail sales | \$ | 720,100,000 | 667,400,000 | | Retail sales decreased from \$720.1M in 2007/08 to \$667.4M in 2008/09. |
| Unemployment | # | 619.00 | 847.00 | | Unemployment benefit recipients in the Wanganui / Waverly area grew between 2007/08 and 2008/09. Although this number had dropped between June 2007 and June 2008 (from 834 to 619), by June 2009 it had risen again to 847. |
| Age structure | # | 35.90 | 39.60 | | The median age in Wanganui was 39.6 years in 2006 compared to the national average of 35.9 years. |
| Tourism | # | 199,500.00 | 199,709.00 | | Guest nights surpassed the target of 199,500 and represented an increase of 1,842 on the 2007/08 figure (197,867). |
| Population | # | 43,600.00 | 43,400.00 | | Wanganui's estimated resident population dropped from 43,600 in 2007 to 43,400 in 2008, representing a projected loss of 200 residents. |
| Development of amenities and recreational opportunities | | | | | |
| Youth perceptions of Wanganui | # | 0.00 | 0.00 | | Not measured. |
| Participation in sport and recreational activities | % | 60.00 | 96.00 | | The community's level of participation in sport and recreational activities was canvassed by the Community Views Survey. The vast majority of respondents to this survey (96%) indicated participation in at least one of the activity options over the last year. |
| Community satisfaction with Council | % | 65.00 | 65.00 | | Community satisfaction with specific Council facilities was measured through the |

| Linked Items | Unit | Target | Actual | Indicator | Comments |
|-------------------------------------|------|----------|----------|---|--|
| facilities | | | | | Community Views Survey. These ratings equated to a 65% satisfaction level overall and revealed that in 12 out of 14 instances 50% or more of residents were fairly or very satisfied with facility provision. |
| A safe and healthy community | | | | | |
| Health status | # | 6.00 | 6.20 |  | At an average of 6.2, Wanganui's level of deprivation is just above the national average of 6. |
| Road safety | # | 124.00 | 124.00 |  | Total reported road crashes on local roads equalled 124 in 2008. There were no fatal crashes during this period, the first time in at least ten years. In 2007 the road death rate was five. Trends are reflecting a reduction in severe crashes but an increase in minor crashes. |
| Flights in and out of Wanganui | # | 3,282.00 | 3,412.00 |  | The number of flights increased from 3,282 in 2007/08 to approximately 3,412 in 2008/09. |
| Waiting time for access to hospital | # | 747.00 | 742.00 |  | 742 people were on the inpatient waiting list at Wanganui Hospital in 2008/09 compared to 747 in 2007/08. Of this number, 552 were expecting treatment within six months, 11 had certainty of treatment within six months and were booked and 138 were on active review. |
| Number of general practitioners | # | 35.00 | 32.00 |  | GP numbers continued their progressive decline, totalling 44 in 2001, 35 in 2007/08 and 32 in 2008/09. It should be noted that this number represents full-time general practitioners and that occasional part-time locums also operate. |
| Perceptions of safety | % | 85.00 | 96.00 |  | Perceptions of safety at home in the evening have increased from 85% in 2008 to 96% in 2009. |

| Linked Items | Unit | Target | Actual | Indicator | Comments |
|---|------|-----------|-----------|-----------|---|
| Life expectancy at birth | # | 76.50 | 79.90 | | Life expectancy for the district increased from 76.5 in 2002 to 79.9 in 2005. |
| Crime levels | # | 4,728.00 | 4,300.00 | | Total reported crime has decreased from 4728 in 2007/08 to 4,300 in 2008/09. |
| Visual quality | # | 2,031.00 | 2,031.00 | | In 2008/09 the graffiti team 'painted out' 2,031 instances of graffiti. This is the first year of complete result reporting; between 1 April 2007 and 30 June 2008 394 cases of graffiti removal were undertaken. |
| Access to public hospital | # | 1,000.00 | 1,000.00 | | Approximately 1000 residents reside more than 30 minutes from the hospital. |
| Pedestrian safety | # | 10.00 | 9.00 | | Pedestrian casualty incidents decreased from 10 in 2007/08 to nine in 2008/09. |
| Cycle safety | # | 6.00 | 9.00 | | Incidents involving cyclists increased from six in 2007/08 to nine in 2008/09. |
| Recycling | m3 | 14,000.00 | 19,492.00 | | Recycling targets were exceeded, with the volume of waste recycled increasing from 19,198 cubic metres in 2007/08 to 19,492 cubic metres in 2008/09, far outperforming the 14,000 cubic metre target. |
| Recognition as a great place to live and visit | | | | | |
| Perceptions of Wanganui's image | % | 76.00 | 72.00 | | In 2009 72% of the population had no intention of moving out of Wanganui. This compares to 76% in 2008 as measured by the Community Views Survey. |
| Heritage assistance | \$ | 20,000.00 | 1,093.00 | | Only one heritage assistance grant was made during the 2008/2009 year. This equated to \$1,093 for a heritage building resource consent. |
| Number of heritage buildings/sites | # | 88.00 | 90.00 | | The number of Wanganui sites registered with the New Zealand Historic Places Trust (NZHPT) increased from 88 to 90 with the |

| Linked Items | Unit | Target | Actual | Indicator | Comments |
|--|----------|--------------|---------------|-----------|---|
| | | | | | addition of the St Mary's Presbytery and the Wanganui Native Land Court. |
| Participation in arts and cultural activities | % | 56.00 | 93.00 | | 93% of respondents to the Community Views Survey 2009 had undertaken at least one of the identified arts and cultural activities over the previous year. |
| Number of events | # | 56.00 | 46.00 | | The number of events supported by Council decreased from 56 in 2007/08 to 46 in 2008/09. |
| Development of the full cultural and environmental potential of the Whanganui River | | | | | |
| River water quality | % | 76.00 | 52.00 | | There was a change to the measurement of river water quality in 2008/09. This measure reveals that in 2008/09 E. Coli levels in the Whanganui River (measured at the Town Bridge) met national swimming spot guidelines 52% of the time compared to 76% of the time in 2007/08. It is likely that the apparent poorer water quality in 2008/09 was due to a wetter summer period. |
| Length of riverbank walkways | KM | 7.83 | 7.83 | | There was no extension to the riverbank walkway in 2008/09, it remained at 7.83km. |
| Access to the Whanganui River | % | 57.20 | 80.00 | | In 2009 80% of respondents to the Community Views Survey had undertaken activities on the river or its walkways over the previous 12 month period. |
| River biodiversity | # | 21.00 | 21.00 | | 21 species of fish have been identified as inhabiting the Whanganui River and Estuary. |
| Overall Performance | % | 90.00 | 102.21 | | |

Community facilities group

For the year ended 30 June 2009

| | Budget | Council | |
|--------------------------------------|---------------|----------------|---------------|
| | 2009 | 2009 | 2008 |
| | \$000 | \$000 | \$000 |
| Income | | | |
| User fees and other revenue | 2,724 | 2,643 | 3,739 |
| Subsidies | 114 | 118 | 99 |
| Total income | 2,838 | 2,761 | 3,838 |
| Operating expenditure | | | |
| Operating expenditure | 10,318 | 9,839 | 10,162 |
| Finance costs | 1,064 | 948 | 889 |
| Depreciation | 1,593 | 1,916 | 1,516 |
| Council overhead | 1,915 | 2,084 | 1,933 |
| Total operating expenditure | 14,890 | 14,787 | 14,500 |
| Non-funded depreciation | (1,593) | (1,916) | (1,516) |
| Operational rates requirement | 10,459 | 10,110 | 9,146 |
| Capital acquisitions | 738 | 467 | 6,560 |
| Capital replacements | 1,063 | 1,540 | 901 |
| Total capital expenditure | 1,801 | 2,007 | 7,461 |
| Total funding requirement | 12,260 | 12,117 | 16,607 |
| Transfers (to)/from special funds | 186 | 82 | 429 |
| New loans/(loans repaid) | 720 | 835 | 4,915 |
| Total capital funding | 906 | 917 | 5,344 |
| Rate requirement | 11,354 | 11,200 | 11,263 |

Community facilities group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Community Facilities Group. Significant variations to the Annual Plan are discussed below if necessary.

| Activity | Item | Budget \$ | Actual \$ |
|---------------------|--|-----------------------|-----------|
| Cemeteries | Fencing and drainage improvements | 30,000 | 24,880 |
| | Cemeteries Plan | 20,000 | 20,717 |
| CBD maintenance | Community under-verandah lighting | 10,000 | 0 |
| | Tree replacement programme | 35,000 | 0 |
| Community buildings | Building improvements | 38,000 | 25,524 |
| Parks and reserves | Laird Park netball courts | 41,000 | 3,285 |
| | Gateways project | 150,000 | 32,255 |
| | Bason Botanic Gardens | 25,000 | 35,724 |
| | Playground equipment, furniture, fences etc | 110,000 | 153,288 |
| | Archers Bridge | 0 | 24,001 |
| | Virginia Lake lighting and parking | 115,000 | 6,420 |
| | Virginia Lake wheelchair access | 0 | 60,447 |
| | Durie Hill steps and walkway | 18,000 | 0 |
| | Vehicles | 35,000 | 57,752 |
| | Sundry projects | 41,000 | 24,822 |
| | Pensioner housing | Building improvements | 41,000 |
| Sportsgrounds | Events Centre feasibility study | 50,000 | 84,058 |
| | Gonville Domain toilets | 78,000 | 60,071 |
| Cooks Gardens | Turf replacement | 100,000 | 0 |
| | Other improvements | 10,000 | 22,590 |
| Sarjeant Gallery | Exterior improvements – parapets/roof skylights/façade/walls | 436,000 | 384,312 |
| | Internal improvements – kitchen upgrade/toilet/ramps | 79,000 | 104,544 |
| | Offsite storage | 125,000 | 0 |
| | Purchase of Art works | 20,000 | 16,079 |
| Swimming pools | Splash Centre extension | 0 | 264,938 |
| Library | Book vote | 300,000 | 300,000 |
| | Office equipment and computer additions | 93,000 | 4,607 |
| | Building improvements | 106,000 | 133,600 |
| Minor transport | Durie Hill elevator | 10,000 | 14,676 |
| | Drainage and Tower restoration | 113,000 | 13,544 |
| Regional Museum | Emergency Lighting | 19,000 | 4,769 |
| War Memorial Hall | Weatherproof exterior cladding | 400,000 | 50,322 |
| | Repitch slabs on forecourt | 16,000 | 0 |
| | Windows replacements | 40,000 | 46,000 |
| | Furniture and Fittings | 15,000 | 25,878 |
| Opera House | Electrical work | 14,000 | 10,973 |

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

Cemeteries

Work carried out as programmed.

CBD maintenance

Any work on the community under-verandah lighting project has been deferred in the meantime, until a detailed programme has been established. The \$35,000 budget for tree removal and replacement was transferred to planned maintenance, to match Council's asset policy of not capitalising trees.

Community buildings

The Annual Plan budget was \$18,000, and carry overs from 2007/08 were \$20,000. Actual expenditure at \$26,000 was less than the program of \$38,000, pending decisions on the future of some buildings.

Parks and reserves

Capital replacement and acquisition work in the Annual Plan totalled \$535,000, and with carry overs from 2007/08 of \$320,000, the total programme was \$855,000. Actual expenditure for the year was only \$391,000. The main reasons for the difference of \$464,000 related to Durie Hill steps expenditure being transferred to Footpaths, and carry overs being transferred into next year for the Gateways project of \$192,000, Laird Park drainage work of \$38,000, Archers Bridge of \$111,000, Virginia Lake lighting of \$109,000, and Queens Park of \$15,000. Additional expenditure not budgeted, for wheelchair access at Virginia Lake of \$60,000 and Bason work of \$20,000 were financed from designated special funds.

Pensioner housing

Some expenditure has been reclassified as operating and planned maintenance.

Cooks Gardens

The turf replacement job budgeted at \$100,000 was carried over to next year, because of the Ranfury Shield challenge. Other improvement jobs like new fencing and grandstand upgrading work was carried out.

Sportsgrounds

The Gonville Domain toilets job budgeted at \$78,000 was carried forward from 2007/08. The actual cost came in at \$60,000. The Events Centre feasibility study continued this year, with \$84,000 being spent. This was funded in the first instance from \$50,000 of rates, the balance of costs being covered by a \$55,000 grant from the Ministry of Economic Development. The unspent grant of \$27,000 has been carried forward to next year.

Sarjeant Gallery

Work on exterior improvements for parapets, façade, walls and roof skylights cost \$384,000 for the year, just under the budget of \$436,000. Internal improvements for kitchen upgrade, alarm system and wheelchair ramp cost \$105,000, a little ahead of budget. The \$125,000 budgeted for offsite storage has been carried forward to next year.

Swimming pools

The Splash Centre extension project expenditure for the year was \$265,000, funded from loan funds. This unbudgeted expenditure was due to numerous variations to contract (such as additional heaters and screens, heat pump controls), and higher index figures for contract allowances being published slower than expected.

Library

Council budgets a rolling programme for replacement of library books, to the value of \$300,000. Building improvements work of \$134,000 included toilets, security, and architects fees. It also included expenditure for the start of the new Gonville Branch, to be financed by special funds and accumulated Library surplus's.

Minor transport

Airport work for drainage works and tower restoration has begun. Council's half share of these jobs amount to \$113,000. Lift improvement work on the Durie Hill elevator was also carried out.

Regional Museum

Expenditure for emergency lights was commenced.

Opera House

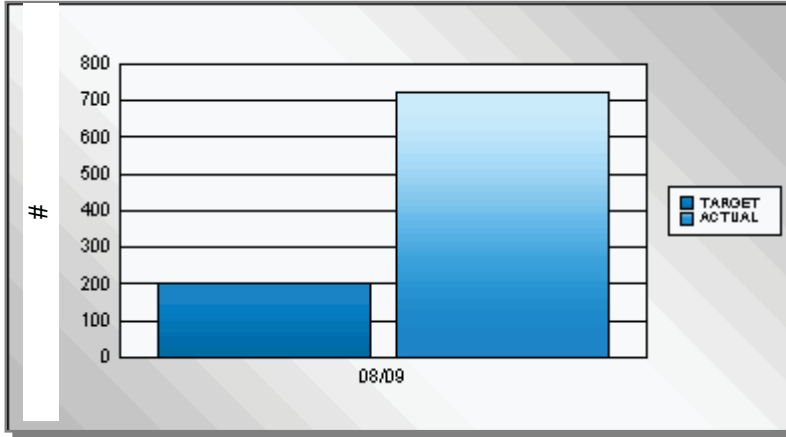
Electrical work was carried out.

War Memorial Hall

Weatherproofing of the exterior cladding was commenced with \$50,000 of the \$400,000 budget being spent, the balance of the funds being carried over to next year. Also carried over is the repitching of slabs on the forecourt budget of \$16,000.

Community Facilities Group: Cemeteries

KPI: A minimum of 200 available burial plots will be provided.



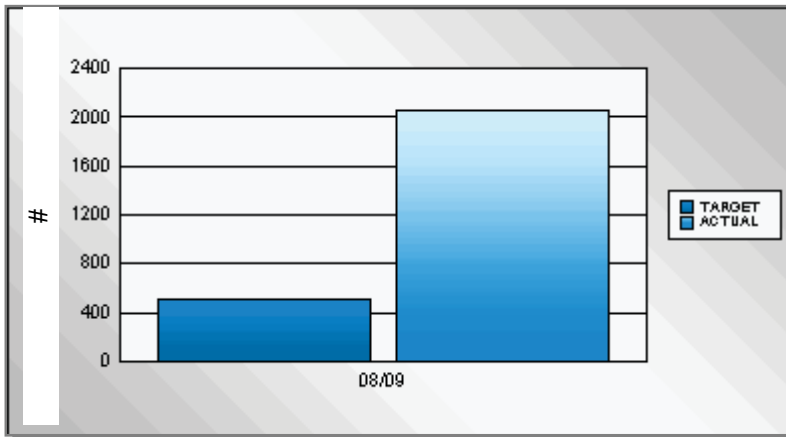
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 200 available burial plots was exceeded in all quarters. The actual result was 724.

KPI: A minimum of 500 available cremation plots will be provided.



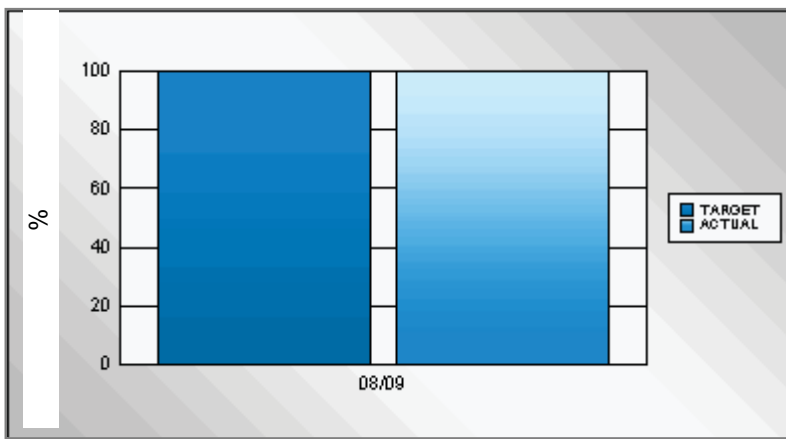
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 500 available cremation plots was exceeded. The actual number available was 2,050.

KPI: Burials and cremations will meet the requirements of the Burial and Cremation Act.



RESPONSIBLE OFFICER:

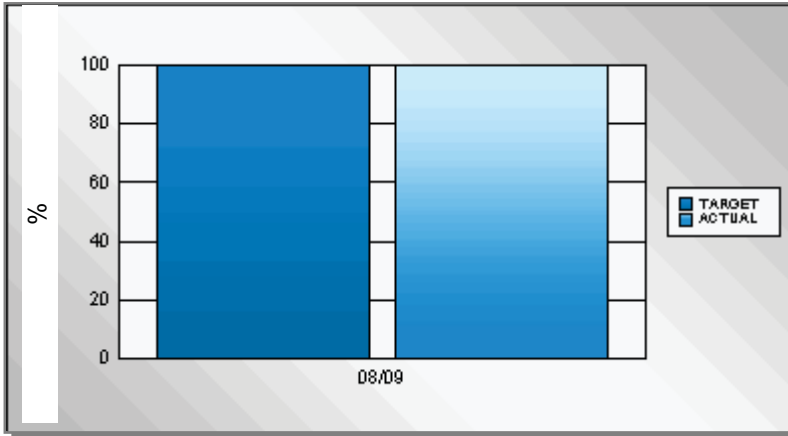
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% compliance with the Burial and Cremation Act was met. All burials and cremations complied with the Act.

Cemeteries

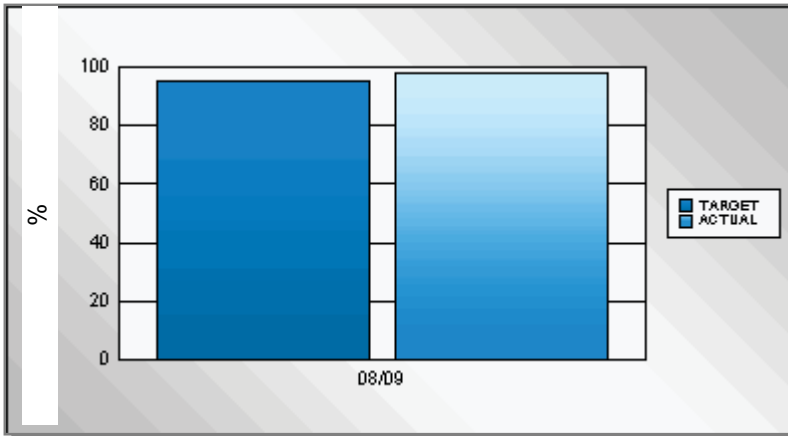
KPI: Discharge to Air resource consent complied with.



RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 100% compliance with Discharge to Air resource consent conditions was achieved. There were no breaches of the consent during the year.

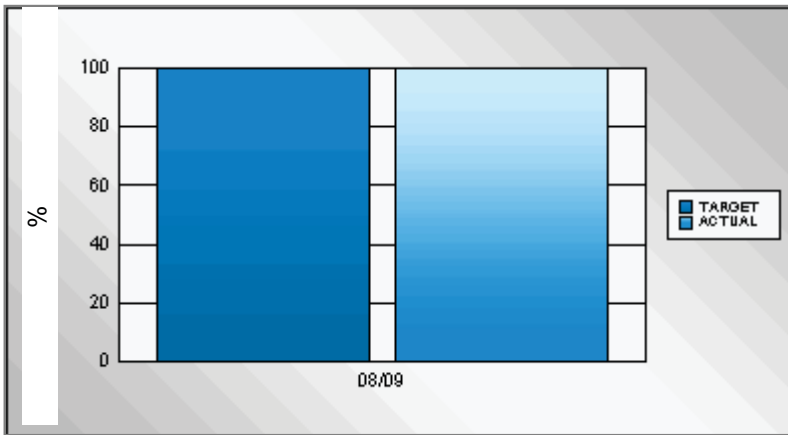
KPI: Management contract specifications will be consistently met e.g. grass will not exceed 50mm in height, roses will be pruned annually, rubbish will be removed daily, flowering annuals will be planted twice per annum, weeds will be removed when 2cm in width or height.



RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 95% was exceeded. The actual result was management contract specifications were met 98.25% of the time.

KPI: Permits will be issued before monuments are erected.

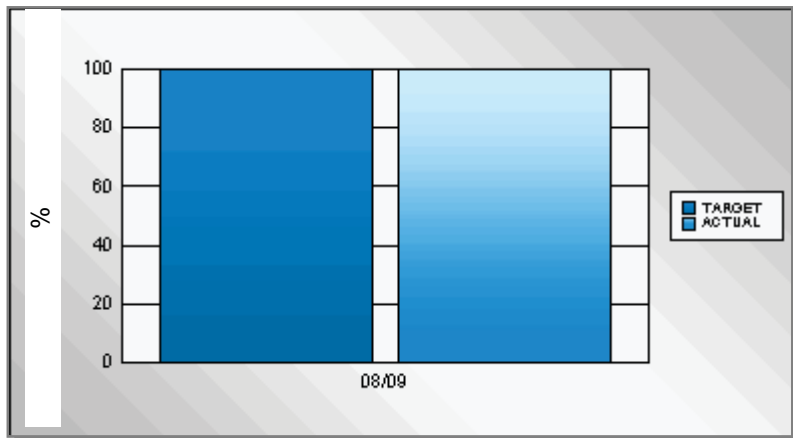


RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 100% was achieved. Permits were issued before all monuments were erected.

Cemeteries

KPI: *The Ministry of Culture and Heritage are satisfied with war graves' maintenance.*



RESPONSIBLE OFFICER:

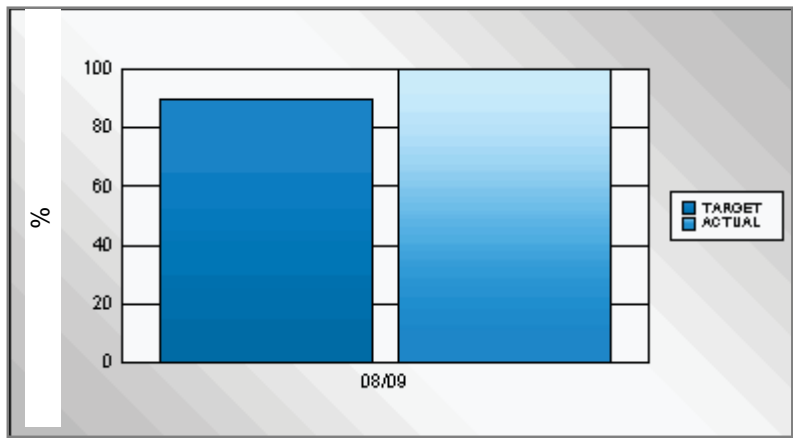
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of a satisfactory annual report was achieved. There were no issues raised during the year by the Ministry of Culture and Heritage.

Central Business District Services

KPI: *Flower gardens will not be left unplanted over any weekend.*



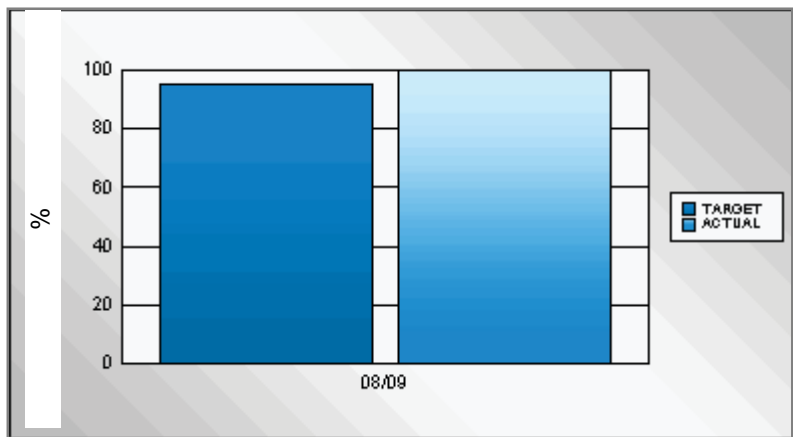
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100% - there were no weekends where gardens were left unplanted.

KPI: *Public conveniences will be available for use.*



RESPONSIBLE OFFICER:

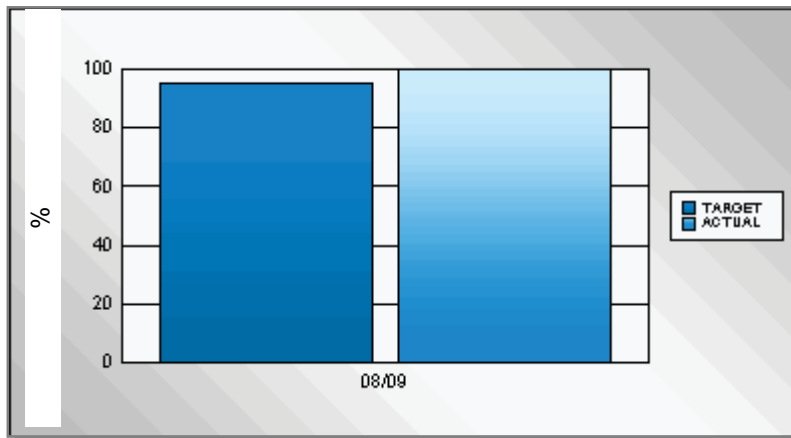
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was public conveniences were available for use 100% of the time.

Central Business District Services

KPI: Reported damage will be repaired or isolated within 24 hours.



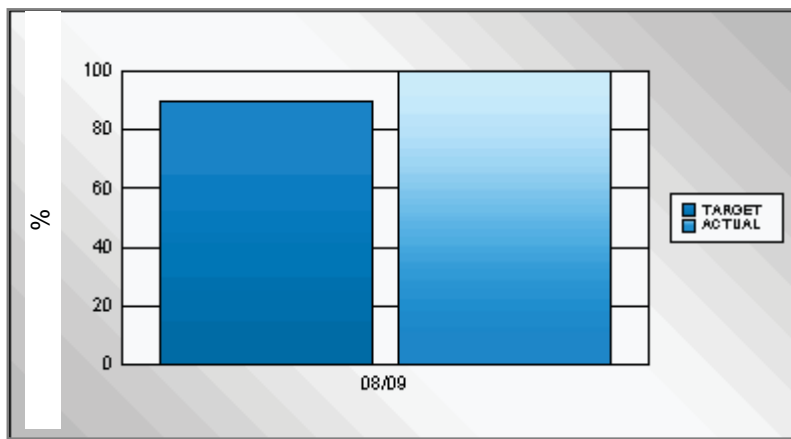
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was 100% repair or isolation of reported damage within 24 hours.

KPI: Reported graffiti will be removed within 24 hours.



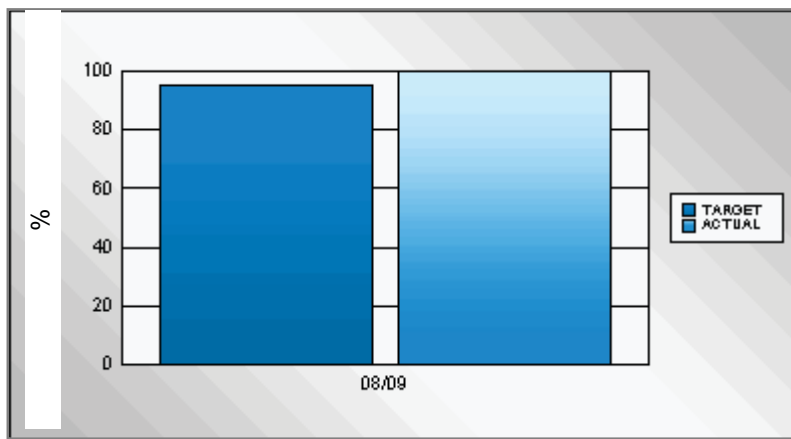
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100% of reported graffiti was removed within 24 hours.

KPI: Trees will be well maintained and branches will not interfere with pedestrians.



RESPONSIBLE OFFICER:

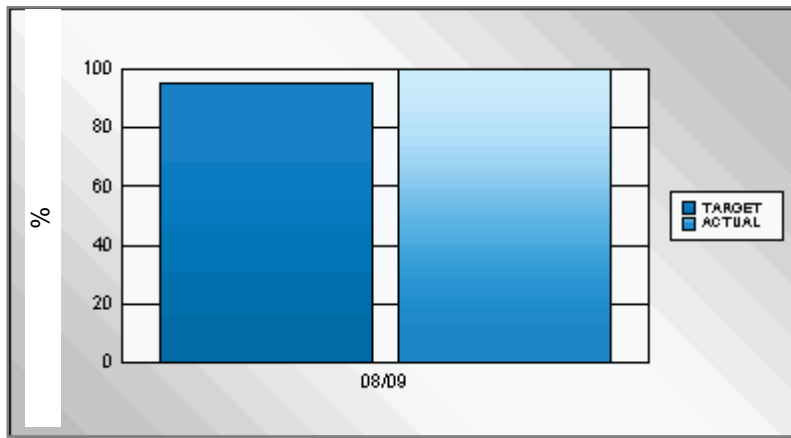
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was trees were well maintained and branches did not interfere with pedestrians 100% of the time.

Community Buildings and Rural Halls

KPI: *The Ladies Rest Building will be available for use five days a week Monday - Friday.*



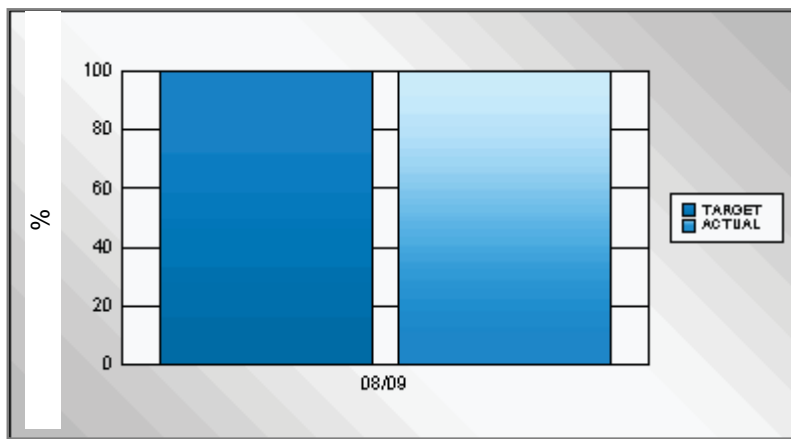
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was 100% availability of the Ladies Rest Building during normal opening hours.

KPI: *The Ward Observatory will be open for viewing every Friday night if the sky is clear.*



RESPONSIBLE OFFICER:

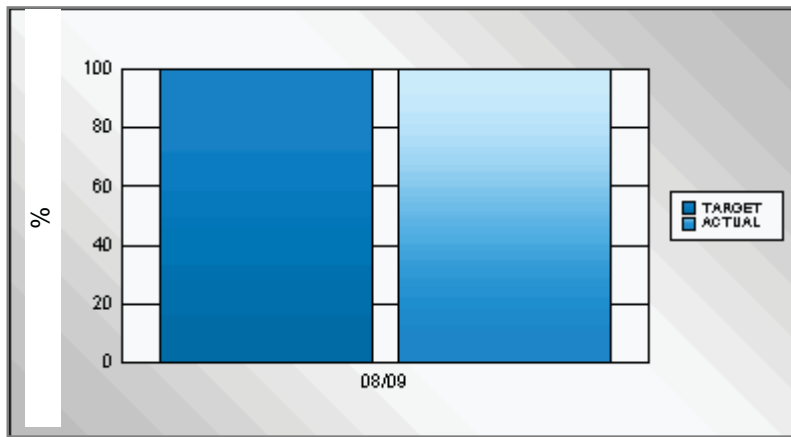
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. The Ward Observatory was open for viewing every Friday night when the sky was clear.

Cooks Gardens

KPI: *Cooks Gardens ground maintenance will meet all contract specifications on all inspections.*



RESPONSIBLE OFFICER:

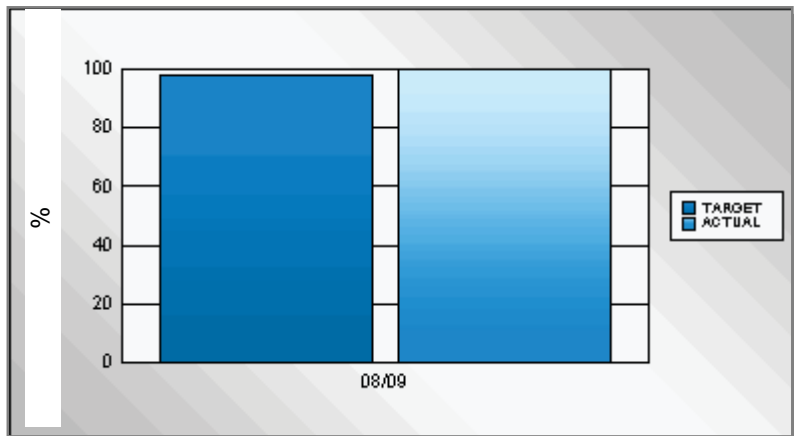
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was achieved. There were 12 inspections undertaken and ground maintenance met all contract specifications on all inspections.

Cooks Gardens

KPI: Leases and licences will be current for all applicable user groups.



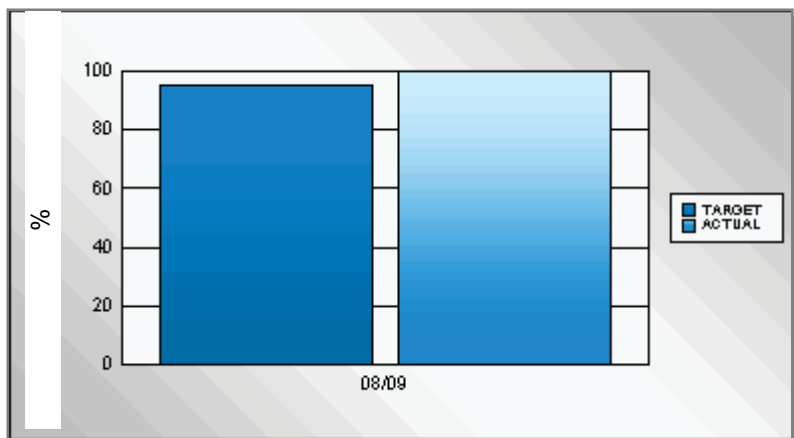
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% was exceeded. The actual result was 100% of leases and licences remained current.

KPI: Public conveniences located on St Hill Street will be available for use during normal opening hours e.g. 24 hours a day.



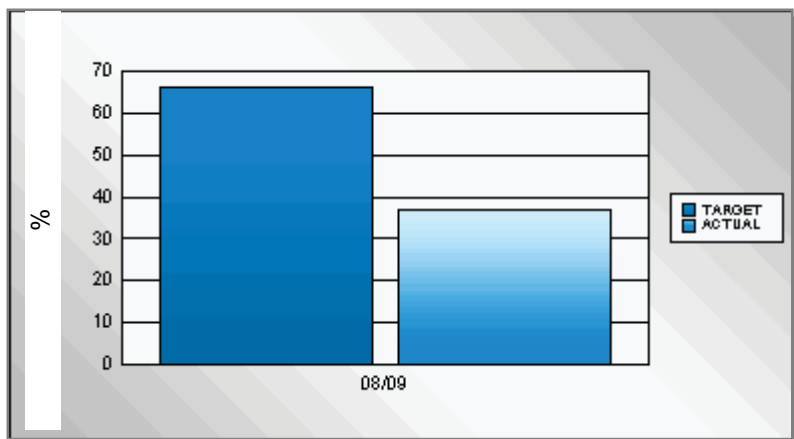
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was 99.9%, with only one closure in the third quarter due to a bad graffiti attack. No permanent damage was sustained.

KPI: Users will be very satisfied with Cooks Gardens and associated facilities.



RESPONSIBLE OFFICER:

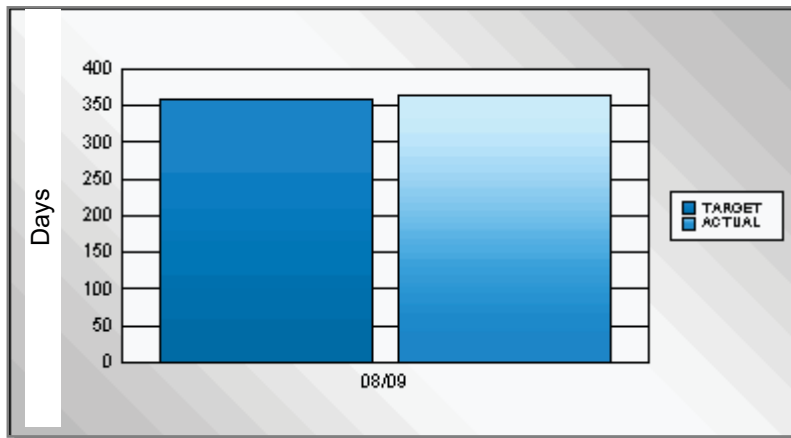
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 66% was not achieved. Only 37% of users were 'very satisfied'. However, an additional 47% of users were 'satisfied', meaning that overall 84% of users were either fairly or very satisfied with Cooks Gardens and its associated facilities.

Cooks Gardens

KPI: Venue will be available for public use, 365 days per annum.



RESPONSIBLE OFFICER:

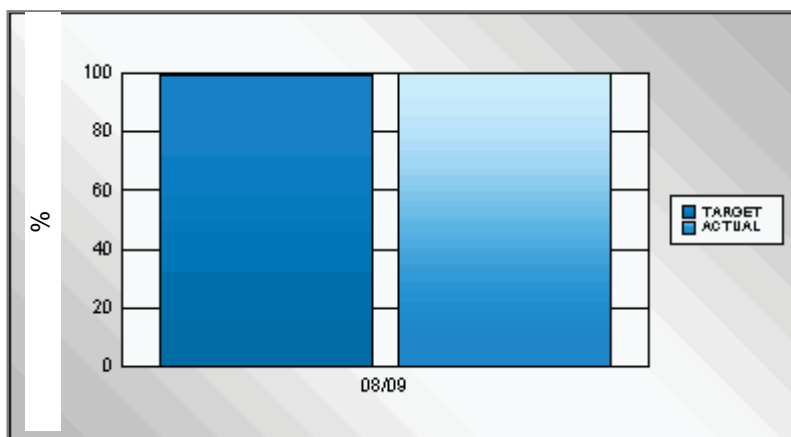
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% of 365 days (357.70 days) was exceeded. The actual result was that Cooks Gardens was available for public use 100% of the time (i.e. 365 days) during the year.

Library

KPI: A library website, public internet access and search facilities will be provided. (Operating Services)



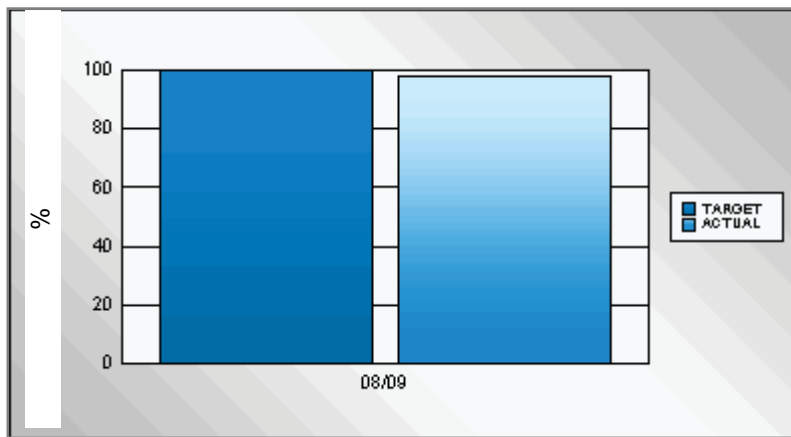
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 99% was exceeded. The actual result saw the library website, public internet access and search facilities provided 99.75% of the time.

KPI: A research and information service at the Alexander Research and Heritage Library will be provided Mon-Fri from 1:00-5:00pm. (Operating Services)



RESPONSIBLE OFFICER:

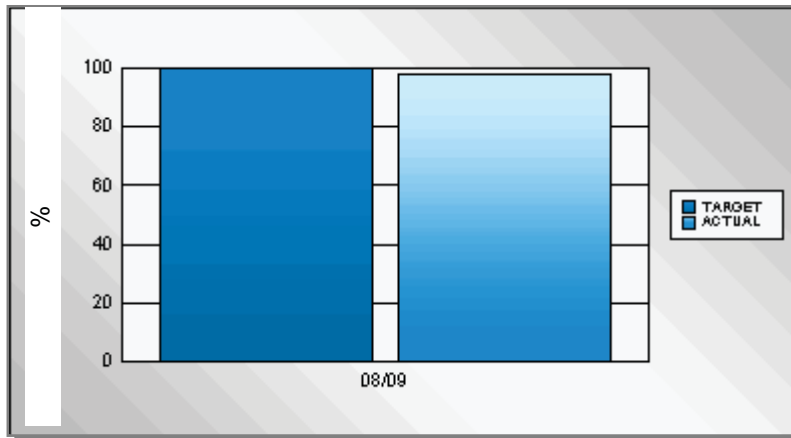
Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was research and information services at the Alexander Research and Heritage Library were provided 97.75% of the time. This was due to a period of closure necessitated by a book sale in the third quarter.

Library

KPI: Access and research support will be provided to heritage/whakapapa resources, Mon-Fri 1:00-5:00pm, 52 weeks per year. (Excluding public holidays)



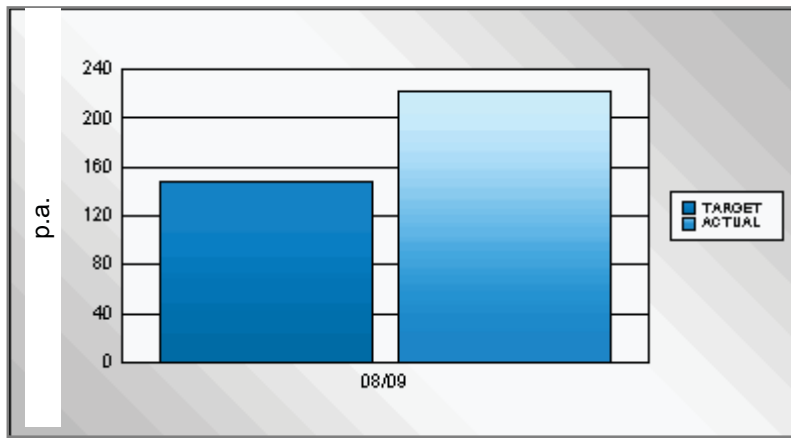
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was access and research support was provided to heritage / whakapapa resources 97.75% of the time. This was due to a period of closure necessitated by a book sale in the third quarter.

KPI: Literacy-based programmes will be delivered to children and teenagers throughout the year. (Education)



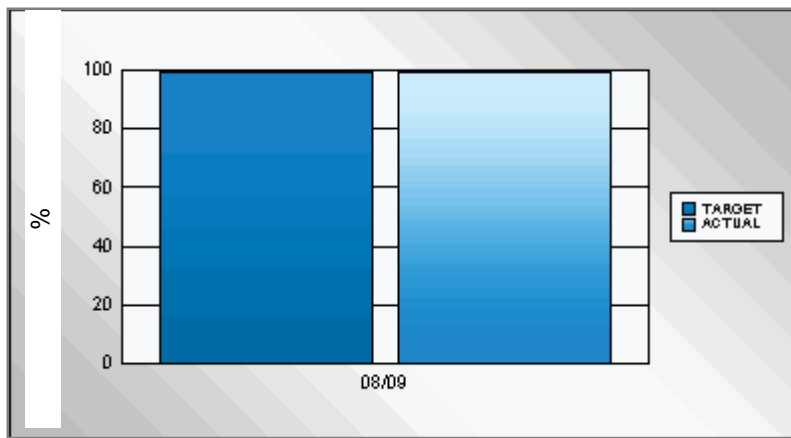
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 95% of a total of 156 programmes (148) was exceeded. The actual result was that 222 programmes were delivered to children and teenagers throughout the year. This was due to particularly busy periods during the third and fourth quarters, with extra programmes / visits at the beginning of the school year and the popularity of Matariki and Sea Week.

KPI: Special needs services, including large print, talking books and a Dial-the-News service will be provided. (Operating Services)



RESPONSIBLE OFFICER:

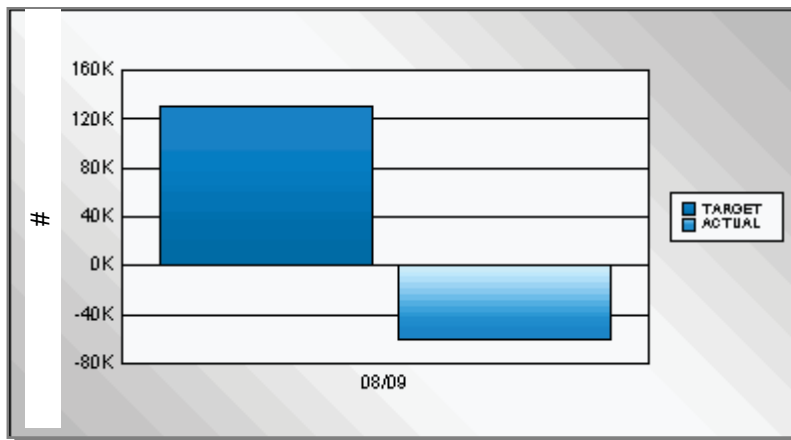
Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 99% was met. Special needs services were provided 99% of the time throughout the year.

Library

KPI: The combined stock levels will be increased from 120,000 for print, audio-visual and electronic items to \$135,000. (Operating Services)



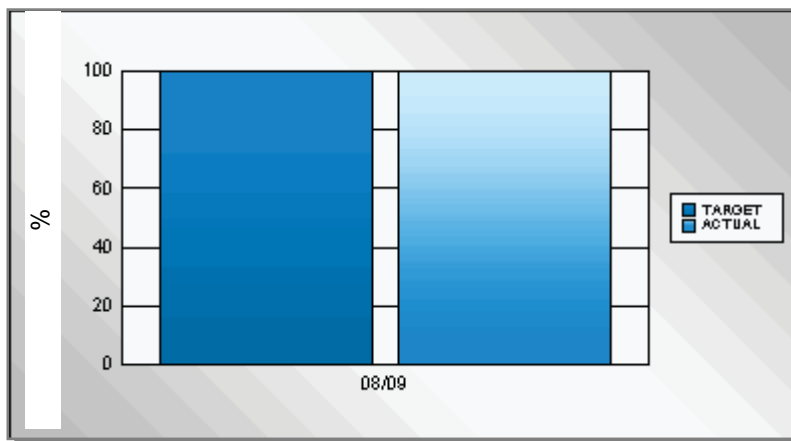
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 130,000 was not achieved. The actual net result was a reduction in stock numbers. This was due to sale of depreciated items and limited space within the Davis Central City Library. The opening of the Gonville Library, combined with a withdrawal / weeding policy, is now allowing the library to develop an upward trend that will see it start to meet new stock level targets.

KPI: The Library will be open to issue books and audio/visual/digital items seven days a week. The Davis Central City Library will be open : Mon,Thu,Fri 10am-8pm. Tue,Wed 10am-6pm. Sat 10am-5pm. Sun 10am-3pm. Except on public holidays. (Operating Services)



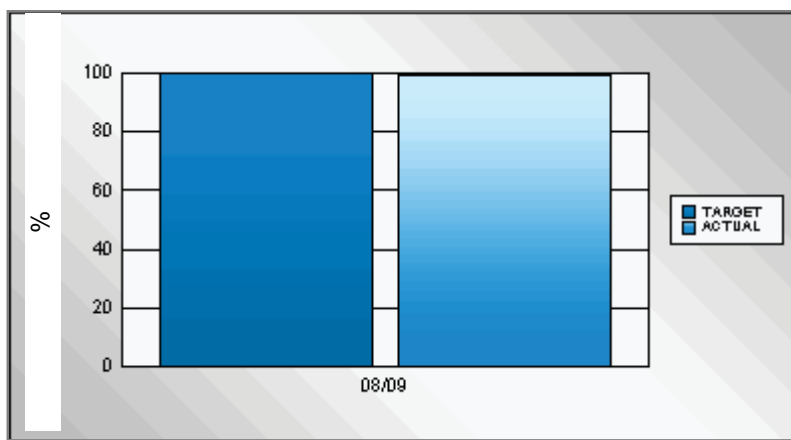
RESPONSIBLE OFFICER:

Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 100% was achieved. The library was open 100% of opening hours.

KPI: The Mobile Library will be available: Mon-Fri 9am-4.30pm; Every second Sat 1pm-3.30pm. (N.B. The Mobile Library service will not be available to Whanganui River Road communities). (Operating Services)



RESPONSIBLE OFFICER:

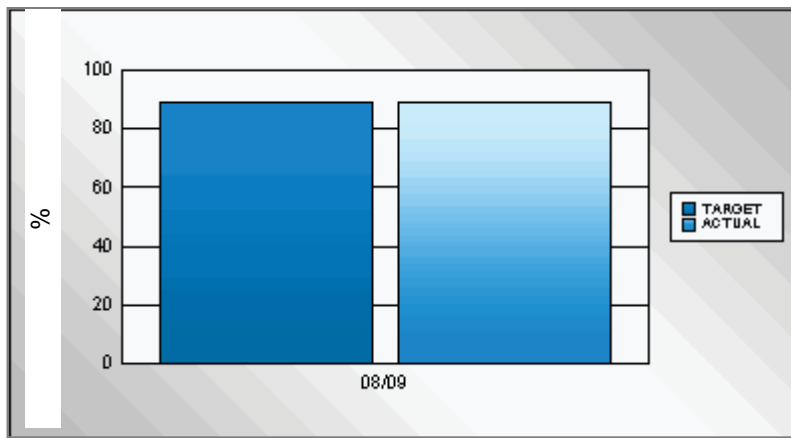
Donna Todd
Network Administrator

LATEST COMMENTS:

The target of 100% was not met. The actual result was 99.5% availability of the Mobile Library service during its regular operating hours. Instances of non-operation were due to mechanical issues.

Library

KPI: Visitors to the Library will be fairly or very satisfied with the services provided. (Operating Services)

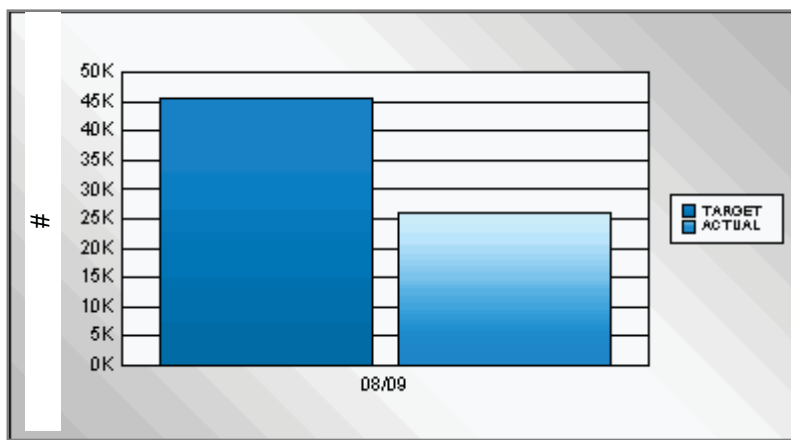


RESPONSIBLE OFFICER:
Donna Todd
Network Administrator

LATEST COMMENTS:
The satisfaction target of 89% was met. 89% of visitors to the library were fairly or very satisfied with the library as measured by the Community Views Survey.

Minor transport

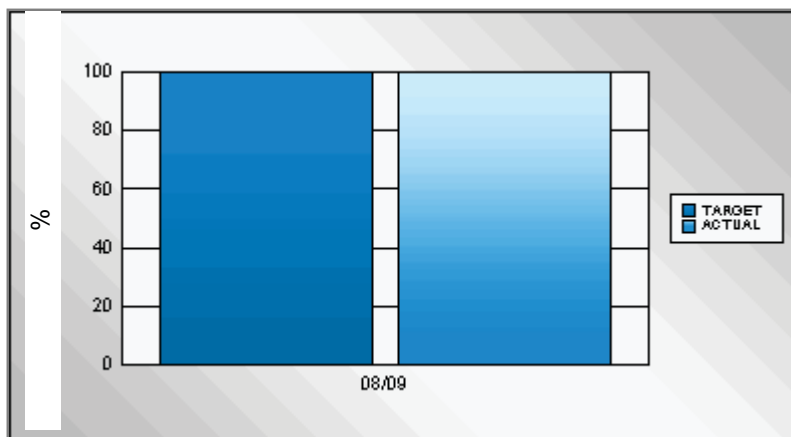
KPI: Customer usage will be increased over time. (Elevator)



RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 45,600 customers was not achieved. The actual result was 26,117. User numbers have reduced following a price increase, however, total revenue did increase.

KPI: Elevator maintenance, safety, emergency and management systems will meet the requirements of the annual Certificate of Inspection. (Elevator)

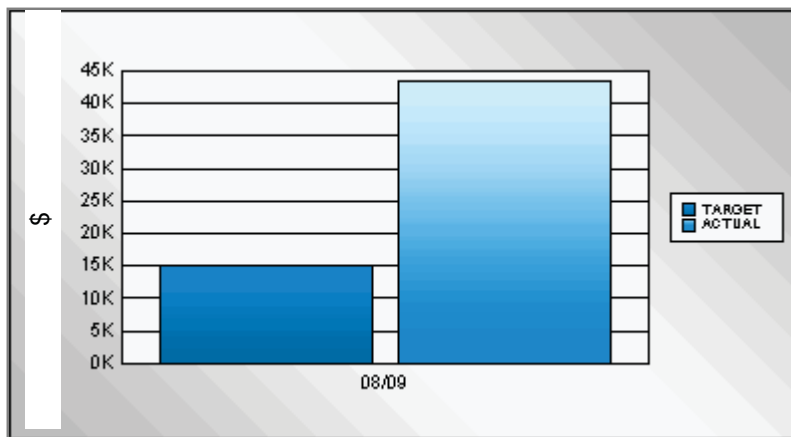


RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of a 'Pass' was achieved. All requirements of the annual certificate of inspection were met.

Minor transport

KPI: Ratepayer contribution requirements will be reduced to annual operating cost* (*operations revenue less operating expenses before accounting for renewals and capital items to a break even point in 2009/10). (Airport)



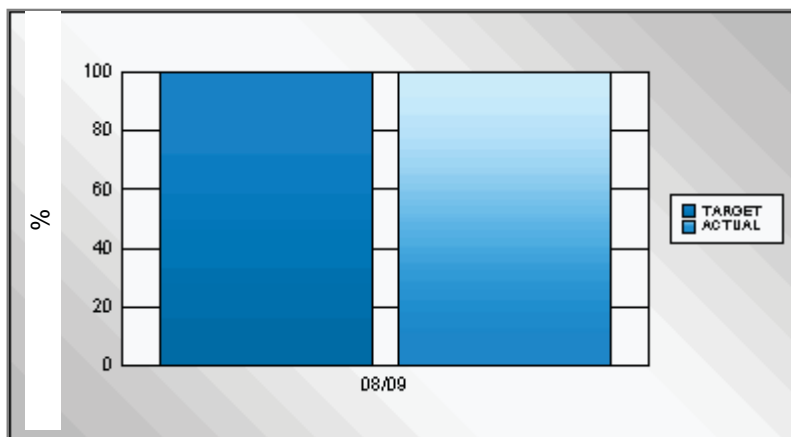
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of less than \$15,000 shortfall was not achieved. The actual result was \$43,508. However, the operating cost continues to trend downwards and this is expected to continue as rental income rises from a combination of reviews and new developments.

KPI: Runway maintenance, security, safety, emergency and management systems will meet the requirements of the annual Civil Aviation Authority Part 139 Certification. (Airport)



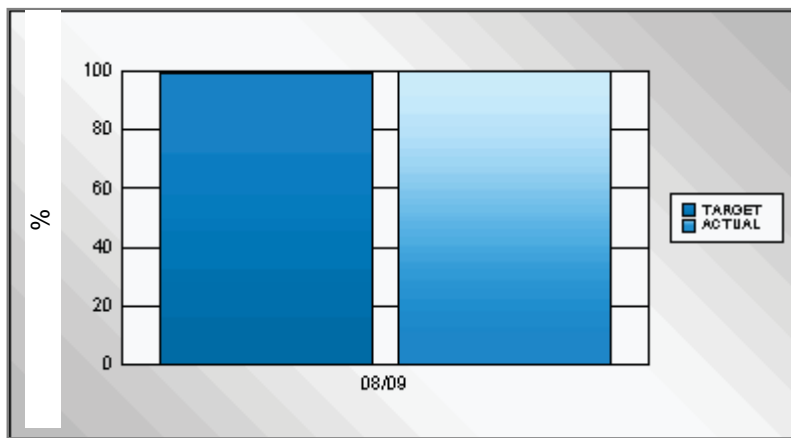
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% compliance was achieved. Runway maintenance, security, safety, emergency and management systems met all the requirements necessary for Part 139 certification.

KPI: The elevator service will be available 52 weeks of the year from 7.30am-6pm weekdays, 9am to 6pm Saturdays and 10am-5pm Sundays. (Elevator)



RESPONSIBLE OFFICER:

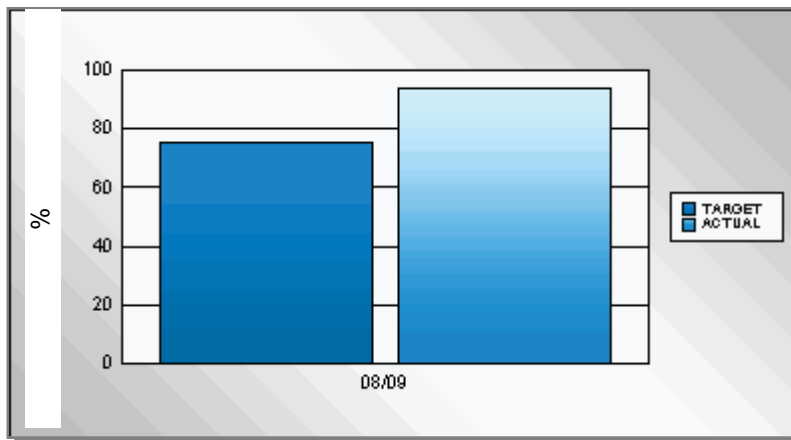
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 99% was exceeded. The actual result was 100% availability of the elevator service during operating hours.

Minor transport

KPI: Users will be fairly or very satisfied that the terminal facilities and other passenger services are to a standard expected of a provincial airport. (Airport)



RESPONSIBLE OFFICER:

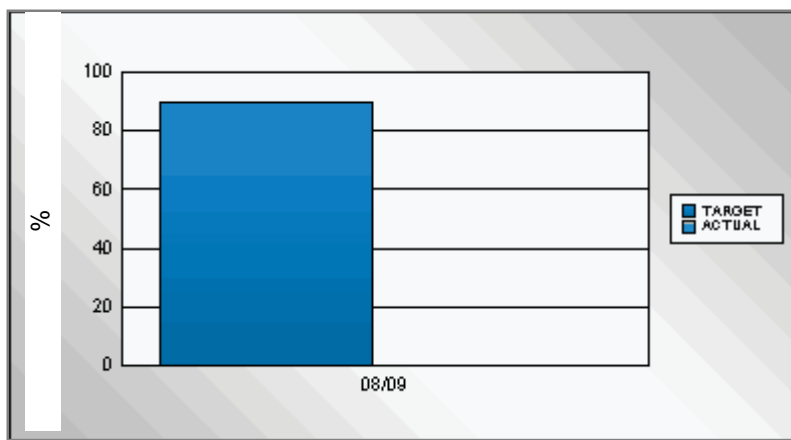
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 75% satisfaction was exceeded. The actual result was 94% of users were fairly or very satisfied with the terminal facilities and passenger services. This excellent satisfaction rating reflects the Council's decision to upgrade the terminal building.

Parks and reserves

KPI: Open Space will be provided within 10 minutes walk or 500 metres of residential properties in the urban area.



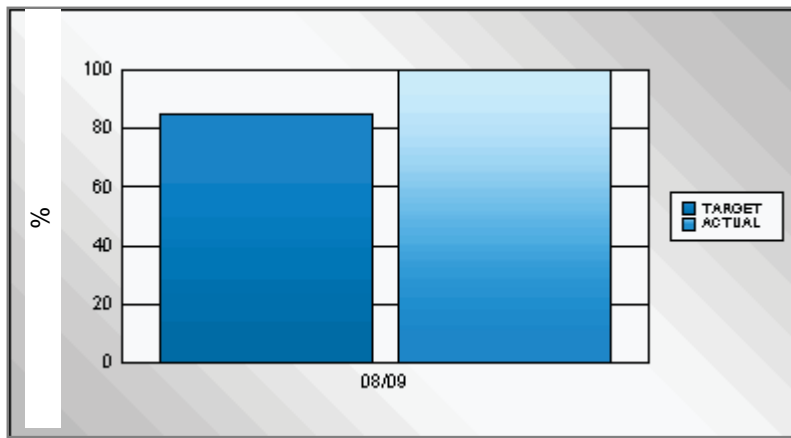
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

Not measured as this requirement no longer exists under the Council's 2007 Parks & Open Spaces Strategy.

KPI: Play equipment will be maintained in a safe condition.



RESPONSIBLE OFFICER:

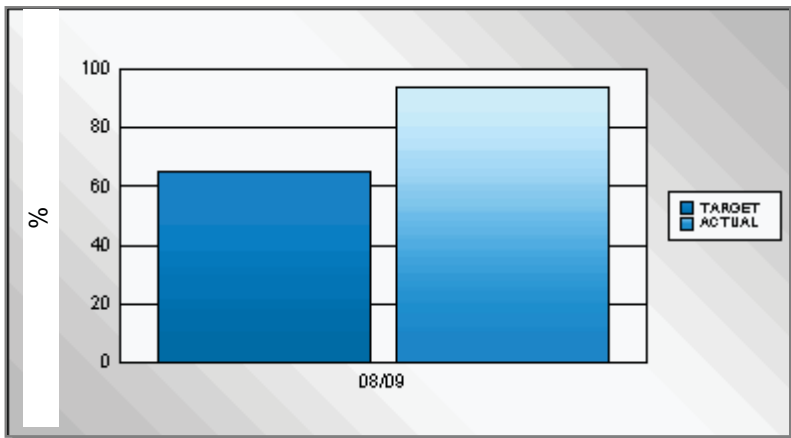
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 85% was exceeded. The actual result was 100%. All equipment is inspected on a monthly basis to ensure that it is maintained in a safe condition.

Parks and reserves

KPI: Reported graffiti will be removed within 48 hours.



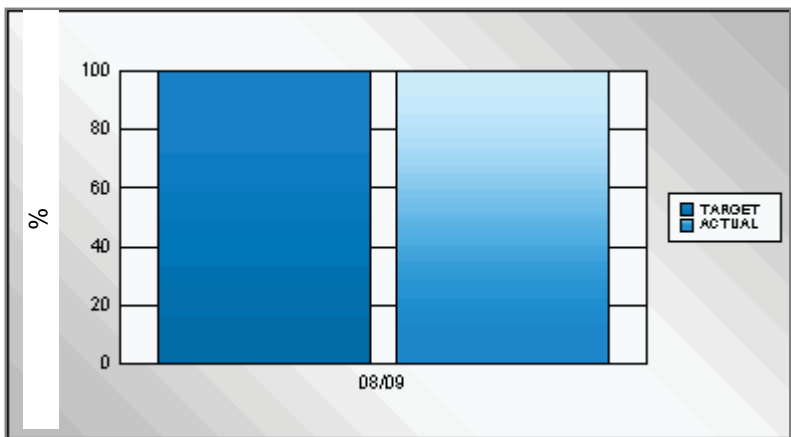
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 65% was exceeded. The actual result was 93.75% of reported graffiti was removed within 48 hours. However, in the last quarter of the year Wanganui did experience an upsurge in tagging as rival groups sought to outdo each other. This resulted in a slippage in the timeframe for removing non-offensive tagging and meant that 100% achievement was not attained.

KPI: Resource consent conditions will be complied with.



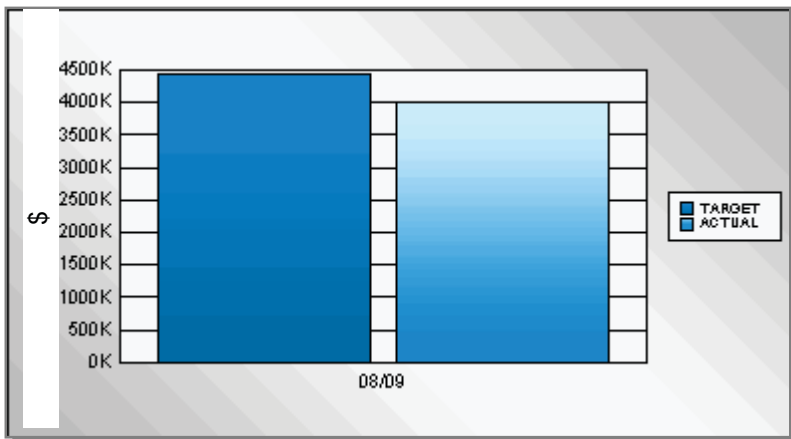
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. Resource consent conditions were consistently complied with.

KPI: The service will be maintained within allocated budget.



RESPONSIBLE OFFICER:

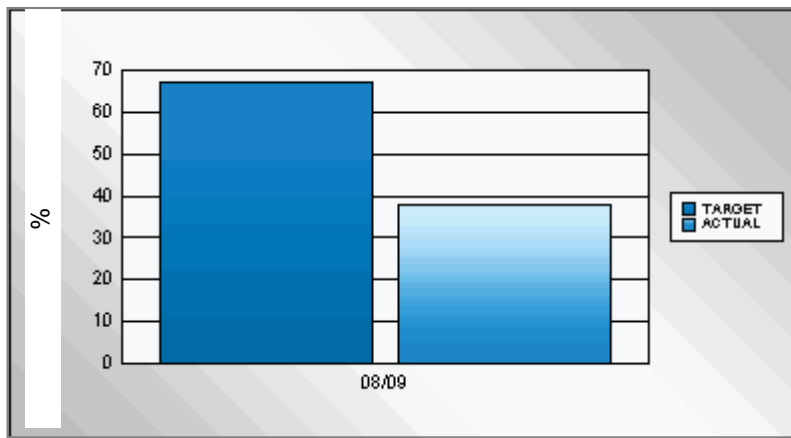
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The service was maintained within its allocated budget – meeting the target of + or -2%. Service delivery of the overall activity area came in under budget meaning that the actual result was under the -2% mark. This was as a result of lower than expected increases in contract roll-over prices, deferred or delayed projects and planned maintenance and lower reactive maintenance costs.

Parks and reserves

KPI: Users of parks and reserves grounds and associated facilities will be very satisfied with the quality.



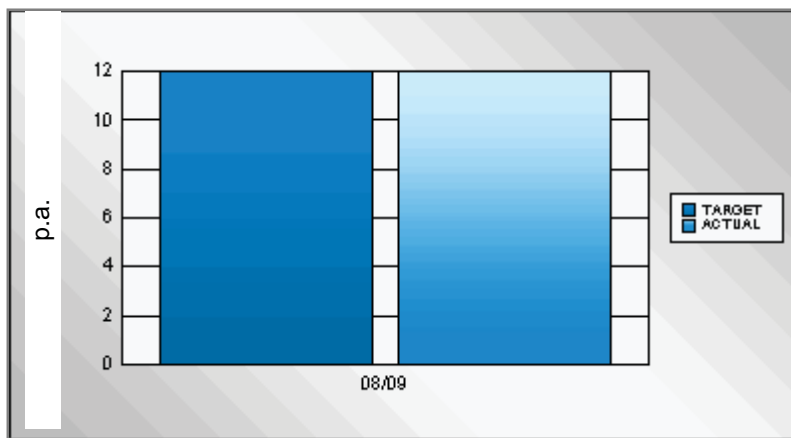
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The satisfaction target of 67% was not met. The actual result was 38% of users were 'very satisfied'. However, an additional 50% were 'satisfied', meaning that overall 88% of users were fairly or very satisfied with parks and reserves grounds and associated facilities.

KPI: Walkways within the parks and reserve network will be inspected for safety on a monthly basis.



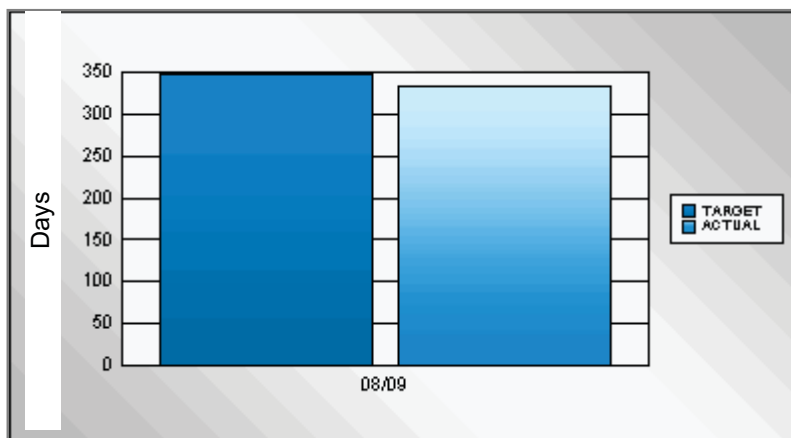
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 12 inspections was achieved. Walkways within the parks and reserves network were inspected for safety on a monthly basis.

KPI: Walkways, public facilities and open park spaces will be available for public use 365 days per annum.



RESPONSIBLE OFFICER:

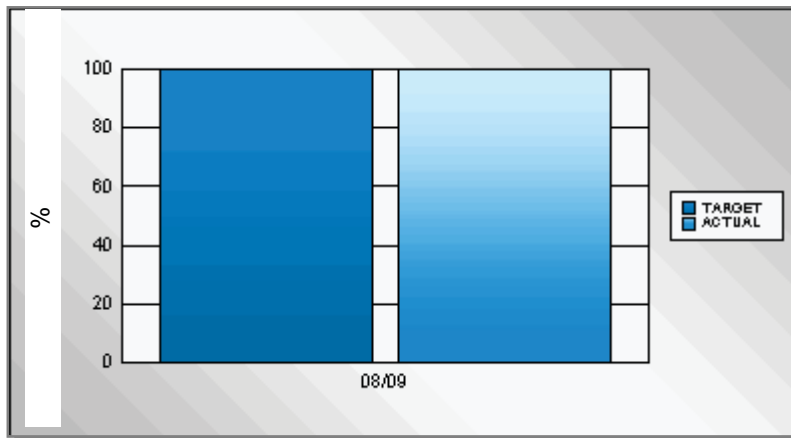
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% availability (347 days) was not met. The actual result was 91% (333 days). This was due to closure of part of the walkway at Westmere Lake for two weeks while a bridge was repaired.

Pensioner Housing

KPI: Pensioner housing will be self funding, apart from asset replacements.



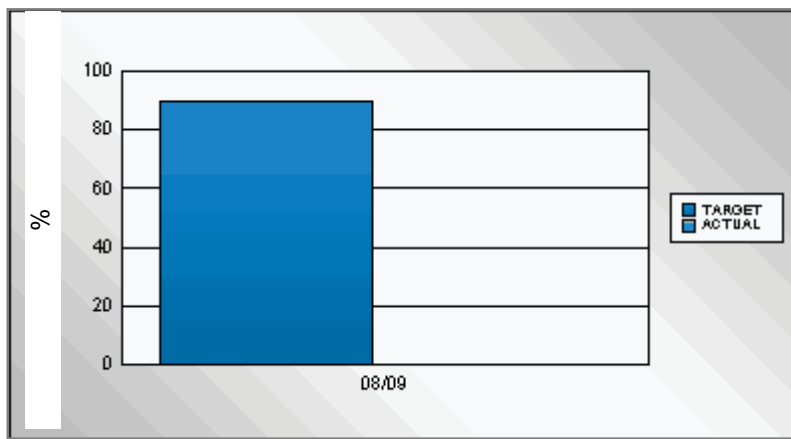
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. The Pensioner Housing activity made a small surplus of \$6,000 for the year. This will be applied to the loan associated with the portfolio.

KPI: Tenants will rate their level of satisfaction with pensioner housing as good or very good.



RESPONSIBLE OFFICER:

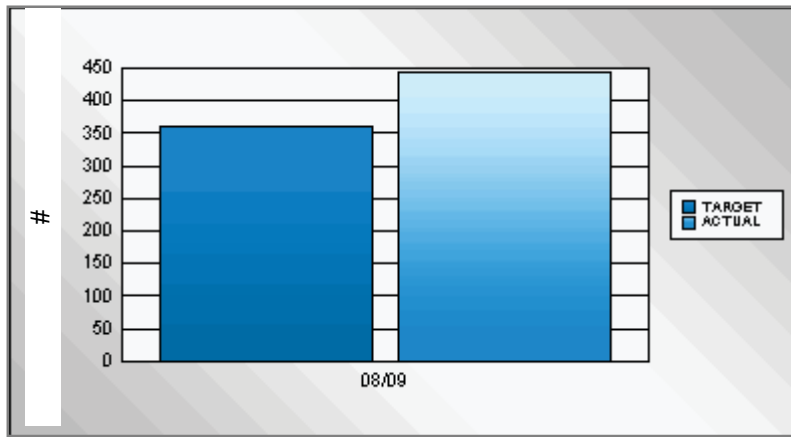
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

Not surveyed this year. Tenants are normally surveyed every three years, however, last year an additional survey was carried out. The satisfaction target for 2008/09 was 90%.

Regional Museum

KPI: 400 items will be added annually to the collection (that meet the criteria). (Collection)



RESPONSIBLE OFFICER:

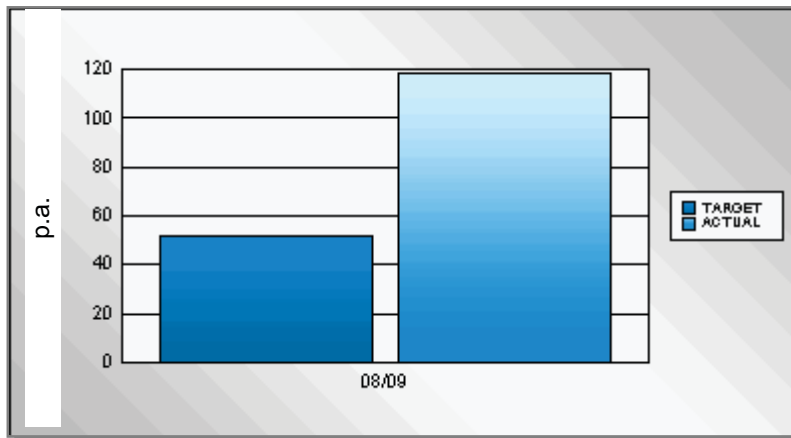
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 360 (90% of the 400 items to be added) was exceeded. The actual result was 445 items added to the collection.

Regional Museum

KPI: 52 community media releases will be provided per annum. (General)



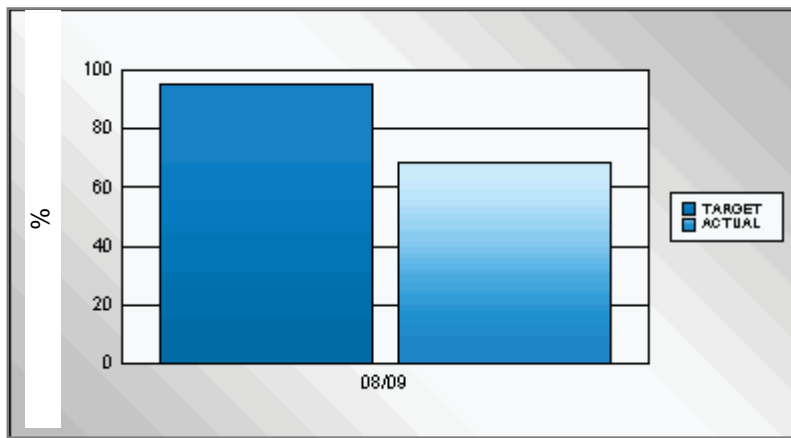
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 52 media releases was exceeded. The actual result was 118 community media releases for the 2008/09 year.

KPI: Archive services will be provided from 10am-1pm Mon-Fri (excluding public holidays). (Reference, research and advisory services)



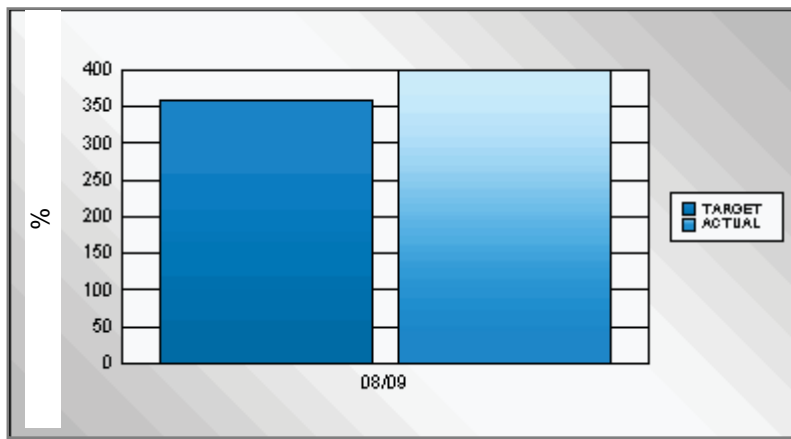
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 95% was not achieved. The archivist left on 6 March 2009 and was not replaced in 2008/09.

KPI: Contract targets for the Ministry of Education's education programmes will be met. (Education)



RESPONSIBLE OFFICER:

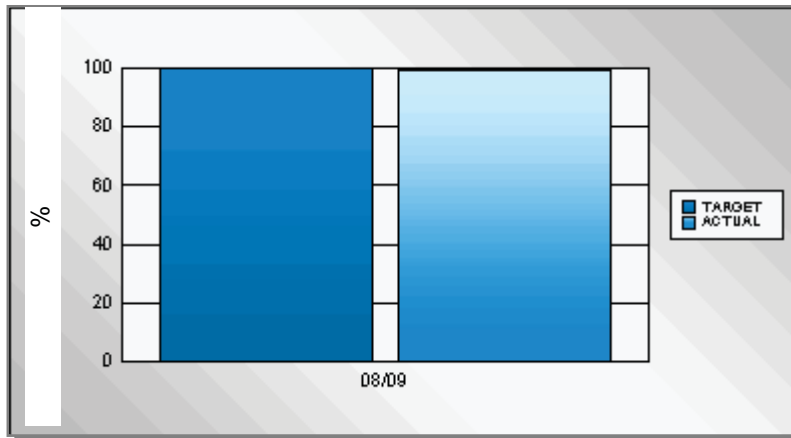
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100% of the Ministry of Education's contract targets were met.

Regional Museum

KPI: Public access will be provided between 10am-4.30pm, 7 days per week, 363 days per year (closed Good Friday and Christmas Day). (Exhibitions and public programmes visitor services)



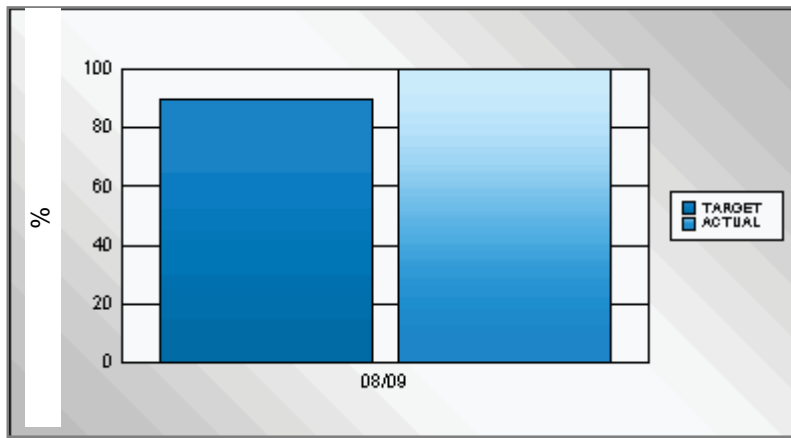
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 100% was not met. The actual result was public access was provided 99.5% of the time during opening hours. This was due to a 14 hour closure in the last quarter for planned fumigation.

KPI: Responses to research enquiries will be provided within four weeks of the enquiry. (Reference, research and advisory services)



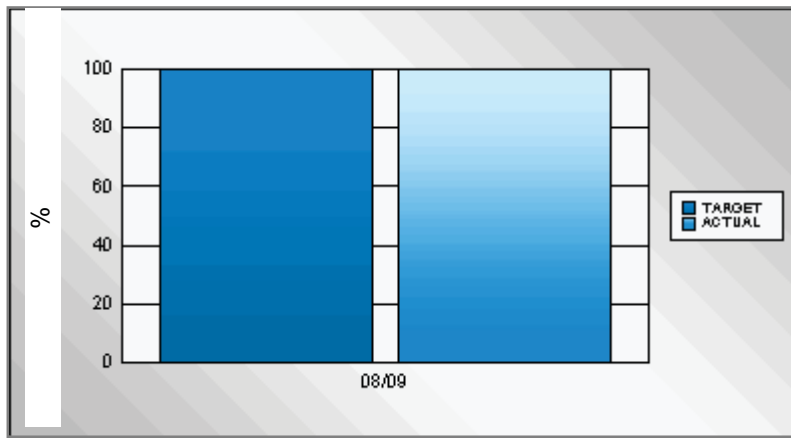
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100% of research enquiries were responded to within four weeks of the enquiry.

KPI: The building will have a current "Building Warrant of Fitness". (General)



RESPONSIBLE OFFICER:

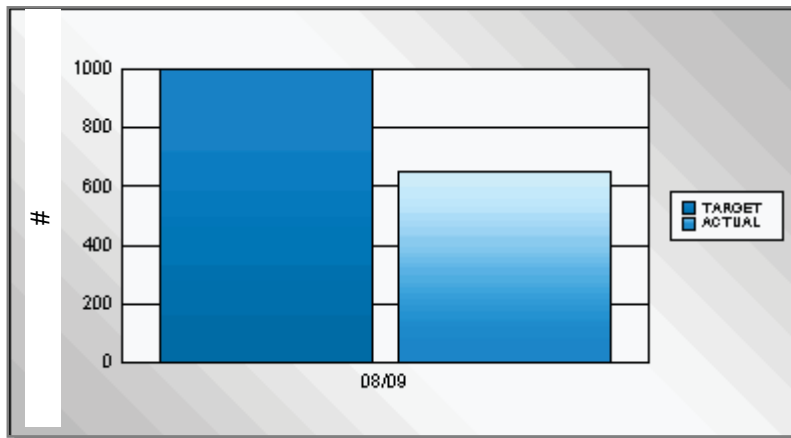
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 100% was met. The building maintained a current "Building Warrant of Fitness".

Regional Museum

KPI: There will be an increase in items housed in conditions that will prevent deterioration. (Collection)



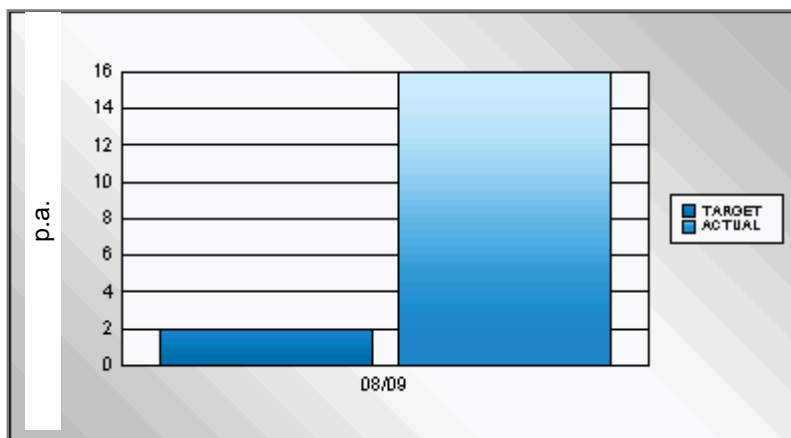
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 1000 items (Annual Plan 2008/09) was not met. The actual result was 652 items were housed in conditions that will prevent deterioration over the 2008/09 year. This outcome can be attributed to staffing gaps as a result of resignation and parental leave. The target of 1000 differs from that in the 10-Year Plan 2006-2016 (a 1% increase per annum – 865 items).

KPI: Two community interest exhibitions will be provided per year. (Exhibitions and public programmes visitor services)



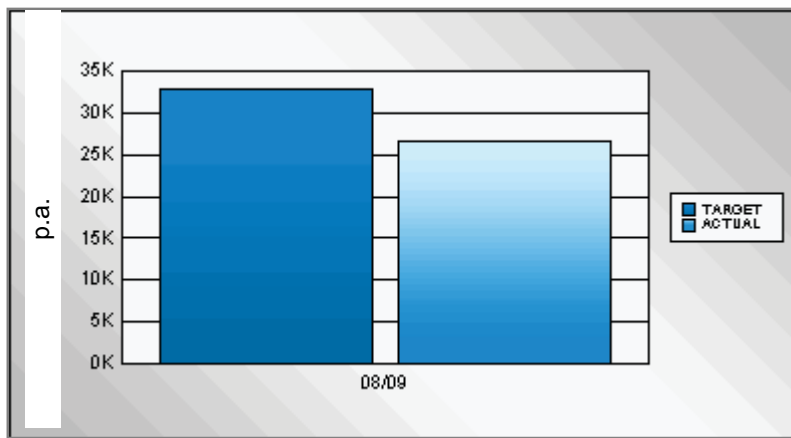
RESPONSIBLE OFFICER:

Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of two new community interest exhibitions was exceeded. The actual result was 16. Of these, three were major exhibitions (Mana Whenua Mana Tangata, Te Pihhi Mata and Te Ara Tapu).

KPI: Visitors to exhibitions and events will be increased. (Exhibitions and public programmes visitor services)



RESPONSIBLE OFFICER:

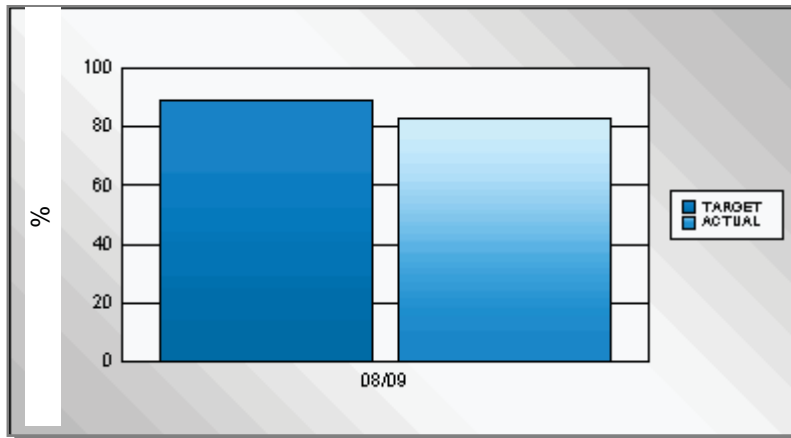
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The target of 32,782 was not met. The actual result was 26,725 visitors to exhibitions and events. This drop in visitor numbers could be attributed to the introduction of an entry fee for local adults as well as to a general downturn in visitors as a result of global economic conditions.

Regional Museum

KPI: Visitors to the Museum will be fairly or very satisfied. (Exhibitions and public programmes visitor services)



RESPONSIBLE OFFICER:

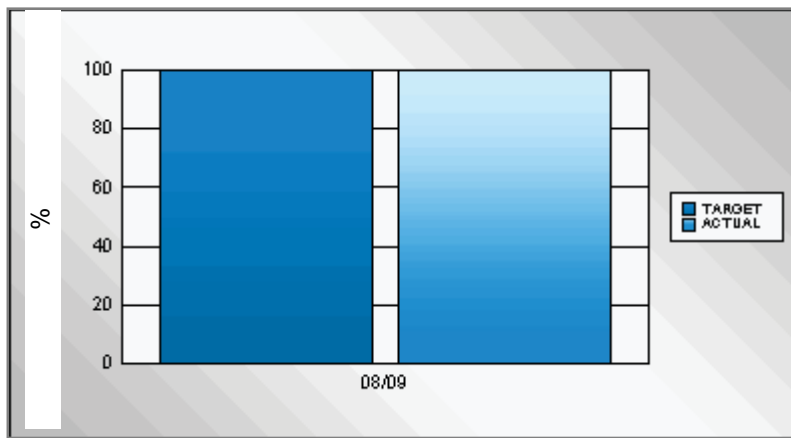
Pete Gray
Deputy Cultural and Community Manager

LATEST COMMENTS:

The satisfaction target was 89% was not met. The actual result was 83% of visitors to the Museum were fairly or very satisfied.

Royal Wanganui Opera House

KPI: The building will have a current "Building Warrant of Fitness".



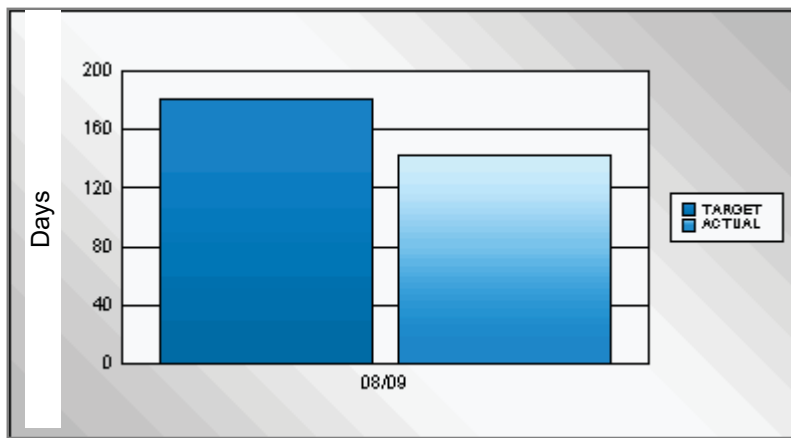
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was achieved. The Royal Wanganui Opera House maintained a current "Building Warrant of Fitness".

KPI: The number of days the Opera House is used increases.



RESPONSIBLE OFFICER:

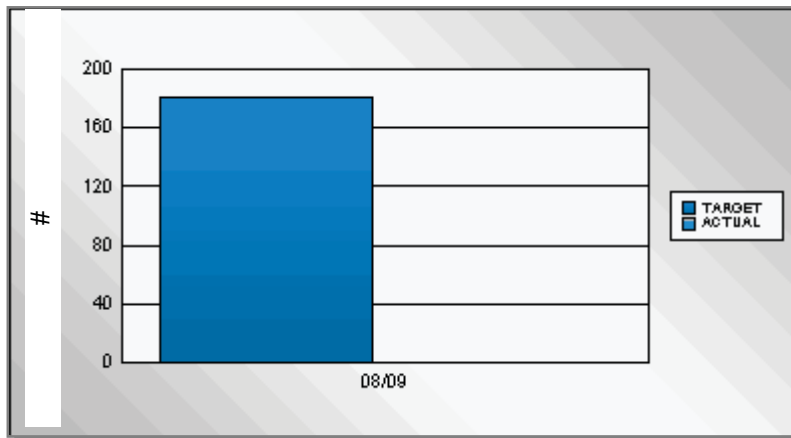
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 181 days usage was not achieved. The actual result was 143 days. However, this figure does represent an increase on previous usage (131 days in 2007/08).

Royal Wanganui Opera House

KPI: *There is an increasing number of events held at the Opera House.*



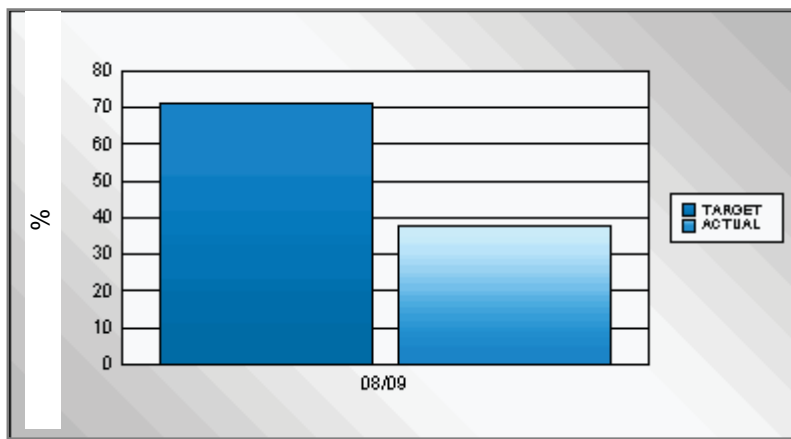
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 181 events was not met. This KPI is an error. It appears that the target of a 5% increase on the baseline of 143 has not been achieved. However, the baseline figure stated in the LTCCP and the target is incorrect and it duplicates the "Opera House Usage" KPI. There has been no measure in place to monitor this accurately.

KPI: *Users will be very satisfied with the Opera House facilities.*



RESPONSIBLE OFFICER:

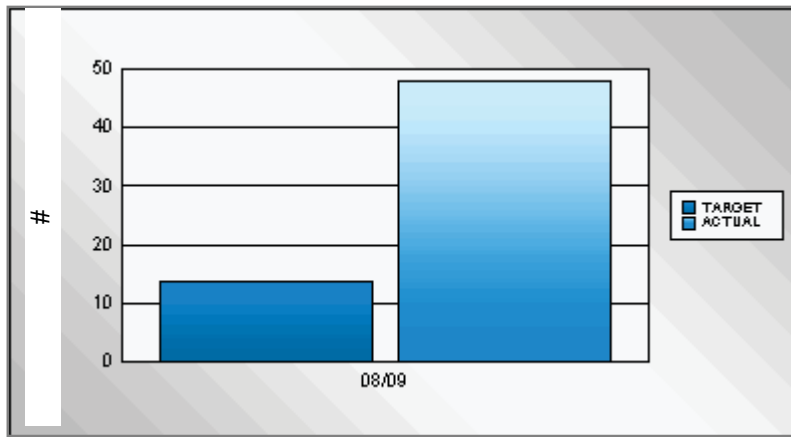
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The satisfaction target of 71% was not met. The actual result was 38% of users were 'very satisfied'. However, an additional 47% of users were 'satisfied', meaning that overall 85% of users were fairly or very satisfied with the Opera House facilities.

Sarjeant Gallery

KPI: *A total of 15 public exhibitions, forums or events will be provided per year.*



RESPONSIBLE OFFICER:

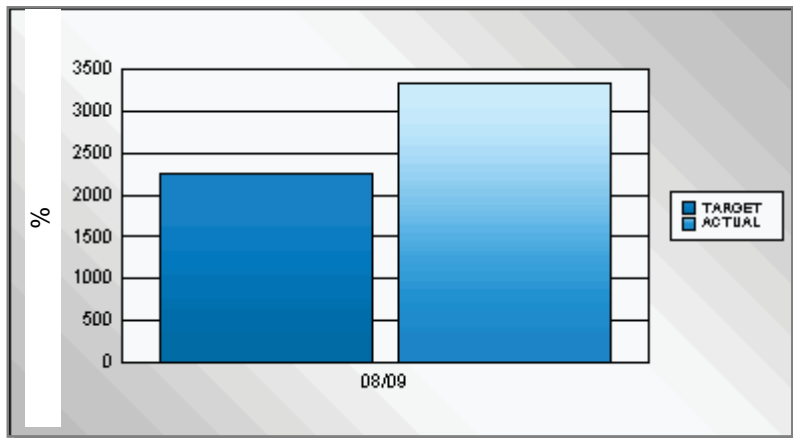
Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 90% provision of 15 exhibitions, forums or events (that is, 13.5 exhibitions, forums or events) was exceeded. The actual result was 48. The increased number was a reflection of efforts to better engage with the community and its cultural organisations - for example through the French Film Festival, music recitals and Wanganui Operatic Week.

Sarjeant Gallery

KPI: Contract targets for Ministry of Education contracts will be met.



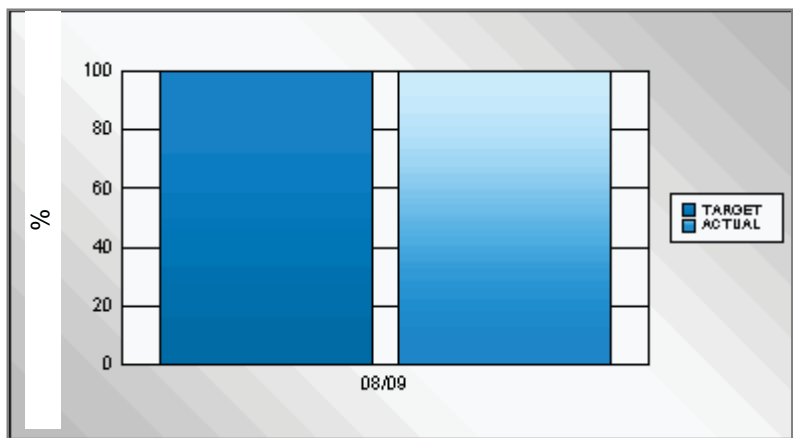
RESPONSIBLE OFFICER:

Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The Ministry of Education sets its contract target at 2,500. Our target of >90% of 2,500 was exceeded. The actual result was 3,326. The positive result was due to an unusually busy first term, with teachers requesting delivery earlier in the year and the popularity of the annual Matariki programme.

KPI: Public access will be provided from 10.30am-4.30pm Mon-Sat and 1pm-4.30pm Sun and public holidays 363 days per year. (Closed Good Friday and Christmas Day)



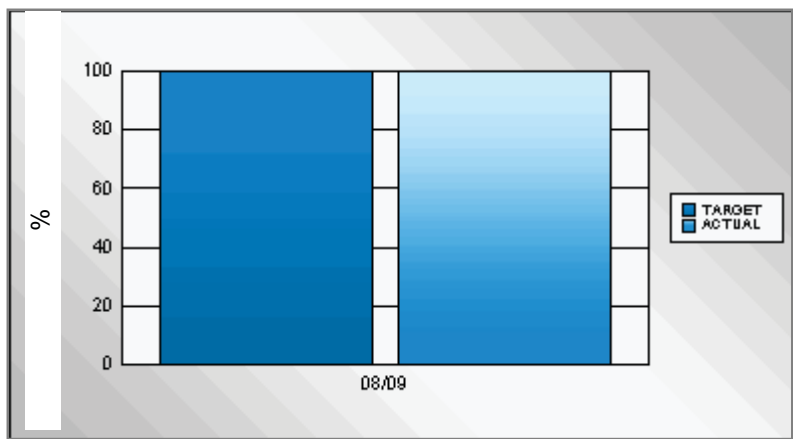
RESPONSIBLE OFFICER:

Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 100% was met. The Sarjeant Gallery was open 100% of normal opening hours.

KPI: The Sarjeant Gallery's architectural significance Category 'A' status (NZHPT) will be retained.



RESPONSIBLE OFFICER:

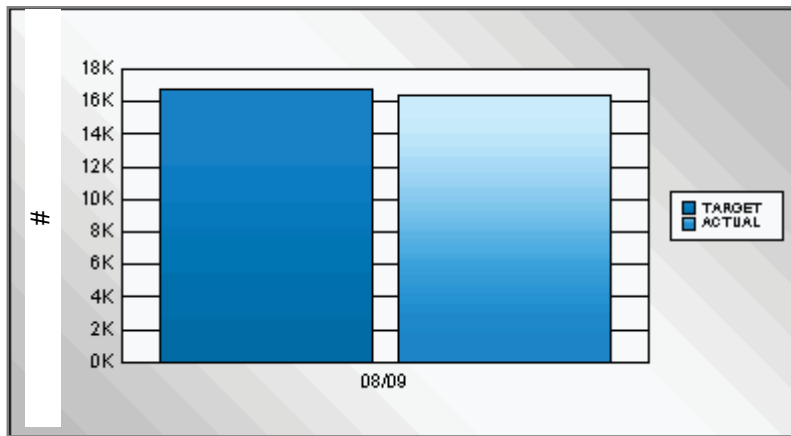
Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of a 'Pass' was met. Category 'A' status was retained.

Sarjeant Gallery

KPI: *There is an increase in the number of local visitors (Note: by 10% over the next three years).*



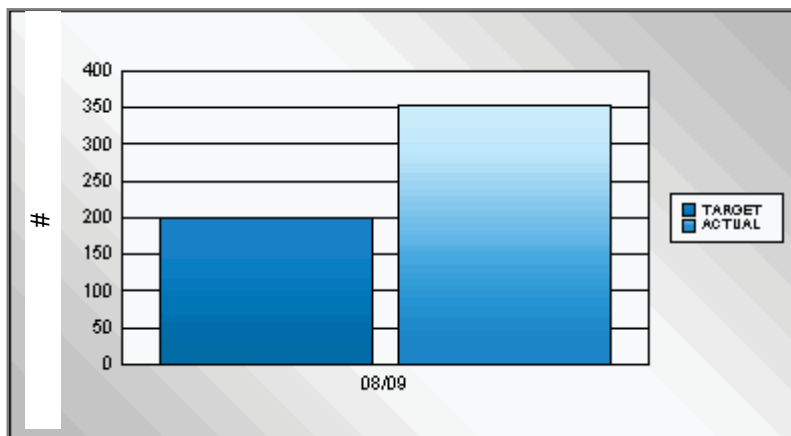
RESPONSIBLE OFFICER:

Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 16,828 was not met. The actual result was 16,355 local visitors over the 2008/09 period.

KPI: *Tylee Cottage will be occupied by an Artist in Residence 200 days per year.*



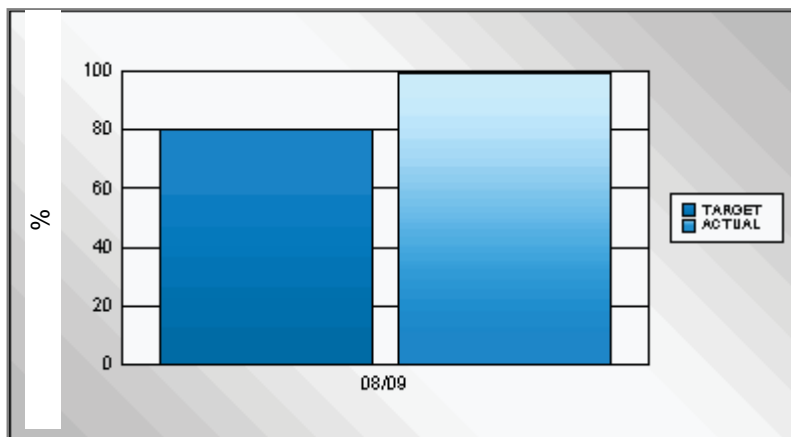
RESPONSIBLE OFFICER:

Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 200 days was exceeded. The actual result was 353 days occupancy.

KPI: *Visitors will be fairly or very satisfied with the Gallery.*



RESPONSIBLE OFFICER:

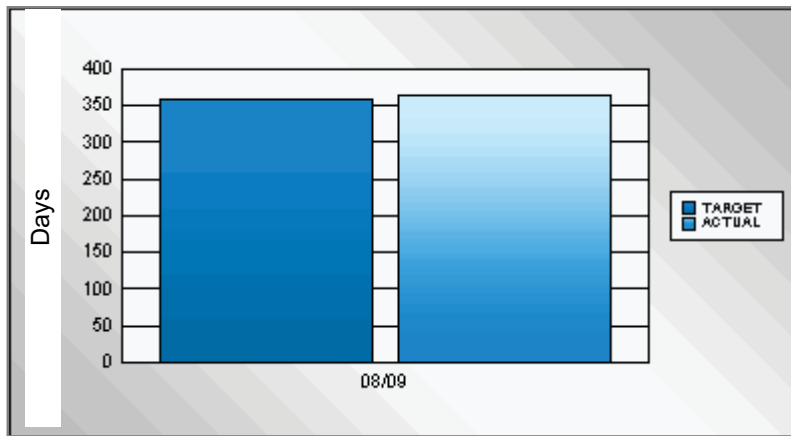
Carmen Toyne
Visitor Services Coordinator

LATEST COMMENTS:

The target of 80% was exceeded. The actual result was 99%. Satisfaction levels have increased as a result of more accurate and direct data gathering through visitor services at the gallery.

Sports grounds

KPI: Floodlit sports grounds will be available for use, 365 days per year.



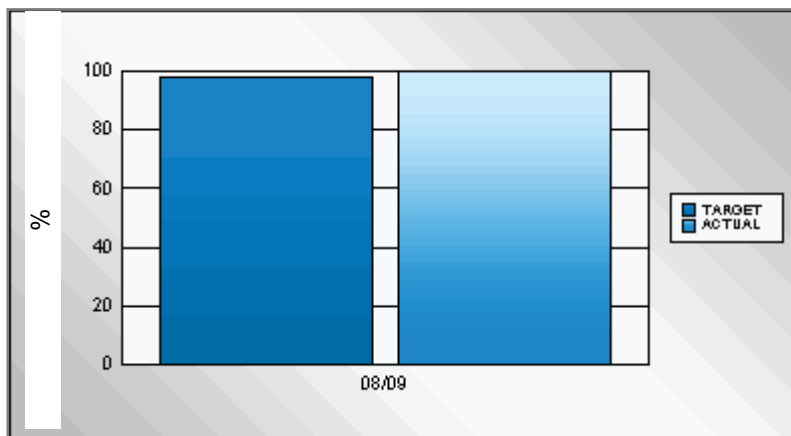
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% availability (357.70 days) was exceeded. The actual result was floodlit sports grounds were available every day of the year.

KPI: Leases and licences will be current for all applicable user groups.



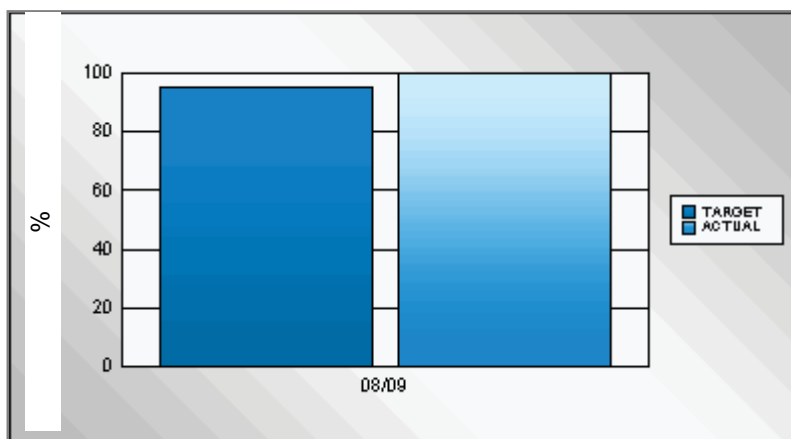
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% was exceeded. The actual result was all occupiers and users of Council land had a current lease or licence. Rental adjustments on community organisation leases were suspended until the Council's new policy was implemented.

KPI: Public conveniences will be available for use.



RESPONSIBLE OFFICER:

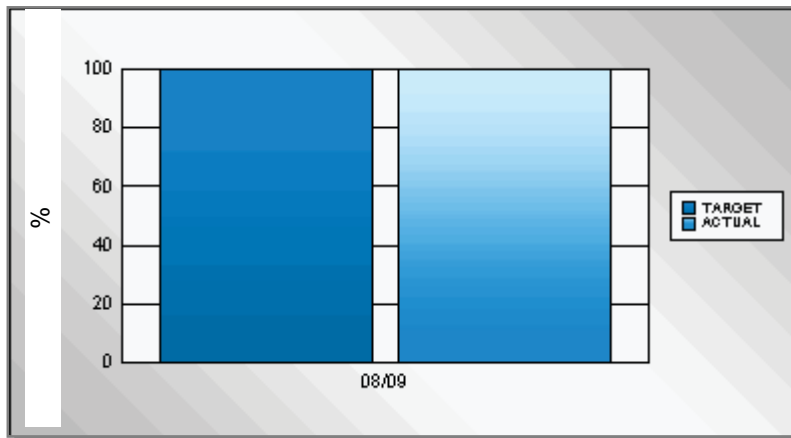
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was public conveniences were available for use 100% of the time.

Sports grounds

KPI: Resource consents to take water will be complied with.



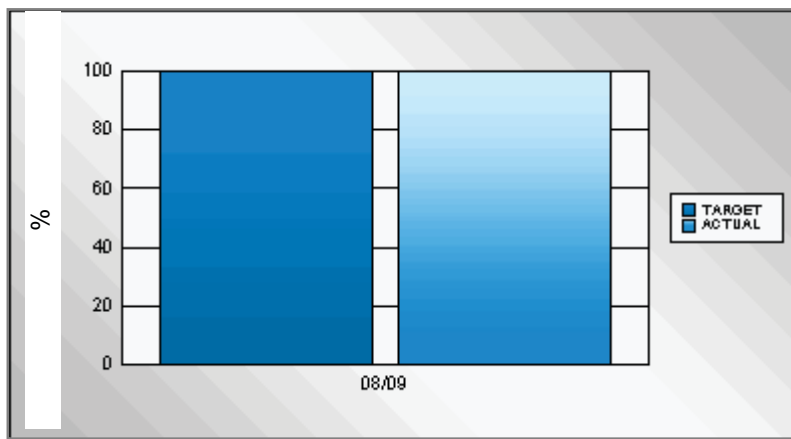
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. Resource consents to take water were consistently complied with.

KPI: Sports ground maintenance will meet all contract specifications on all inspections.



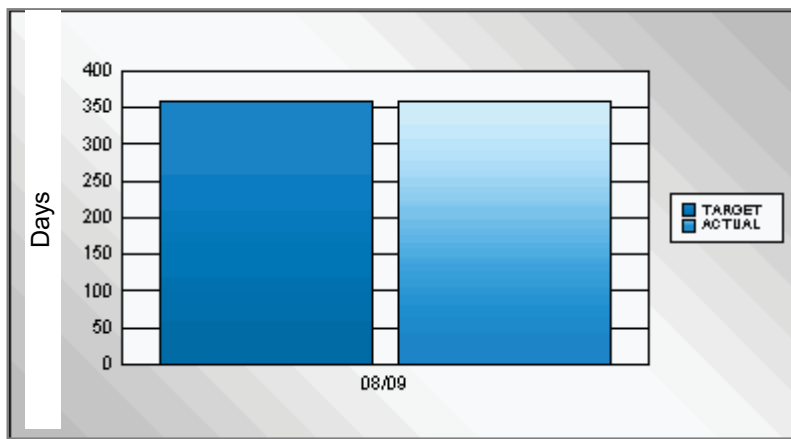
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. 12 inspections were undertaken and sports ground maintenance met all contract specifications on all inspections.

KPI: Unlit sports grounds will be available for use, 365 days per year.



RESPONSIBLE OFFICER:

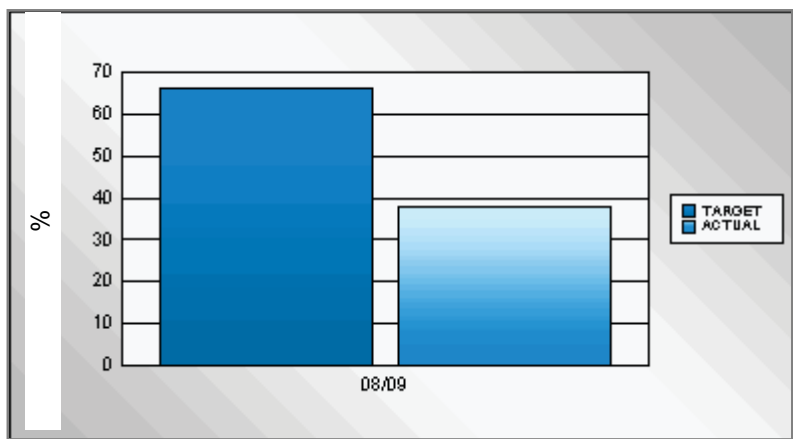
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% of 365 days (357.70 days) was achieved. No grounds were closed during the year, however, individual fields were closed on three occasions due to weather conditions.

Sports grounds

KPI: Users will be very satisfied with sports grounds and associated facilities.



RESPONSIBLE OFFICER:

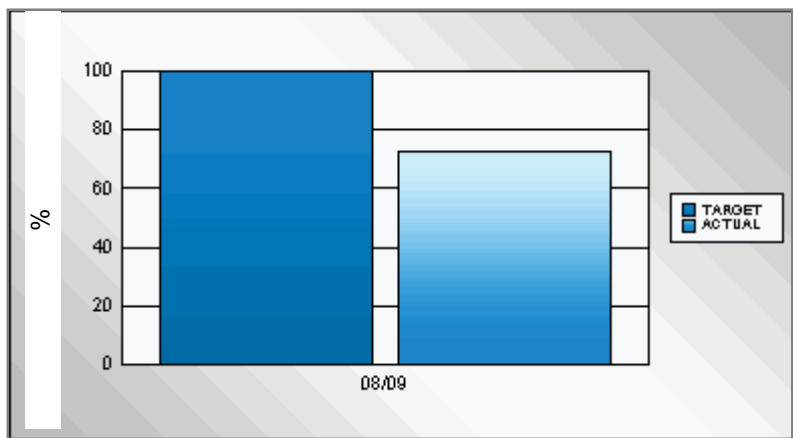
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The satisfaction target of 66% was not achieved. The actual result was 38% of users were 'very satisfied'. However, an additional 50% were 'satisfied', meaning that overall 88% of users were fairly or very satisfied with sports grounds and associated facilities.

Swimming pools

KPI: The Splash Centre main pool water temperature will be maintained at 29° +/- 2°.



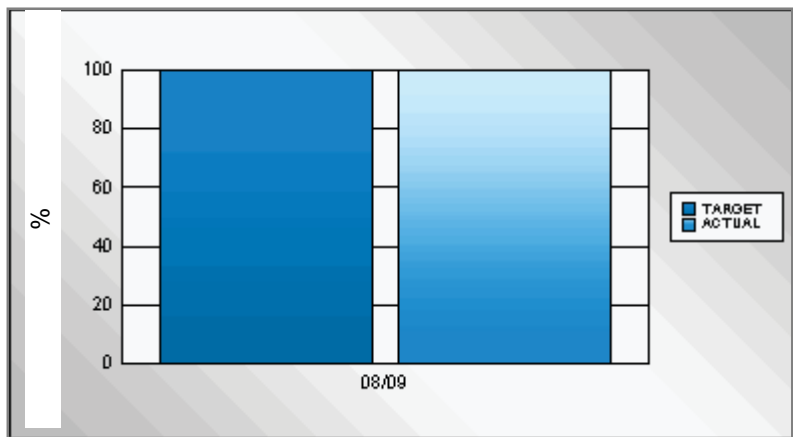
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was pools met the target temperatures 72.25% of the time. This result was due to ongoing problems with the new pool heating system.

KPI: New Zealand Swimming Pool Water Quality Standards (NZS 5862:2000) will be complied with.



RESPONSIBLE OFFICER:

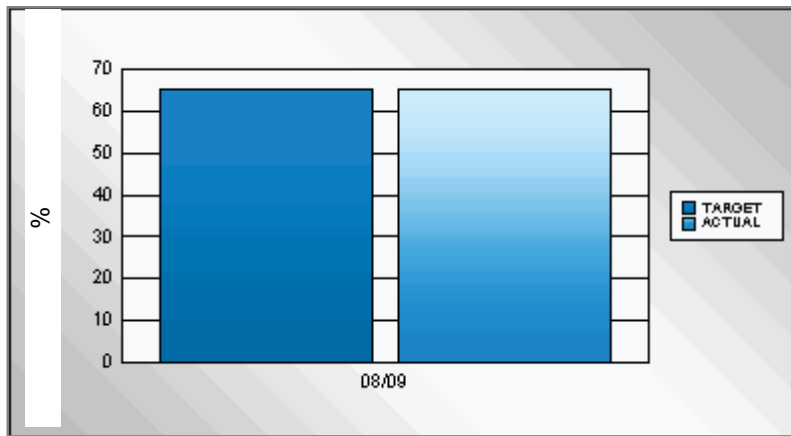
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. Pool water quality met the requisite standards at all times.

Swimming pools

KPI: The community will be fairly or very satisfied with the swimming pool facilities.



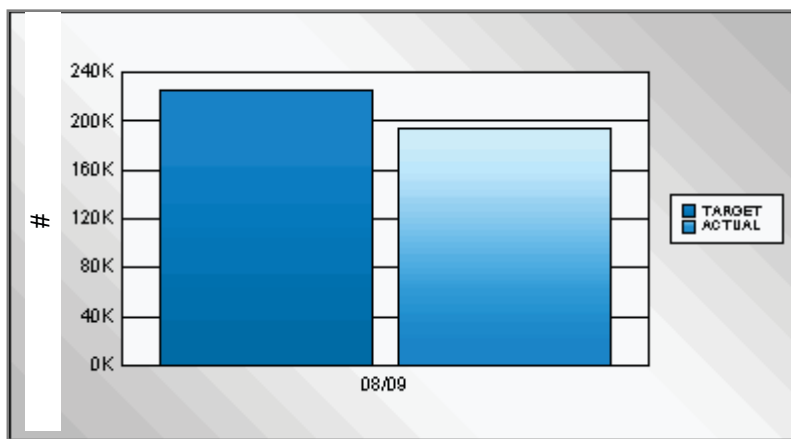
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 65% was met as measured by the Community Views Survey 2009. 65% of respondents were fairly or very satisfied with swimming pool facilities.

KPI: The number of Splash Centre pool users will be increased.



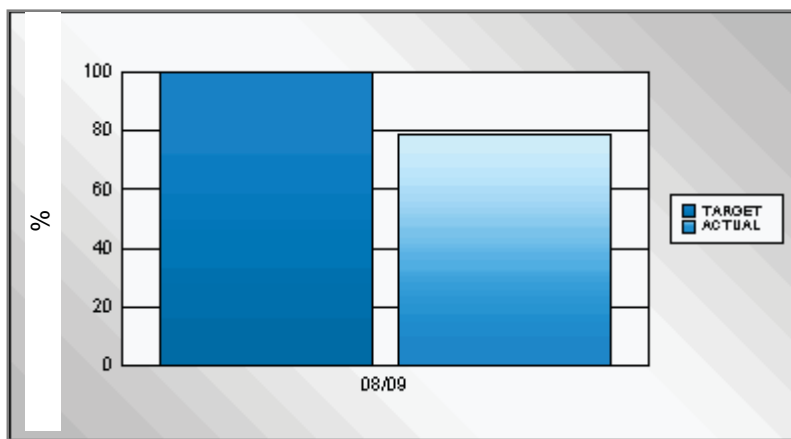
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 225,850 users was not achieved. The actual result was 193,894 users. Issues with the pool heating system continued to have an impact on admissions and learn to swim numbers.

KPI: The Splash Centre learners' pool water temperature will be maintained at 33° +/- 2°.



RESPONSIBLE OFFICER:

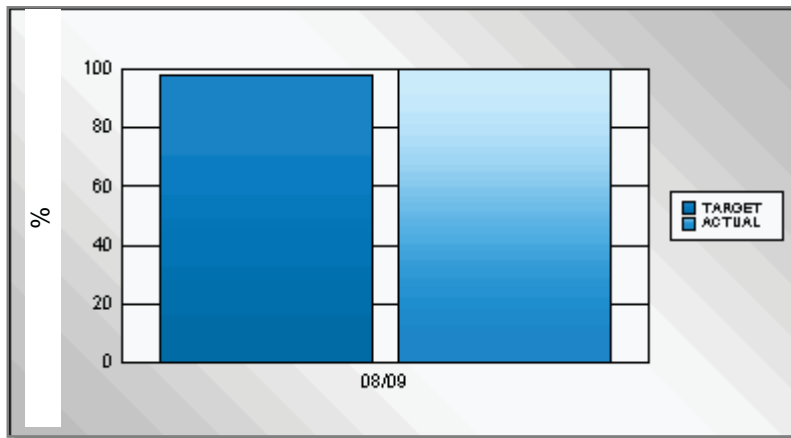
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was not met. The actual result was the pool water temperature was maintained within the target 78.75% of the time. This result was due to ongoing problems with the new pool heating system.

Swimming pools

KPI: The Splash Centre will be open seven days a week and will offer a range of programmes.



RESPONSIBLE OFFICER:

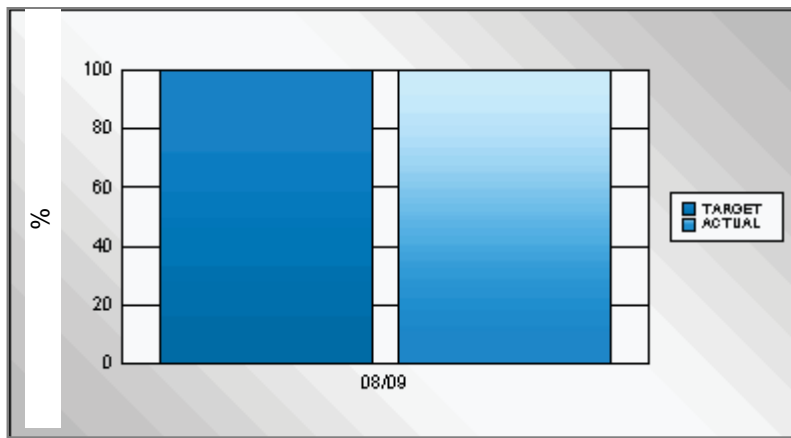
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 98% was exceeded. The actual result was 100%. While individual pools have been closed for short periods due to heating problems, the Splash Centre has always remained open during normal operating hours.

War Memorial Hall

KPI: Physical work on the building structure will comply with the Historic Places Act classification.



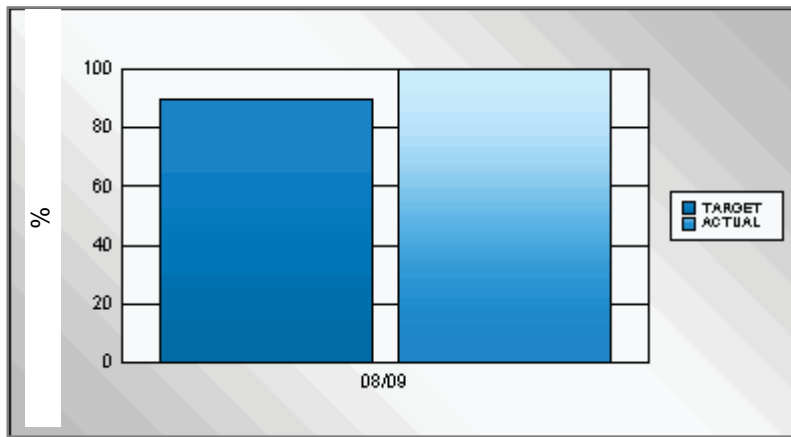
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 100% was met. Compliance with the Historic Places Act was achieved at all times.

KPI: Reported graffiti will be removed within two hours.



RESPONSIBLE OFFICER:

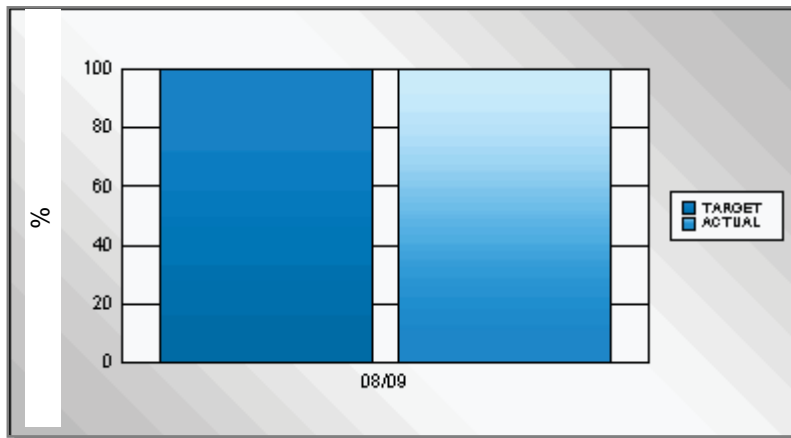
Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 100% removal of reported graffiti within two hours of notification.

War Memorial Hall

KPI: The building will have a current "Building Warrant of Fitness"



RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 100% was met. The building maintained a current "Building Warrant of Fitness" at all times.

Community support group

For the year ended 30 June 2009

| | Budget | Council | |
|--------------------------------------|---------------|----------------|--------------|
| | 2009 | 2009 | 2008 |
| | \$000 | \$000 | \$000 |
| Income | | | |
| User fees and other revenue | 3,563 | 3,017 | 3,512 |
| Subsidies | 110 | 54 | 33 |
| Total income | 3,673 | 3,071 | 3,545 |
| Operating expenditure | | | |
| Operating expenditure | 6,829 | 6,157 | 5,876 |
| Finance costs | 232 | 192 | 250 |
| Depreciation | 283 | 285 | 271 |
| Council overhead | 1,267 | 1,379 | 1,870 |
| Total operating expenditure | 8,611 | 8,013 | 8,267 |
| Non-funded depreciation | (283) | (285) | (271) |
| Operational rates requirement | 4,655 | 4,657 | 4,451 |
| Capital acquisitions | 116 | 216 | 227 |
| Capital replacements | 42 | 2 | 43 |
| Total capital expenditure | 158 | 218 | 270 |
| Total funding requirement | 4,813 | 4,875 | 4,721 |
| Transfers (to)/from special funds | (174) | (45) | 120 |
| New loans/(loans repaid) | (500) | (559) | (263) |
| Total capital funding | (674) | (604) | (143) |
| Rate requirement | 5,487 | 5,479 | 4,864 |

Community support group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Community Support Group. Significant variations to the Annual Plan are discussed below if necessary.

| Activity | Item | Budget \$ | Actual \$ |
|-----------------------|---|-----------|-----------|
| Community development | CCTV cameras | 100,000 | 84,728 |
| | Moutoa Statue | 0 | 16,733 |
| Emergency Management | Civil Defence and rural fire equipment | 16,000 | 1,825 |
| Regulatory services | Vehicles | 40,000 | 0 |
| Waste Minimisation | Goods store, recycling bins and trailer | 0 | 35,311 |

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

Community development

This expenditure continues the programme of installing CCTV cameras within the Central Business District. The expenditure was financed from loans.

The Moutoa Statue expenditure was financed from special funds.

Emergency management

Less purchases of sundry equipment as part of budget savings.

Regulatory services

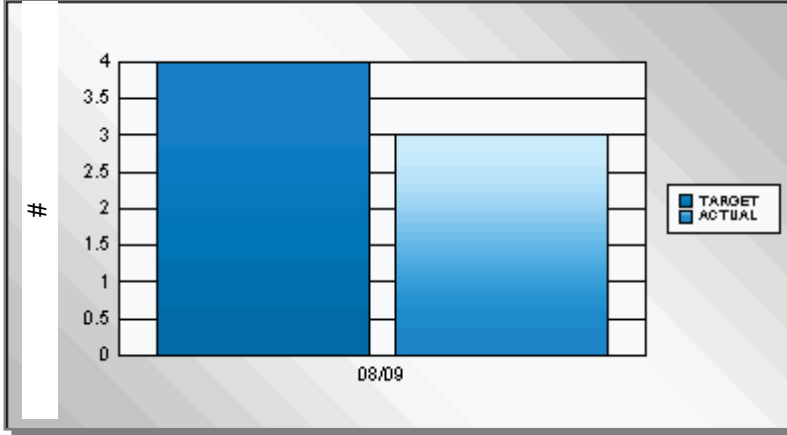
The nil expenditure relates to the vehicle budget being transferred to the Administration Activity.

Waste Minimisation

Recycling bins and trailer costs of 26K were covered by a Ministry For The Environment grant. The Dangerous Goods Store of 9K was covered by other savings within the Activity.

Community Support Group:
Community development

KPI: "Older People" forums will be facilitated four times per year.



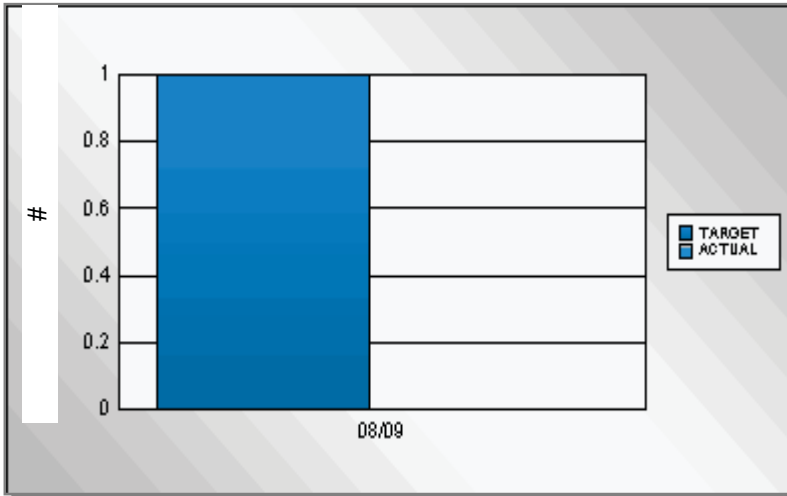
RESPONSIBLE OFFICER:

Sally Patrick
Community and Culture Manager

LATEST COMMENTS:

The target of four was not met due to excess workloads. The actual result was three meetings were held over the 2008/09 year.

KPI: A Social Indicators Report will be produced annually.



RESPONSIBLE OFFICER:

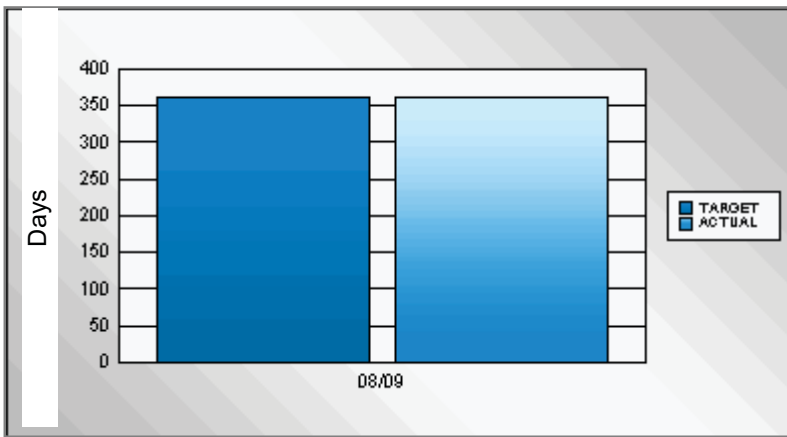
Sally Patrick
Community and Culture Manager

LATEST COMMENTS:

This report is no longer being produced. It has largely been replaced by the Community Outcomes Monitoring Report.

A report on progress made by the community towards achieving its Community Outcomes is mandated by the Local Government Act 2002 and must be undertaken at least every three years. Our last Community Outcomes Monitoring Report was produced in 2007.

KPI: Closed Circuit Television (CCTV) in the Central Business District will be maintained fit for operation 365 days per year.



RESPONSIBLE OFFICER:

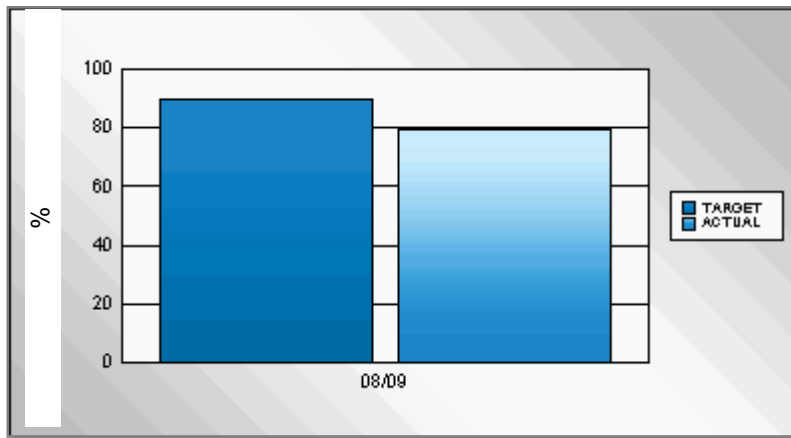
Sally Patrick
Community and Culture Manager

LATEST COMMENTS:

The target of 99% (361.35 days) was achieved. Closed Circuit Television systems in the CBD were maintained fit for operation.

Community development

KPI: Iwi partnership requirements will be complied with.



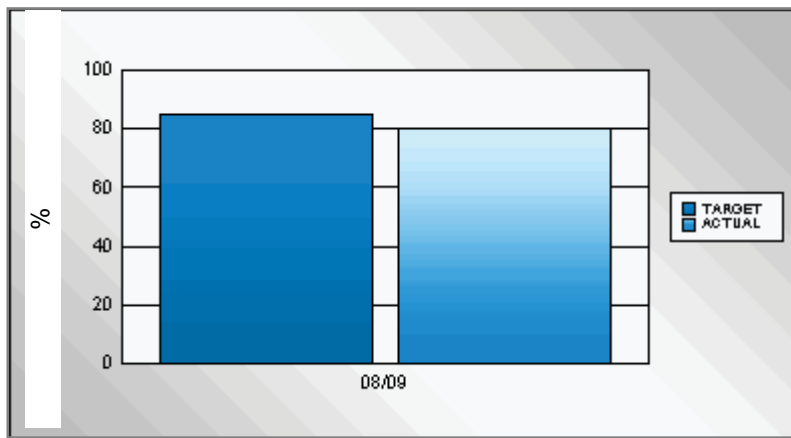
RESPONSIBLE OFFICER:

Sally Patrick
Community and Culture Manager

LATEST COMMENTS:

The target of 90% was not achieved. The actual result was 79.25%. Although the Council continued to meet separately with two of the Atihaunui-A-Paparangi Runanga, Tupoho and TamaUpoko, several of the scheduled TamaUpoko meetings were cancelled for a variety of reasons.

KPI: Key stakeholders (eg Police, District Health Board, Community House, youth groups, Iwi, Runanga, Sister City) will be fairly or very satisfied with Community development activity.



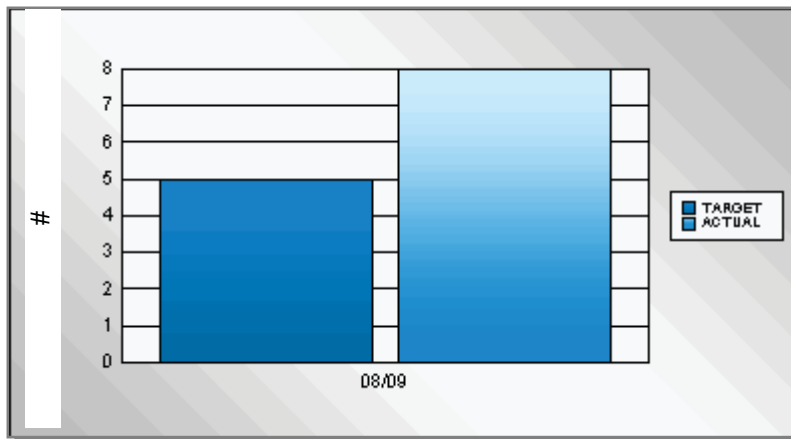
RESPONSIBLE OFFICER:

Sally Patrick
Community and Culture Manager

LATEST COMMENTS:

The target of 85% was not achieved. The actual result was 80% of key stakeholders were fairly or very satisfied with community development activity. However, this represents a significant increase on previous results.

KPI: Youth Committee meetings will be facilitated at least five times a year.



RESPONSIBLE OFFICER:

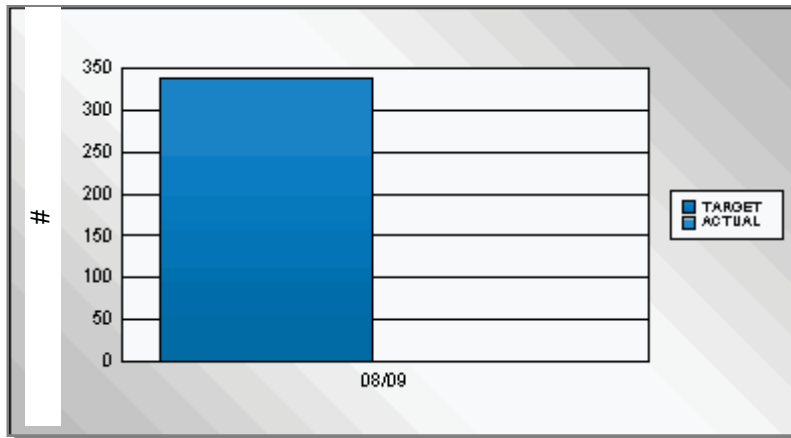
Sally Patrick
Community and Culture Manager

LATEST COMMENTS:

The target of five was exceeded. The actual result was eight meetings. Meetings were held on 14 July 2008, 25 August 2008, 6 October 2008, 1 December 2008, 9 February 2009, 6 April 2009, 4 May 2009 and 15 June 2009.

Economic Development

KPI: A regional arts database will be populated and promoted. (Arts, Culture and Heritage Development Trust)



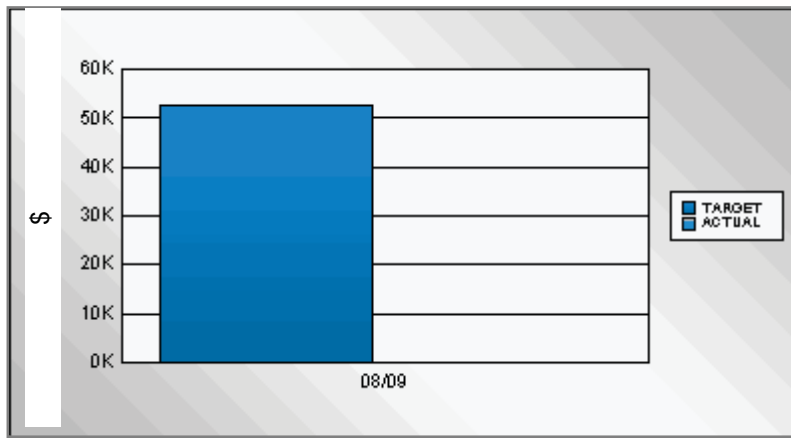
RESPONSIBLE OFFICER:

Sally Patrick
Community and Culture Manager

LATEST COMMENTS:

The target to trend upwards from 285 entries was not achieved. The actual result saw no entries made in the 2008/09 year. The Arts Culture & Heritage Development Trust is in abeyance and there was no one employed to undertake this work.

KPI: Government and private sector funding for co-ordination and marketing project work will be secured. (Arts, Culture and Heritage Development Trust)



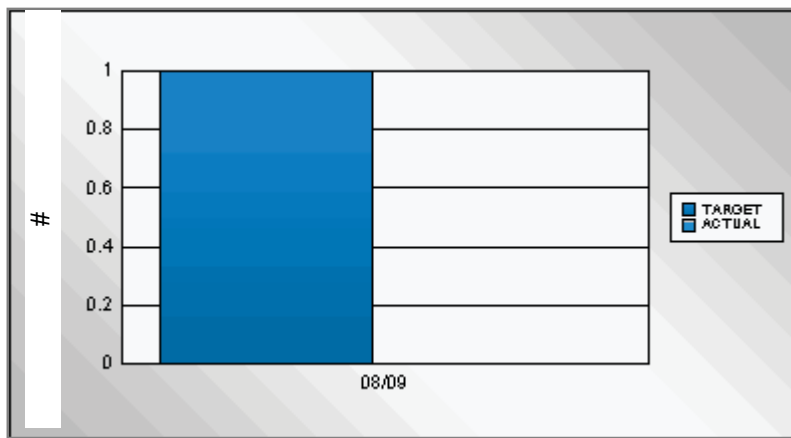
RESPONSIBLE OFFICER:

Sally Patrick
Community and Culture Manager

LATEST COMMENTS:

No longer applicable as Government has changed the way it funds regional economic development. This is now delivered on a macro regional scale.

KPI: One breakfast meeting with key wealth generators will be provided per annum.



RESPONSIBLE OFFICER:

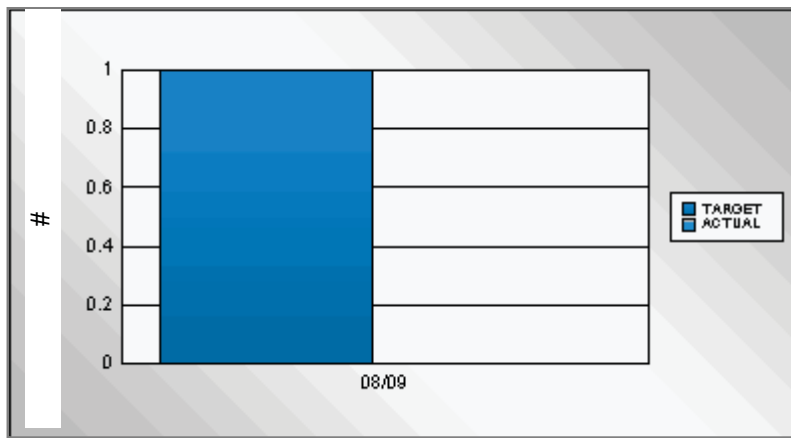
Allan MacGibbon
Economic Development Manager

LATEST COMMENTS:

This event did not occur as there was debate as to purpose and focus. However, six breakfasts were held with the Directors of Wanganui Holdings exploring future investment opportunities. In 2009/2010 a group is being formed to facilitate business development and act as a conduit for investors.

Economic Development

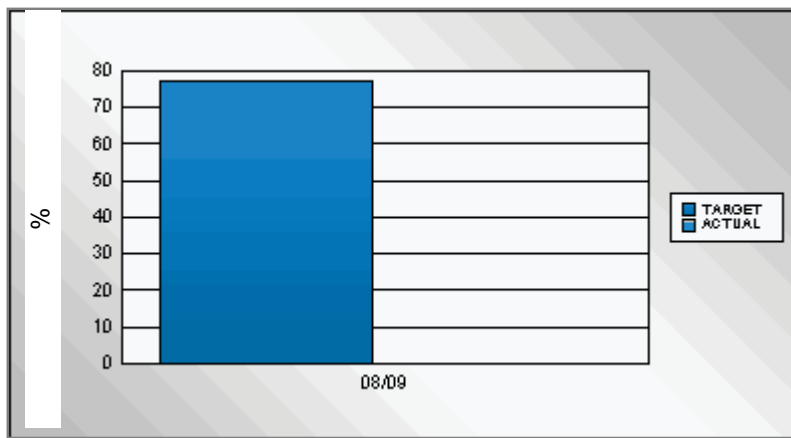
KPI: One Business and Economic Research Ltd (BERL) report on the performance of the Wanganui economy will be provided per annum. (Economic Development Strategy)



RESPONSIBLE OFFICER:
Allan MacGibbon
Economic Development Manager

LATEST COMMENTS:
The BERL report was cancelled by Council, however, the RED Trust commissioned a report for the River Region (Wanganui, Ruapehu & Rangitikei) in late 2008.

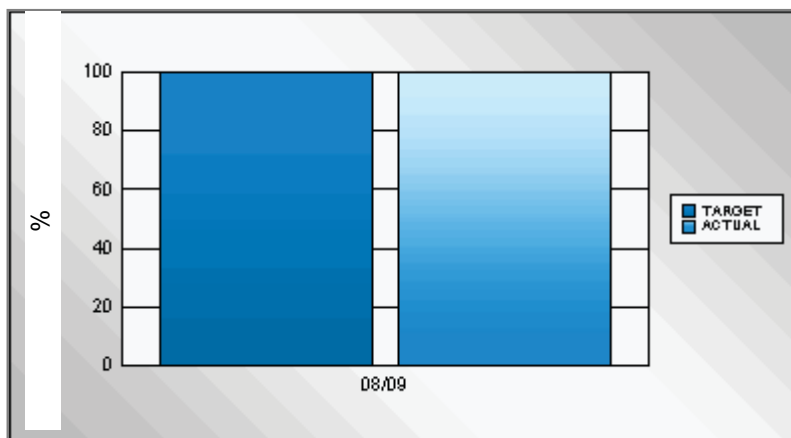
KPI: The business community is fairly or very satisfied with the performance of Wanganui Incorporated. (Wanganui Inc)



RESPONSIBLE OFFICER:
Allan MacGibbon
Economic Development Manager

LATEST COMMENTS:
Wanganui Inc was essentially disestablished as an economic development agency and the economic development role brought in-house. A survey was therefore not conducted.

KPI: The Industrial land strategy will be adopted by December 2008. (Economic Development Strategy)

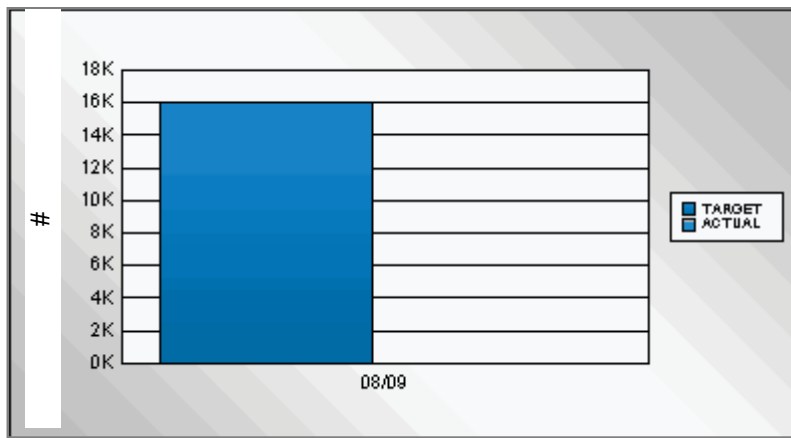


RESPONSIBLE OFFICER:
Allan MacGibbon
Economic Development Manager

LATEST COMMENTS:
The target of 100% completion was achieved. Council completed a review of all industrial land, identifying availability, zoning issues and opportunities in April 2007.

Economic Development

KPI: *The number of people employed (full-time equivalents) within the Wanganui District will be increased to 17,000. (Economic Development Strategy)*



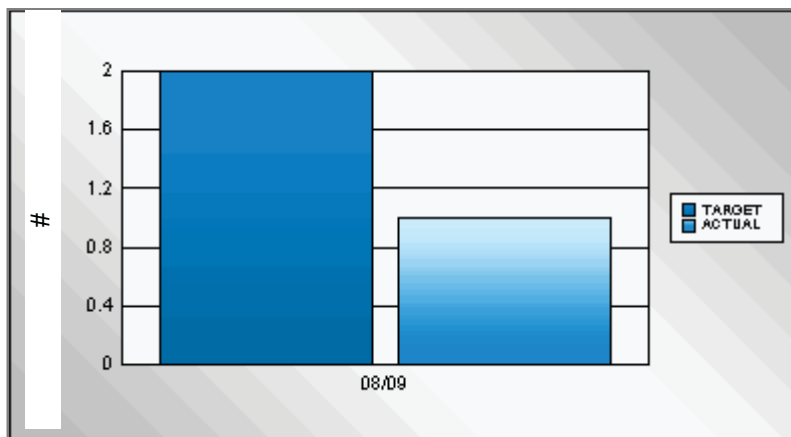
RESPONSIBLE OFFICER:

Allan MacGibbon
Economic Development Manager

LATEST COMMENTS:

The base figure was 15,600, however, in the 2006 Census the figure was 19,040 making the target figure inappropriate. Efforts have been made to find the 2008 figure however Ministry of Social Development and Statistics NZ figures do not identify Wanganui separately.

KPI: *There will be two targeted major regional initiatives, using New Zealand Trade & Enterprise funding, to improve employment growth, land utilisation, visitor industry and infrastructure preparedness. (Regional partnership)*



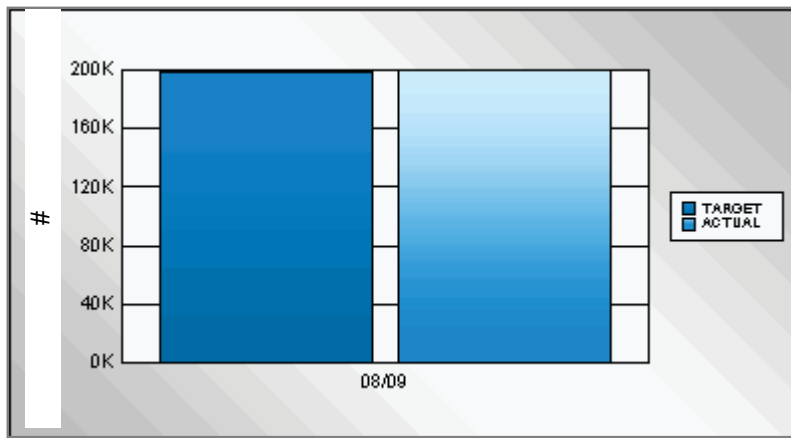
RESPONSIBLE OFFICER:

Allan MacGibbon
Economic Development Manager

LATEST COMMENTS:

The target of two was not achieved. The actual result was one Major Regional Initiative (Te Kahui Tupua) between Wanganui, Ruapehu and Rangitikei which is progressing well. Significant changes to the Ministry of Economic Development funding model has seen major regional initiative funding cancelled and therefore, further major regional initiatives cannot be progressed.

KPI: *Visitor numbers (guest nights) will be increased to 203,000. (Economic Development Strategy)*



RESPONSIBLE OFFICER:

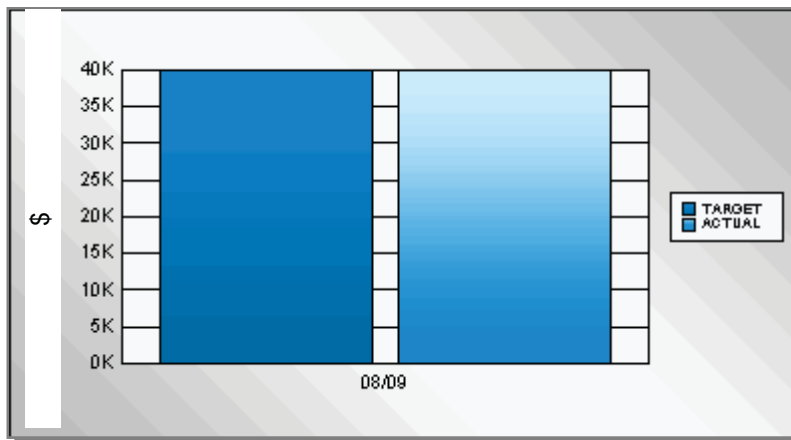
Greg Lincoln
Economic Development Officer Tourism and Events

LATEST COMMENTS:

The target to trend upwards from 199,000 guest nights was exceeded. The actual result was 199,700 guest nights.

Economic Development

KPI: Wanganui District Council financial support for the biannual Masters Games will be provided (2007 - \$40,000)

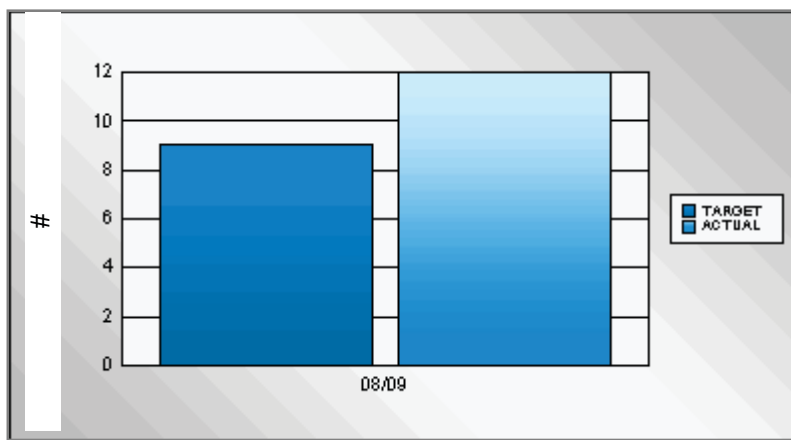


RESPONSIBLE OFFICER:
Allan MacGibbon
Economic Development Manager

LATEST COMMENTS:
The target was achieved and the Masters Games were successfully held from 30 January to 8 February 2009. Financial support of \$40,000 was provided.

Emergency Management

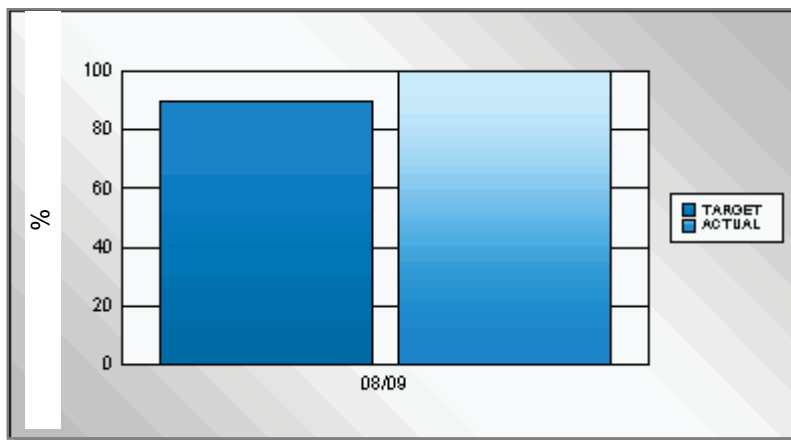
KPI: 10 school visits will be made per year. (Civil Defence Emergency Management)



RESPONSIBLE OFFICER:
Max Benseman
Emergency manager

LATEST COMMENTS:
The target of nine school visits was exceeded. The actual result was 12 visits.

KPI: A continuous 24-hour Duty Officer response to incidents will be provided. Receipt of calls will be acknowledged within 20 minutes. (Civil Defence Emergency Management)

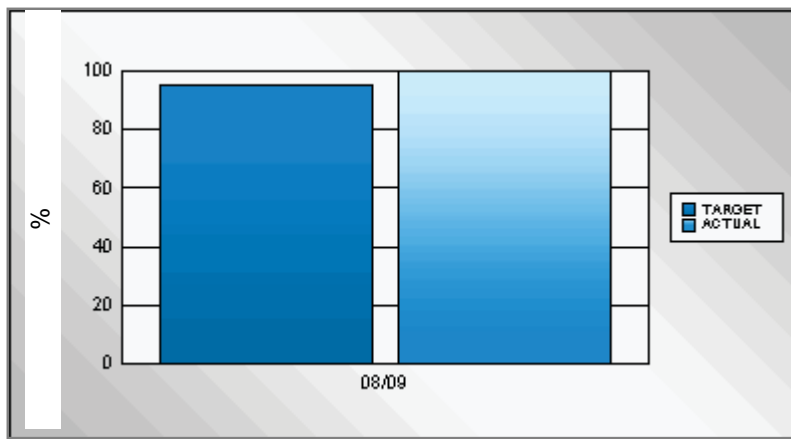


RESPONSIBLE OFFICER:
Max Benseman
Emergency manager

LATEST COMMENTS:
The target of 90% responsiveness was exceeded. The actual result was 100%.

Emergency Management

KPI: *A continuous 24-hour Duty Officer response to rural fire incidents will be provided. Receipt of calls will be acknowledged within 10 minutes (section 12 Forest and Rural Fire Act 1977). (Rural Fire)*



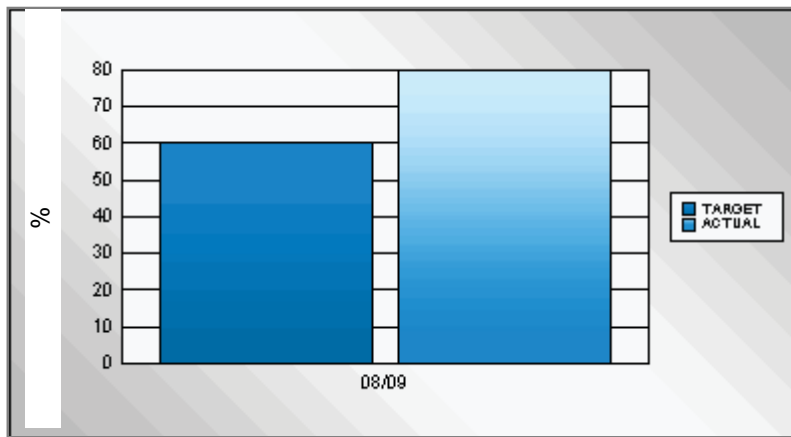
RESPONSIBLE OFFICER:

Max Benseman
Emergency manager

LATEST COMMENTS:

The target of 95% responsiveness was exceeded. The actual result was 100%.

KPI: *Community awareness of the need to be self-sufficient for 3 days (section 64 Civil Defence Emergency Management Act 2002) will be promoted. (Civil Defence Emergency Management)*



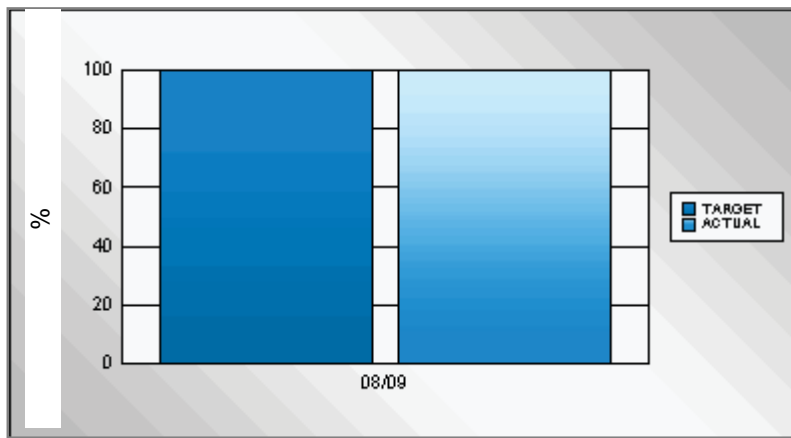
RESPONSIBLE OFFICER:

Max Benseman
Emergency manager

LATEST COMMENTS:

The target of 60% was exceeded. The actual result was 80% of the community being aware of the need to be self-sufficient for three days as measured by the Community Views Survey.

KPI: *The Civil Defence Emergency Management Plan will be reviewed and updated every three years. (Civil Defence Emergency Management)*



RESPONSIBLE OFFICER:

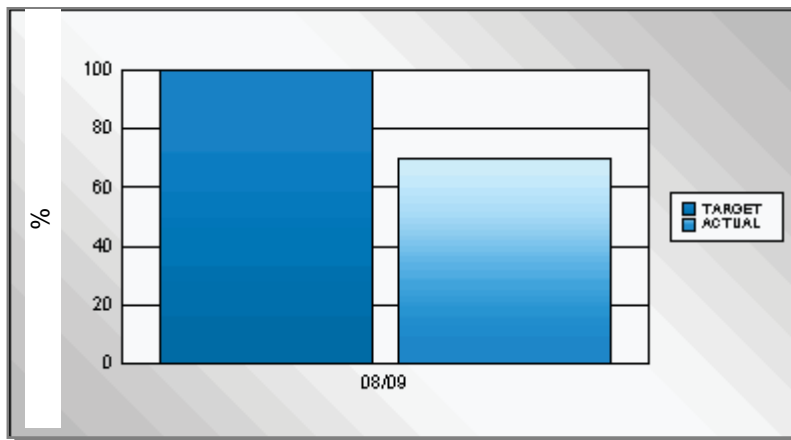
Max Benseman
Emergency manager

LATEST COMMENTS:

The target of 100% was achieved. The plan was reviewed and updated in 2008/09 and will be formally adopted by the Council in October 2009.

Environmental policy

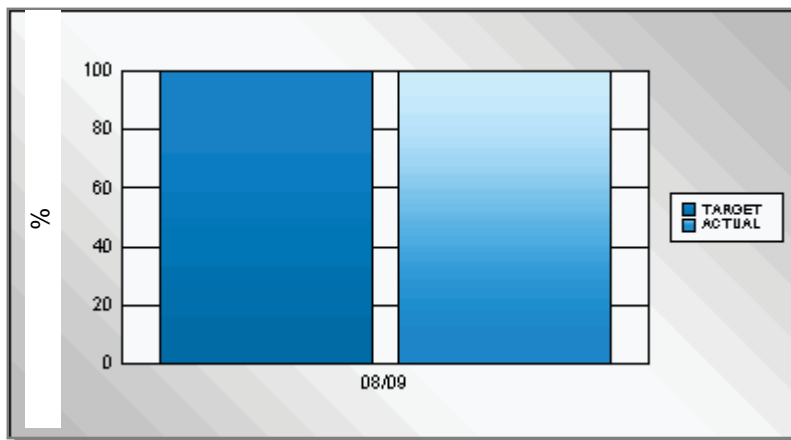
KPI: *A state of the environment monitoring report will be produced every two to three years to coincide with census data.*



RESPONSIBLE OFFICER:
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:
The target of 100% completion was not achieved. The State of the Environment report is nearing completion and is expected to be complete by December 2009.

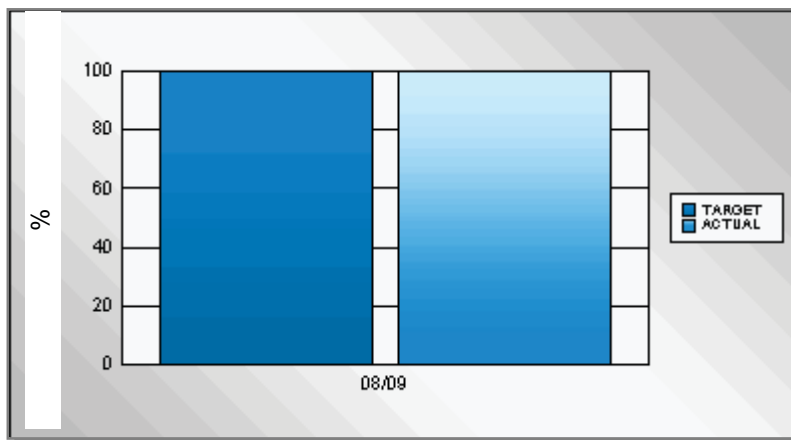
KPI: *Appeals to the District Plan will be resolved by June 2007 or within two years of their lodgement, whichever is the latter.*



RESPONSIBLE OFFICER:
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:
The target of 100% was achieved. All appeals to the District Plan were resolved within target.

KPI: *Matters of national, regional or local significance (i.e. legislative changes) will be reported to Council within one month of the event.*

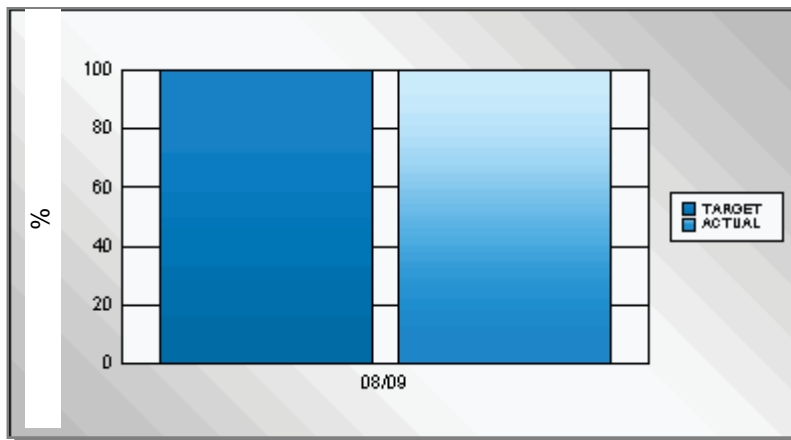


RESPONSIBLE OFFICER:
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:
The target of 100% was achieved. A significant legislative change has been the introduction of the Resource Management Streamlining and Simplification Bill. Council was informed of this and made a submission to the Select Committee.

Environmental policy

KPI: Professional opinion or advice will be provided to Council within two weeks of request or next Council meeting.



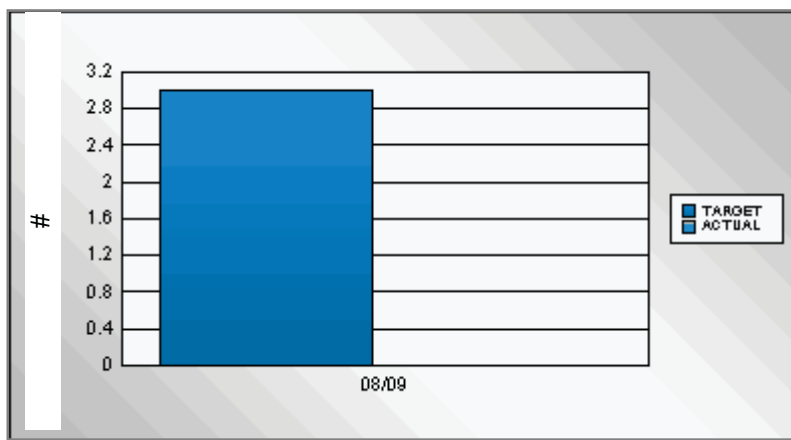
RESPONSIBLE OFFICER:

Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:

The target of 100% was achieved. Professional opinion and advice was provided to Council on all requests.

KPI: Staff will attend at least three school or education centre events per year.



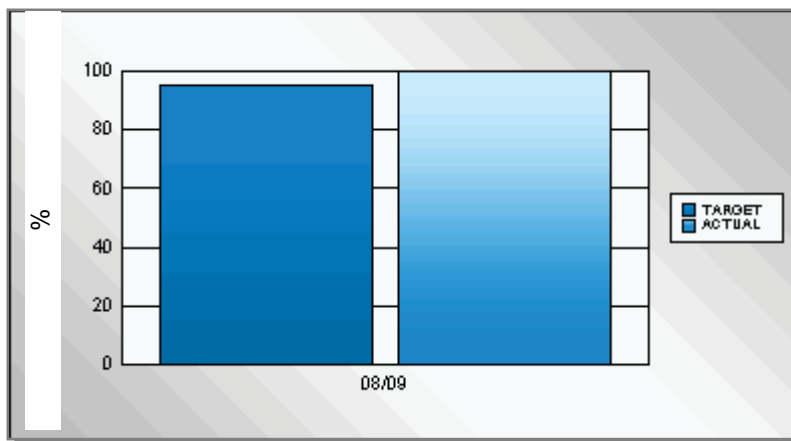
RESPONSIBLE OFFICER:

Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:

The target of three school visits was not achieved. There were no visits made during 2008/09. This was due to a reduction in the staff resources necessary to undertake this task.

KPI: The statutory requirements of the District Plan will be complied with.



RESPONSIBLE OFFICER:

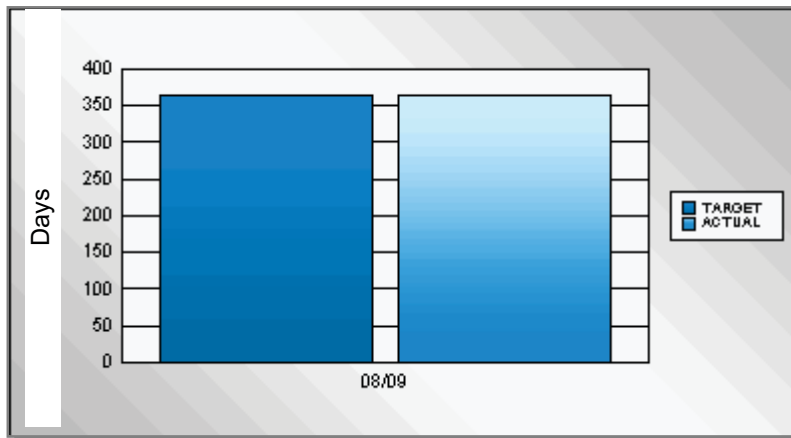
Shane McGhie
Principal Planner (Shane McGhie)

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was 100% compliance with the statutory requirements of the District Plan.

Regulatory Services

KPI: A dog impounding facility will be provided 365 days per year. (Animal Control)

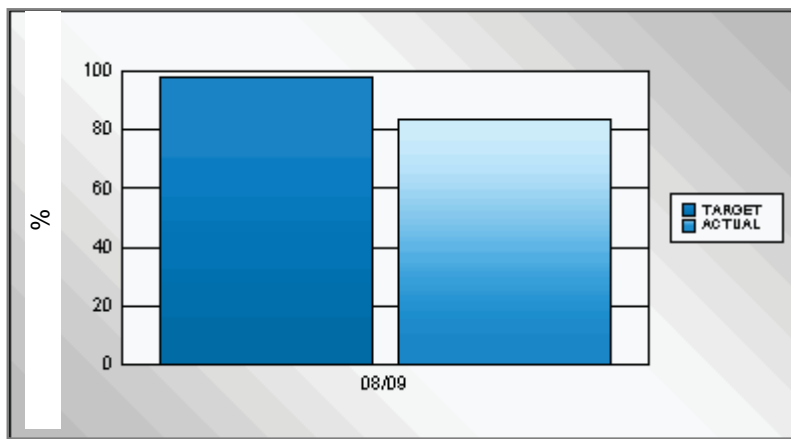


RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of year-round opening was met. The dog impounding facility was provided 365 days per year in 2008/09.

KPI: All complaints of excessive noise will be responded to within 30 minutes. (Environmental health)

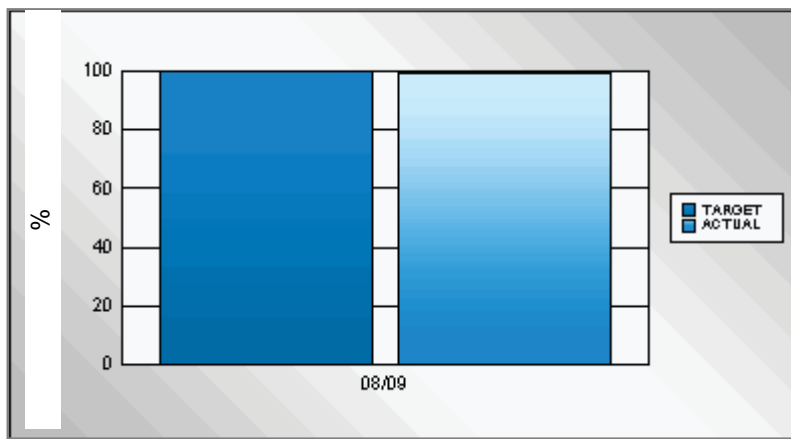


RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of 98% was not met. The actual result was 83.7% of complaints of excessive were investigated within 30 minutes. It is expected that with a new after-hours noise contractor that these response rates will improve.

KPI: All food premises will be registered and inspected at least once a year. (Environmental health)



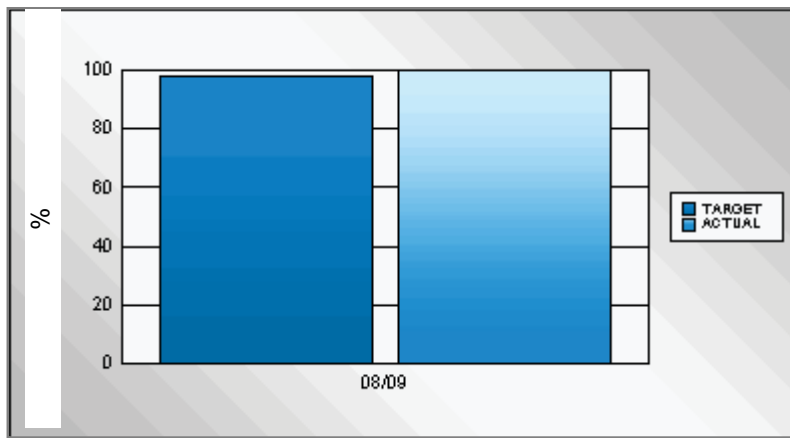
RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 99%.

Regulatory Services

KPI: All notified planning application reports will be available five working days before scheduled hearing dates. (Resource Management)



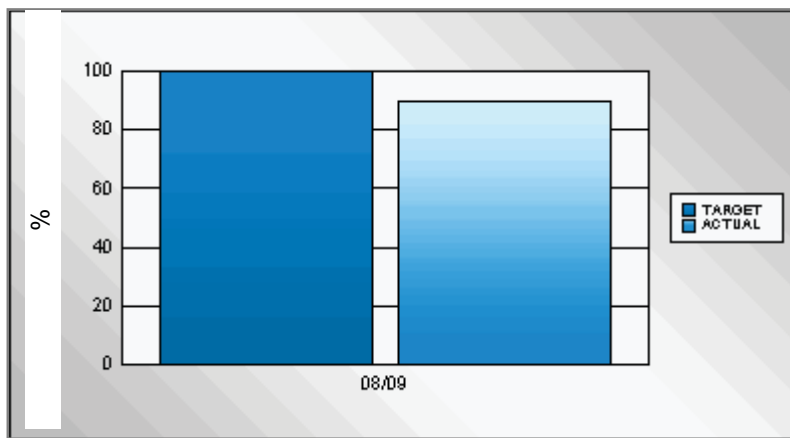
RESPONSIBLE OFFICER:

Kathryn Barnes
Senior Resource Management Planner

LATEST COMMENTS:

The target of 98% was exceeded. The actual result was 100% of notified planning reports were available five working days before scheduled hearing dates.

KPI: An animal control service will be provided on a 24/7 basis, with a 10 minute response time. (Animal Control)



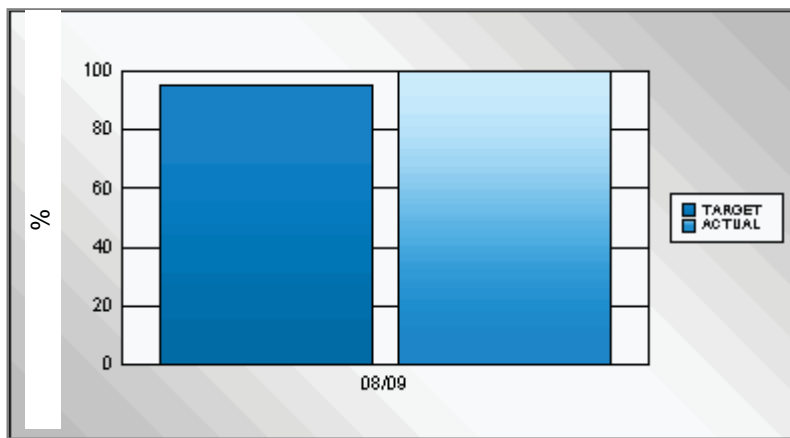
RESPONSIBLE OFFICER:

Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of 100% was not met. The actual result was provision and responsiveness 90% of the time. This was due to staffing shortages.

KPI: An up-to-date register of dogs will be maintained. (Animal Control)



RESPONSIBLE OFFICER:

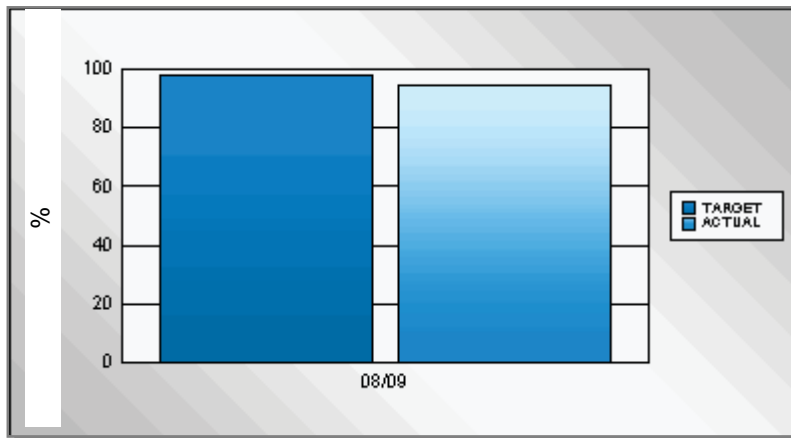
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was 100% maintenance of an up-to-date register of dogs. Maintenance and auditing is performed daily.

Regulatory Services

KPI: Building consents will be processed within statutory timeframes. (Building control)

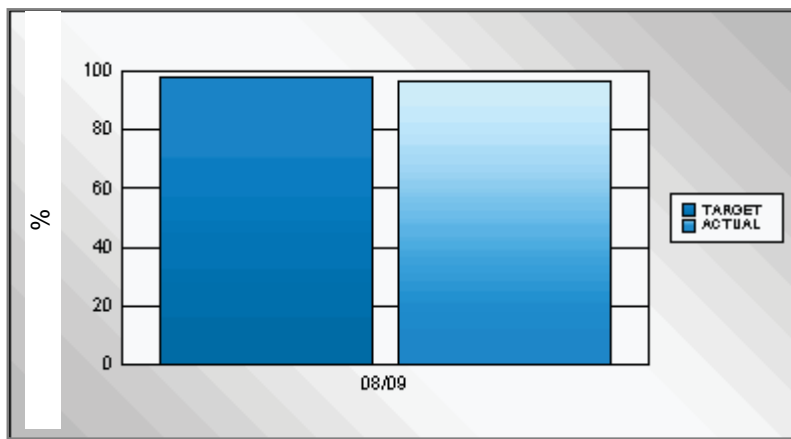


RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of 98% was not achieved. The actual result was 94% of building consents were processed within the statutory timeframes.

KPI: Building inspections will be completed within 24 hours of request. (Building control)

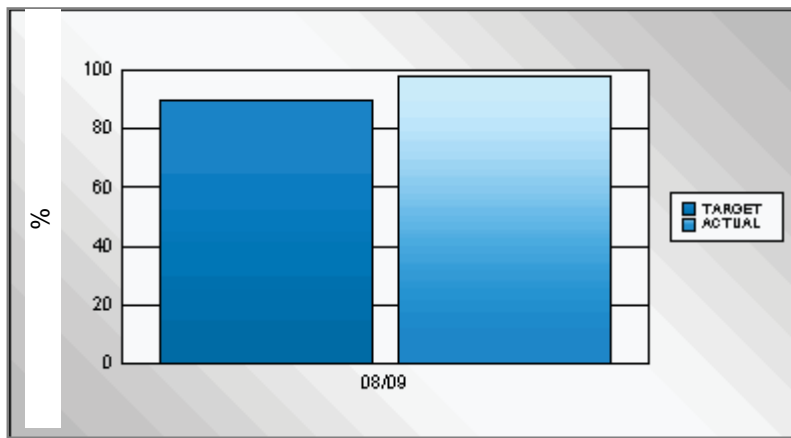


RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

Achievement of the 98% target was unknown. This is because although Council's policy is to complete inspections within 24 hours of the request and inspection sheets are completed, there is currently no formal system for measuring the time taken. However, it is estimated that approximately 96% of inspections were completed within 24 hours of request.

KPI: Liquor licences will be issued within 20 working days of receipt if approved. (Liquor licencing)



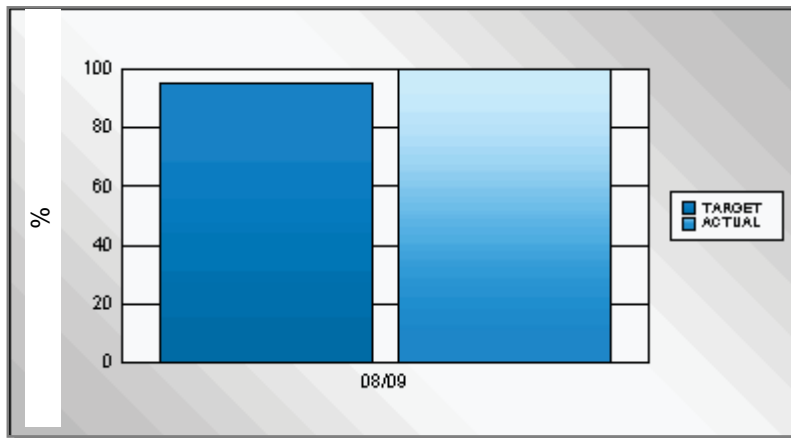
RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 97.75% of liquor licences were issued within 20 working days of receipt, if approved. These results are based on the 'actual' time taken by Council staff. 'Total' processing time would include delays caused by the applicant failing to supply information.

Regulatory Services

KPI: Parking areas will be patrolled Monday-Saturday (excluding public holidays). (Parking control)

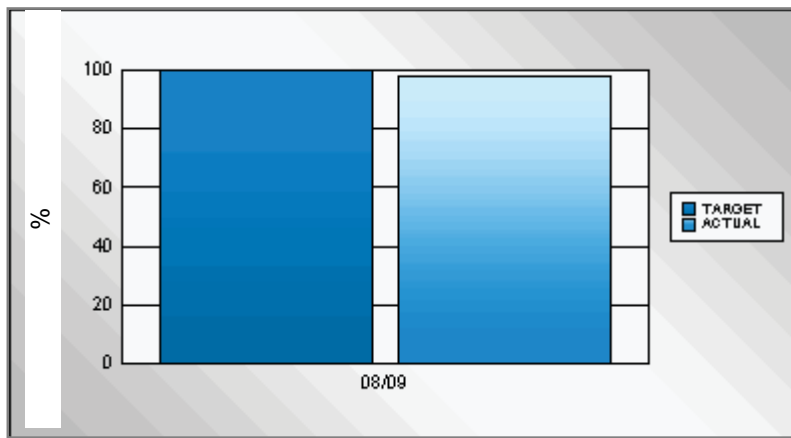


RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of 95% was exceeded. The actual result was parking areas were patrolled 100% of operating hours.

KPI: Properties above the Cobham Bridge will have their stormwater systems separated before 1 July 2007. (Private stormwater compliance)

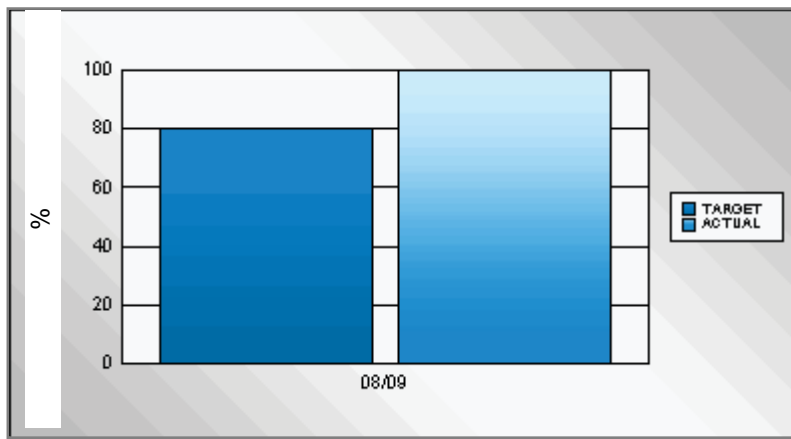


RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The target of 100% was not met. The actual result was 98%. Stormwater separations continue to be completed.

KPI: Resource consents will be monitored within two years of being issued. (Resource management)



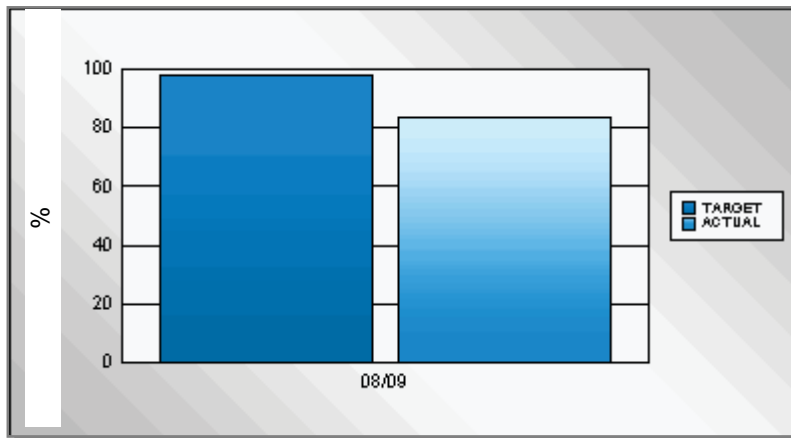
RESPONSIBLE OFFICER:
Kathryn Barnes
Senior Resource Management Planner

LATEST COMMENTS:

The target of 80% was exceeded. The actual result was 100% of resource consents were monitored within two years of being issued for compliance with consent conditions.

Regulatory Services

KPI: Resource consents will be processed within the statutory timeframes. (Resource management)



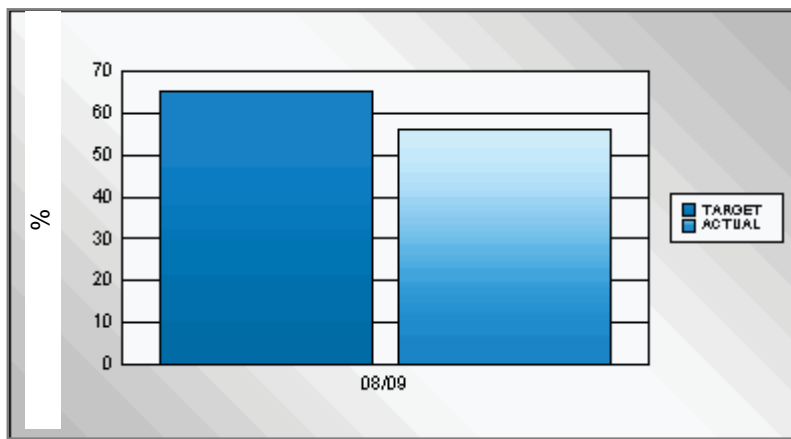
RESPONSIBLE OFFICER:

Kathryn Barnes
Senior Resource Management Planner

LATEST COMMENTS:

The target of 98% was not achieved. The actual result was 83.6% of resource consents were processed within the statutory timeframes. This was due to ongoing staff resourcing issues.

KPI: The community will be fairly or very satisfied with the services provided. (Animal control)



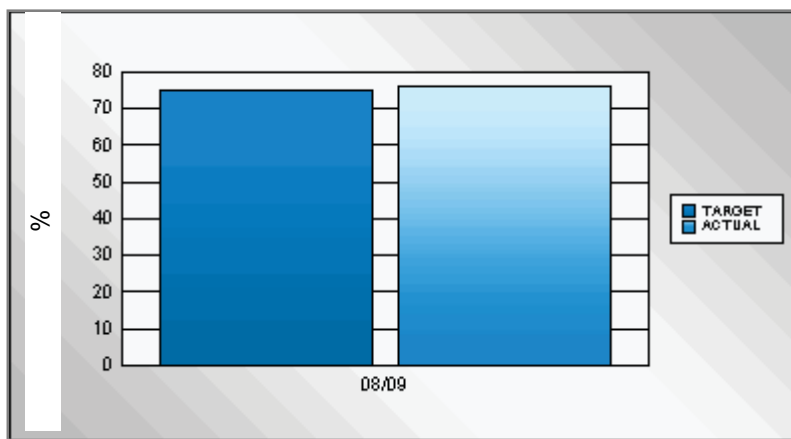
RESPONSIBLE OFFICER:

Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The satisfaction target of 65% was not met. The actual result was 56% as measured by the Community Views Survey.

KPI: Users will be fairly or very satisfied with the services provided. (Building control)



RESPONSIBLE OFFICER:

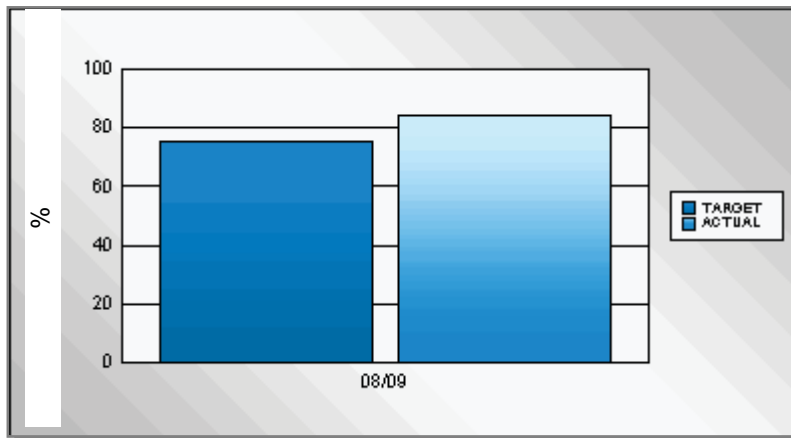
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The satisfaction target of 75% was exceeded. The actual result was 76% of customers were fairly or very satisfied with building control services.

Regulatory Services

KPI: Users will be fairly or very satisfied with the services provided. (Environmental health)

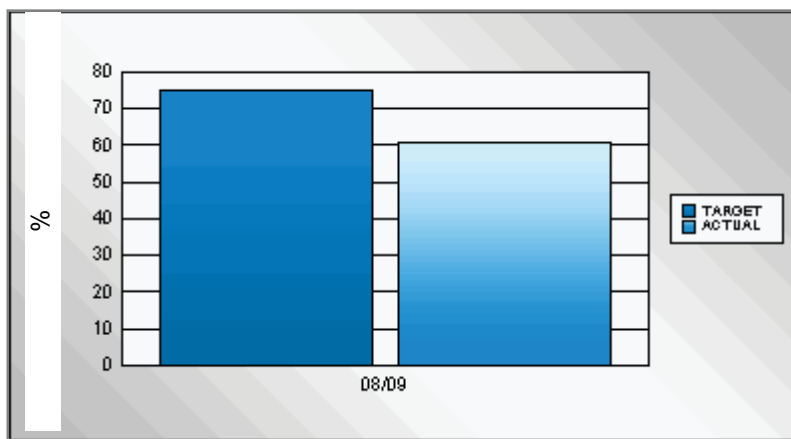


RESPONSIBLE OFFICER:
Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The satisfaction target of 75% was exceeded. The actual result was 84% of customers were fairly or very satisfied with environmental health services.

KPI: Users will be fairly or very satisfied with the services provided. (Resource management)



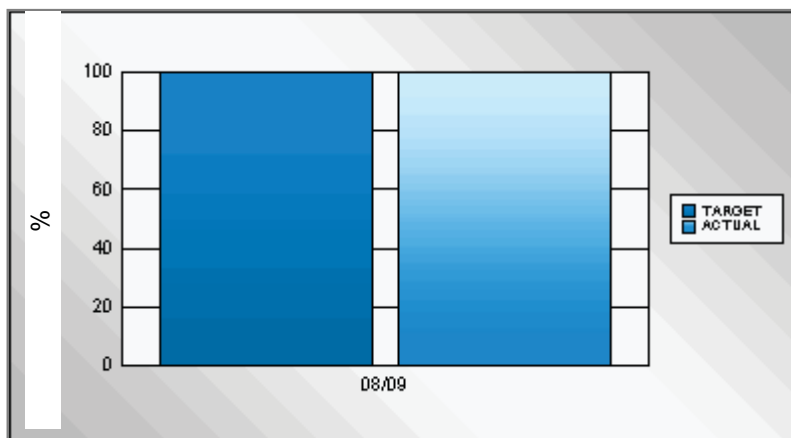
RESPONSIBLE OFFICER:
Kathryn Barnes
Senior Resource Management Planner

LATEST COMMENTS:

The satisfaction target of 75% was not achieved. The actual result was 61% of customers were fairly or very satisfied with the services provided.

Waste minimisation

KPI: A free community recycling service centre will be provided at Peat Street, 24 hours per day, 365 days per year. (Recycling)



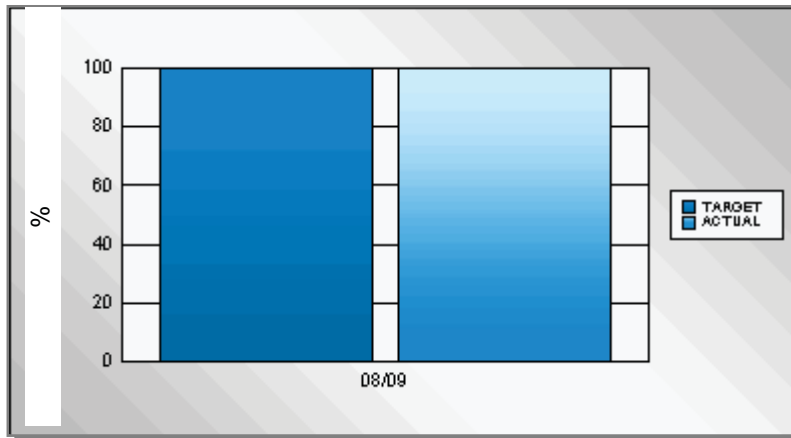
RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was achieved. The service continues to be popular.

Waste minimisation

KPI: A monthly kerbside recycling pick-up service will be provided for households unable to access the Peat Street drop-off centre. (Recycling)



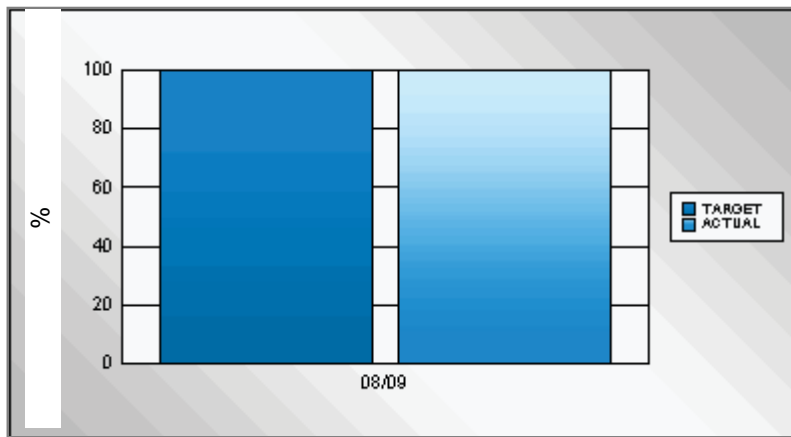
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was achieved. This service allows waste minimisation opportunities to align with national standards by ensuring widespread access and provision.

KPI: Advice and a 'haz-wheel' brochure will be provided via Customer Services during normal office hours and on the Council's 24 hour website, to waste producers on substances not accepted as part of the normal waste collection. (Disposal)



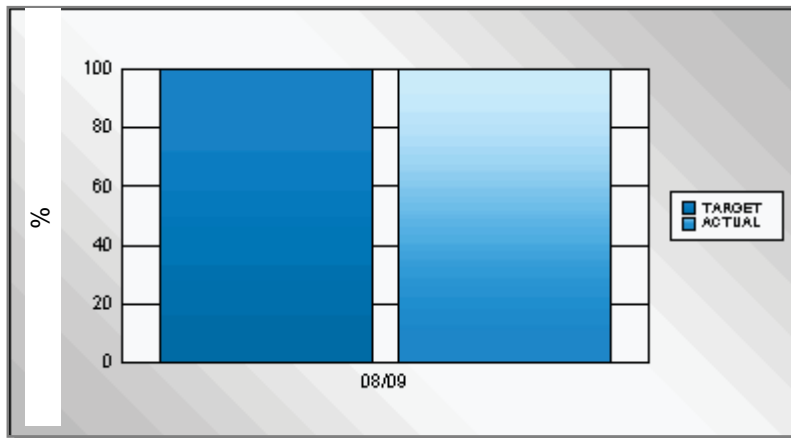
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was achieved. Advice and a 'haz-wheel' brochure were available through Customer Services during normal office hours and on Council's 24 hour website.

KPI: Facilities for domestic hazardous wastes' disposal will be provided at the two transfer stations. (Disposal)



RESPONSIBLE OFFICER:

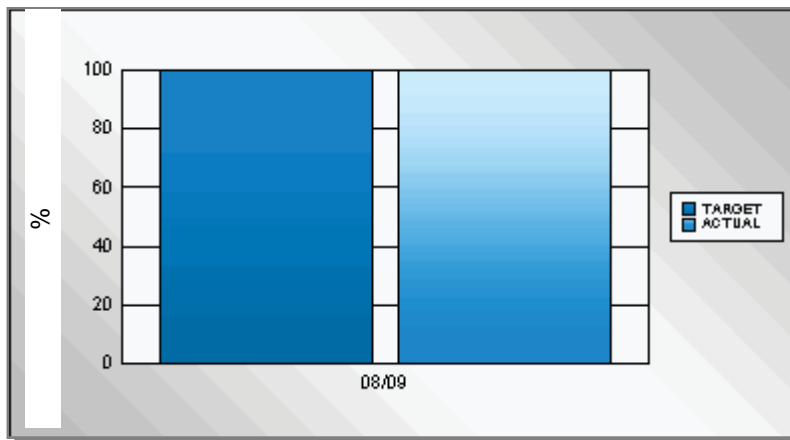
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was achieved. Facilities for domestic hazardous waste disposal were provided at the two transfer stations.

Waste minimisation

KPI: Resource consents for Balgownie Landfill (monitored for gas and leachates) will be complied with. (Balgownie landfill)



RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was met. 100% compliance with resource consent conditions was achieved.

KPI: Rural agri-chemicals will be collected in conjunction with the Regional Council/District Council programmes. (Collection)



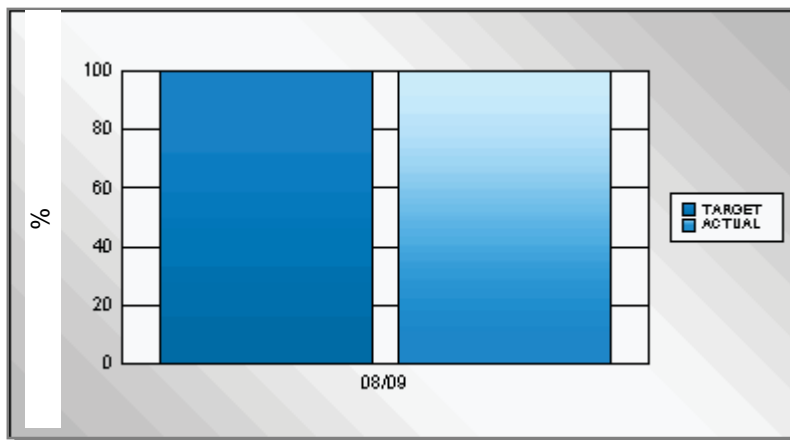
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

This collection is only required once every five years. It is next due in 2011/12.

KPI: Rural refuse will be collected 52 weeks per year. (Collection)



RESPONSIBLE OFFICER:

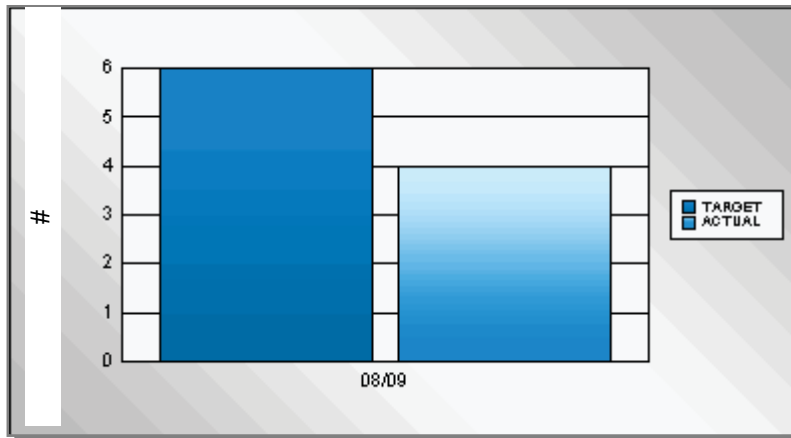
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of 100% was met. Rural refuse was collected on a weekly basis 100% of the time.

Waste minimisation

KPI: Six school information and education visits per annum about waste minimisation opportunities will be made. (Education)



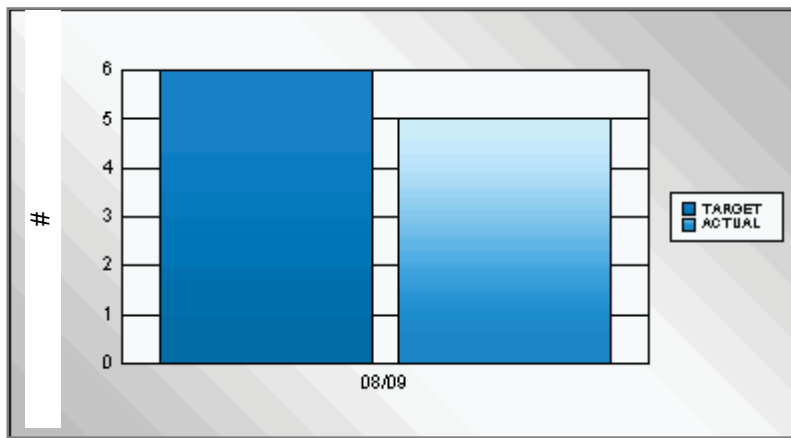
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of six school visits was not met. The actual result was four visits. This reflects the number of schools that approached Council for this service in 2008/09.

KPI: Six school visits to the recycling centre will be provided per annum. (Recycling)



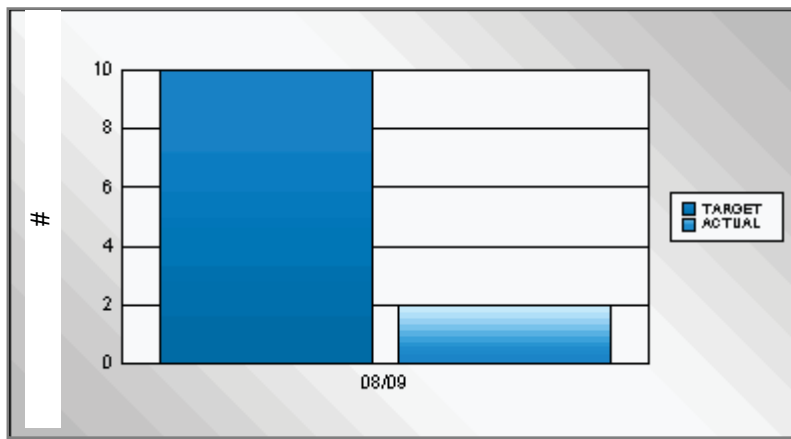
RESPONSIBLE OFFICER:

Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of six school visits to the recycling centre was not met. The actual result was five visits. This reflects the number of schools that approached Council for this service in 2008/09.

KPI: The number of complaints about the rural bin sites reduce over time. (Collection)



RESPONSIBLE OFFICER:

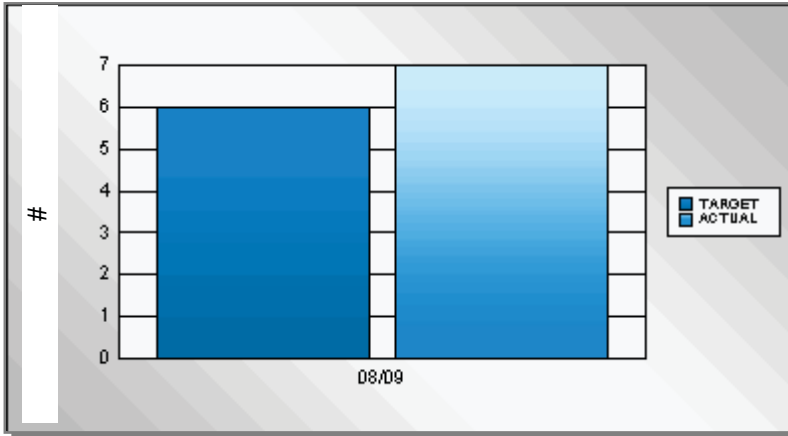
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:

The target of less than 10 complaints per annum about the rural bin sites was met. The actual number of complaints received was two.

Waste minimisation

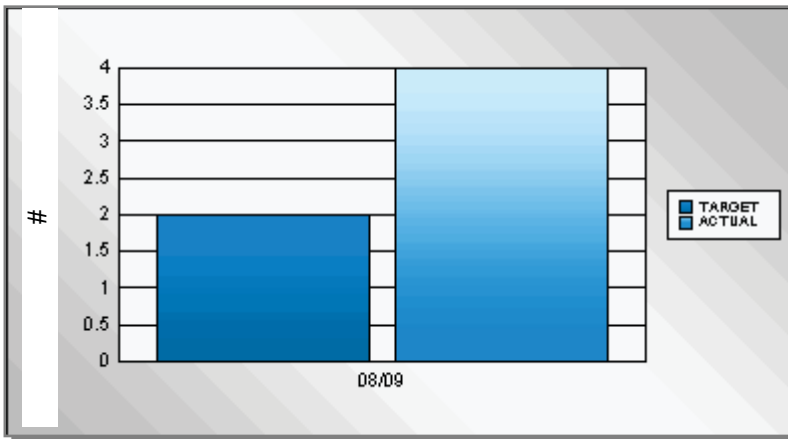
KPI: The number of complaints received about the service will reduce over time. (Recycling)



RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The target of less than six complaints received about the recycling centre service was not met. The actual number of complaints received about the service was seven. However, these were minor and primarily related to staffing issues and a backlog over the busy Christmas period.

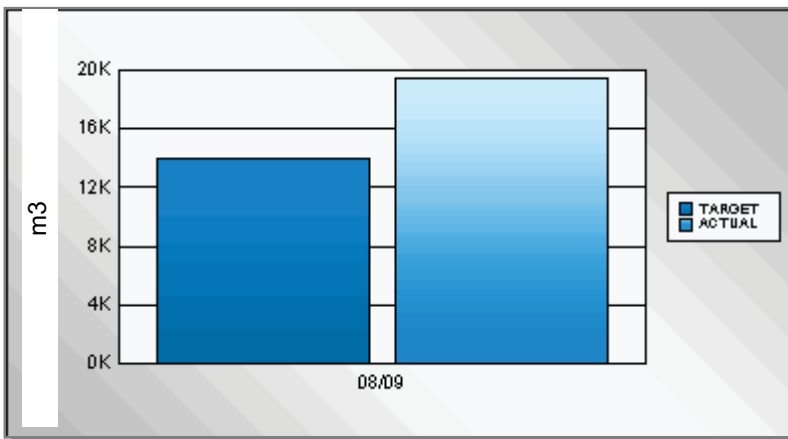
KPI: The number of school education programmes will increase. (Education)



RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The target of two education programmes was exceeded. The actual result was four.

KPI: The volume of waste recycled will be increased. (Recycling)



RESPONSIBLE OFFICER:
Stuart Hylton
Senior Policy Advisor (Stu Hylton)

LATEST COMMENTS:
The target of 14,000 cubic metres of waste recycled was exceeded. The actual volume of waste recycled was 19,492 cubic metres.

Governance group

For the year ended 30 June 2009

| | Budget | Council | |
|--------------------------------------|---------------|----------------|--------------|
| | 2009 | 2009 | 2008 |
| | \$000 | \$000 | \$000 |
| Income | | | |
| User fees and other revenue | 18 | 1 | 72 |
| Subsidies | - | - | - |
| Total income | 18 | 1 | 72 |
| Operating expenditure | | | |
| Operating expenditure | 1,089 | 1,230 | 1,147 |
| Finance costs | 22 | 13 | 20 |
| Depreciation | 21 | 26 | 27 |
| Council overhead | 202 | 220 | 294 |
| Total operating expenditure | 1,334 | 1,489 | 1,488 |
| Non-funded depreciation | (21) | (26) | (27) |
| Operational rates requirement | 1,295 | 1,462 | 1,389 |
| Capital acquisitions | 18 | 25 | 56 |
| Capital replacements | 12 | - | - |
| Total capital expenditure | 30 | 25 | 56 |
| Total funding requirement | 1,325 | 1,487 | 1,445 |
| Transfers (to)/from special funds | - | - | - |
| New loans/(loans repaid) | - | 170 | (37) |
| Total capital funding | - | 170 | (37) |
| Rate requirement | 1,325 | 1,317 | 1,482 |

Governance group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Governance Group. Significant variations to the Annual Plan are discussed below if necessary.

| Activity | Item | Budget \$ | Actual \$ |
|-----------------|-------------------------------|------------------|------------------|
| Governance | Stained glass windows project | 18,000 | 24,556 |
| | Furniture and Fittings | 12,000 | 0 |

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

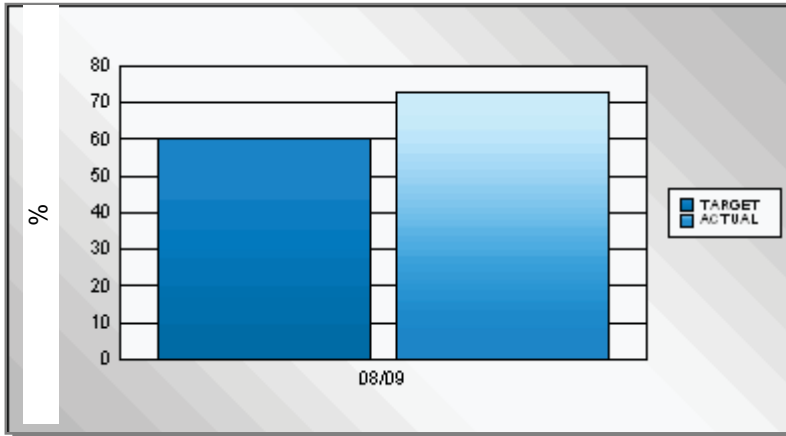
The stained glass work is a ongoing project spread over many years. 7 windows were completed this year.

There was no expenditure this year on furniture and fittings. The purchase of a chiller was deferred.

Governance Group:

Governance and democracy

KPI: *The community will be satisfied that Council has responded very well or well to community needs and issues.*



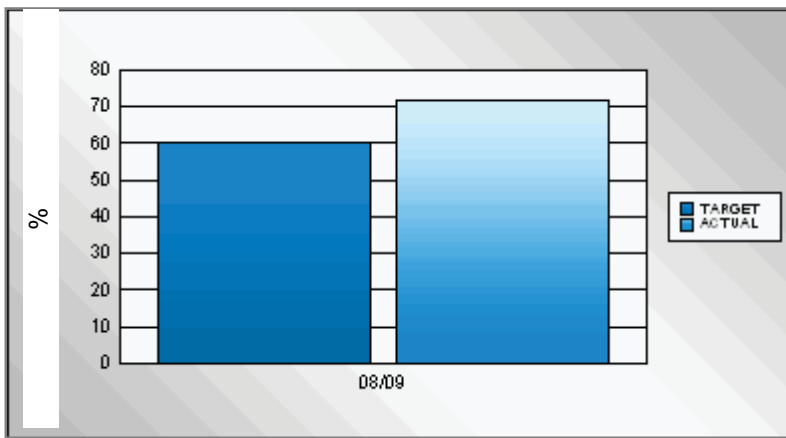
RESPONSIBLE OFFICER:

Malcolm Hunt
Governance services manager

LATEST COMMENTS:

The satisfaction target of 60% was exceeded. The actual result was 73% as measured by the Community Views Survey.

KPI: *The performance of the Mayor and Councillors will be rated by the community as good or very good.*



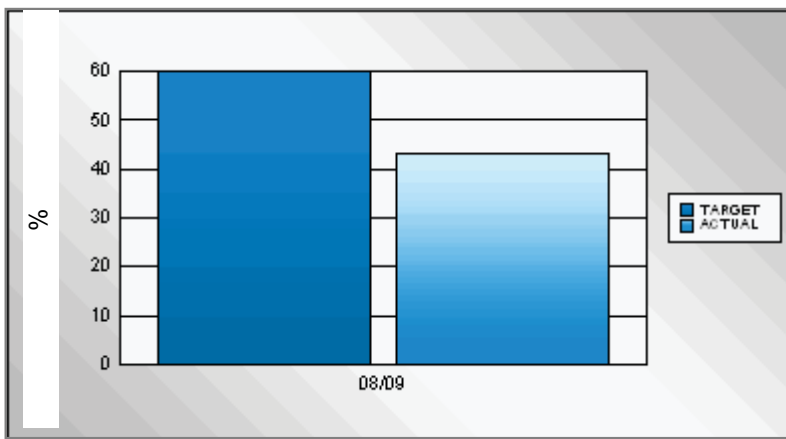
RESPONSIBLE OFFICER:

Malcolm Hunt
Governance services manager

LATEST COMMENTS:

The satisfaction target of 60% was exceeded. The actual result was 72% of the community rated the performance of the Mayor and Councillors as good or very good. This was measured by the Community Views Survey.

KPI: *The performance of the Rural Community Board will be rated by the community as good or very good.*



RESPONSIBLE OFFICER:

Malcolm Hunt
Governance services manager

LATEST COMMENTS:

The satisfaction target of 60% was not met. The actual result was 43% of the rural community rated the performance of the Rural Community Board as good or very good. This was measured by the Community Views Survey. This is a significant increase on the previous two years.

Land transport group

For the year ended 30 June 2009

| | Budget | Council | |
|--------------------------------------|----------------|----------------|----------------|
| | 2009 | 2009 | 2008 |
| | \$000 | \$000 | \$000 |
| Income | | | |
| User fees and other revenue | 13 | 591 | 356 |
| Subsidies | 8,769 | 11,493 | 8,979 |
| Total income | 8,782 | 12,084 | 9,335 |
| Operating expenditure | | | |
| Operating expenditure | 5,803 | 6,349 | 6,567 |
| Finance costs | 541 | 322 | 274 |
| Depreciation | 4,055 | 4,512 | 4,078 |
| Council overhead | 484 | 527 | 385 |
| Total operating expenditure | 10,883 | 11,710 | 11,304 |
| Non-funded depreciation | (4,055) | (4,512) | (4,078) |
| Operational rates requirement | (1,954) | (4,886) | (2,109) |
| Capital acquisitions | 2,691 | 2,523 | 2,454 |
| Capital replacements | 5,757 | 8,334 | 6,021 |
| Total capital expenditure | 8,448 | 10,857 | 8,475 |
| Total funding requirement | 6,494 | 5,971 | 6,366 |
| Transfers (to)/from special funds | 131 | (89) | 28 |
| New loans/(loans repaid) | 850 | 810 | 146 |
| Total capital funding | 981 | 721 | 174 |
| Rate requirement | 5,513 | 5,250 | 6,192 |

Land transport group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Land transport Group. Significant variations to the Annual Plan are discussed below if necessary.

| Activity | Item | Budget \$ | Actual \$ |
|-------------|--|--------------|-----------|
| Roading | Pathways construction | 815,000 | 445,150 |
| | Minor safety projects | 670,000 | 739,491 |
| | Whanganui River Road seal extension | 856,000 | 1,172,350 |
| | Pavement rehabilitation | 970,000 | 309,399 |
| | Pavement Smoothing | 260,000 | 166,459 |
| | Rehabilitation | 687,000 | 0 |
| | Structures components replacements | 310,000 | 179,711 |
| | Emergency management – first response | 280,000 | 429,999 |
| | Flood damage repairs | 500,000 | 0 |
| | Ngaturi Bridge replacement | 2,500,000 | 2,108,711 |
| | Road reinstatement – July 2006 storm event | 1,000,000 | 1,261,789 |
| | Sealed road resurfacing | 2,255,000 | 1,643,032 |
| | Traffic services renewals | 173,000 | 228,157 |
| | Unsealed road metalling | 478,000 | 521,931 |
| | Drainage renewals | 1,188,000 | 1,275,834 |
| | Pathways | Replacements | 303,000 |
| CBD Parking | Meters | 16,000 | 83,395 |

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

As well as the Annual Plan Roading capital budget of \$8.1M, another \$4.8M was carried over from 2007/08, giving a total programme of \$12.9M for the year. Actual expenditure came in under at \$10.5M. The main areas of underspend were mainly in flood damage repairs, pavement and roading rehabilitation, and sealed road resurfacing. Roading capital acquisition expenditure of \$0.9M is to be carried over to next year.

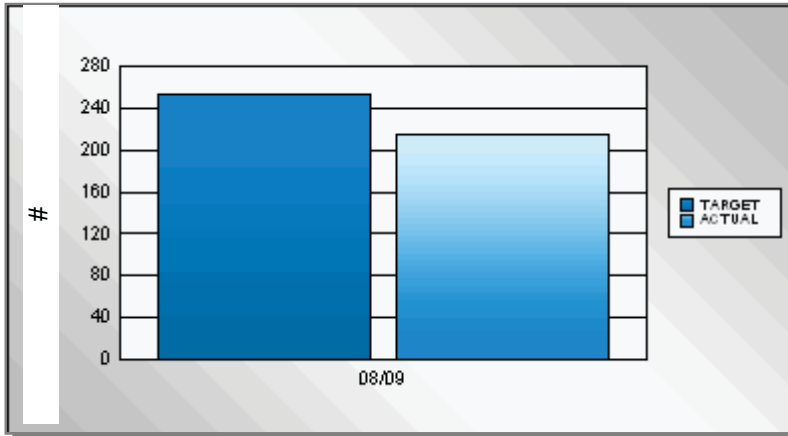
Pathways capital replacement expenditure is above budget. This is mainly due to additional work done for the Durie Hill steps, previously classified as a carry-over Parks job.

CBD Parking capital acquisitions relates to parking pay and display machines, financed from the Parking special fund. The additional expenditure was approved by Council.

Land Transportation Group:

Pathways

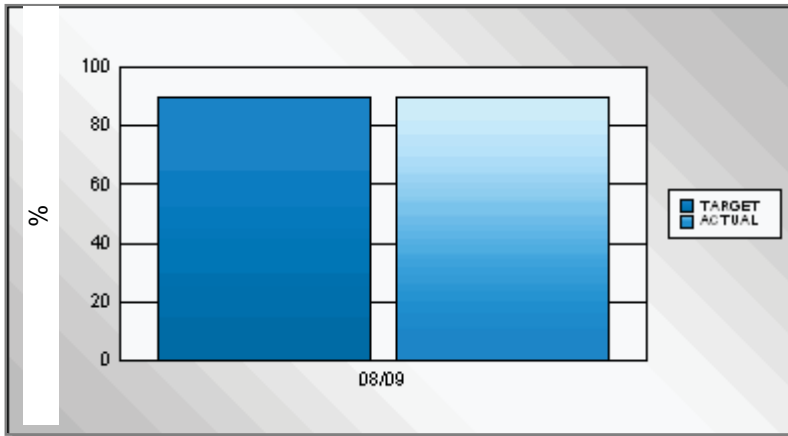
KPI: *There will be a reduction in the number of footpath-related defects as reported to Wanganui District Council Customer Services. (Footpaths and berms)*



RESPONSIBLE OFFICER:
Rui Leitao
Roading engineer

LATEST COMMENTS:
The target of less than 253 reported footpath-related defects was achieved. The actual result was 215 reports.

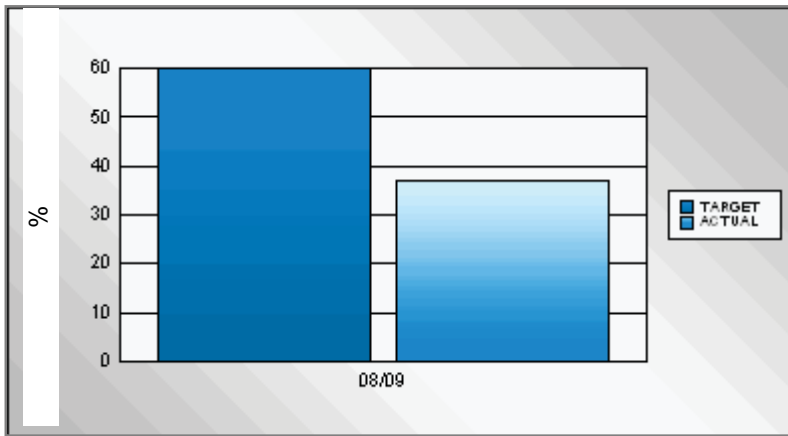
KPI: *Tree trimming requests will be responded to within five working days, as identified by six-monthly inspections or by complaints to Customer Services. (Footpaths and berms)*



RESPONSIBLE OFFICER:
Rui Leitao
Roading engineer

LATEST COMMENTS:
The target of 90% was achieved. 90% of tree trimming requests were responded to within five working days.

KPI: *Users of footpaths will be fairly or very satisfied with footpath surface and smoothness. (Footpaths and berms)*

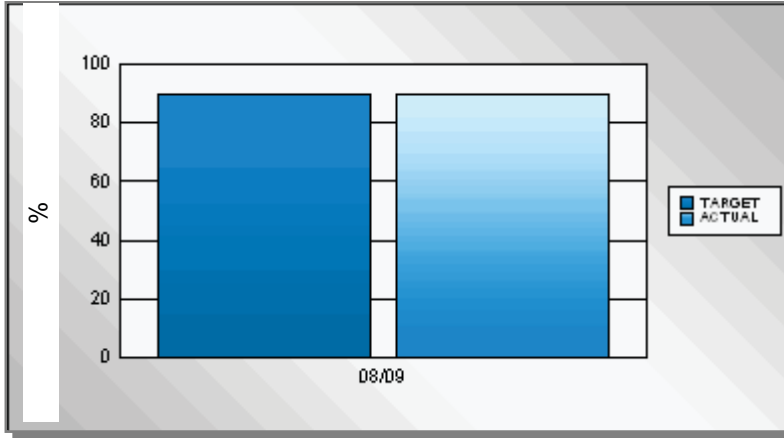


RESPONSIBLE OFFICER:
Rui Leitao
Roading engineer

LATEST COMMENTS:
The satisfaction target of 60% was not achieved. The actual result was 37% of the community were fairly or very satisfied with footpath surface and smoothness.

Pathways

KPI: *Written or verbal complaints will be responded to within three working days. (Footpaths and berms)*



RESPONSIBLE OFFICER:

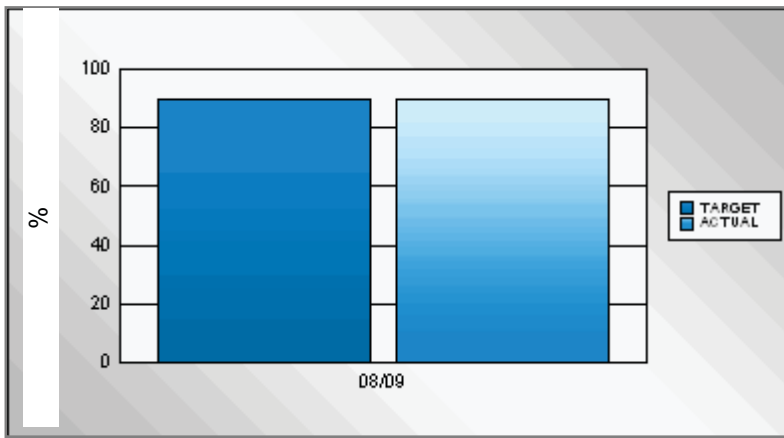
Rui Leitao
Roothing engineer

LATEST COMMENTS:

It is only estimated that the target of 90% responsiveness was attained as there is currently no accurate mechanism to capture all verbal complaints.

Roothing

KPI: *Compliance with displayed time limits will be enforced. (Parking)*



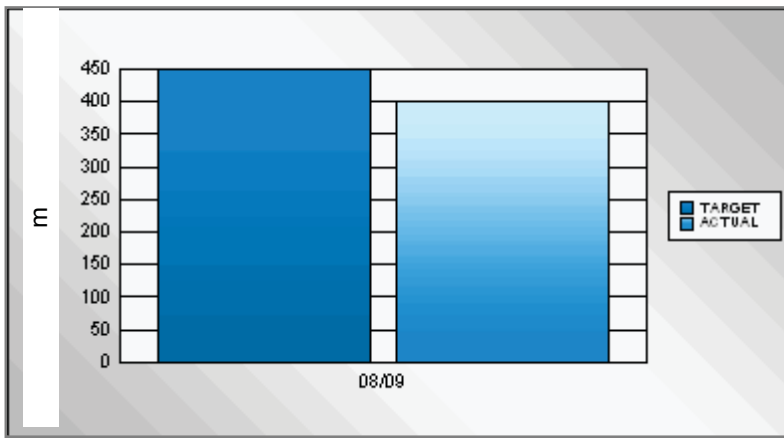
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of 90% was met. Time limits are monitored by parking officers and, if exceeded, infringement notices are issued.

KPI: *Cycle safety works will be undertaken annually. (Cycle safety)*



RESPONSIBLE OFFICER:

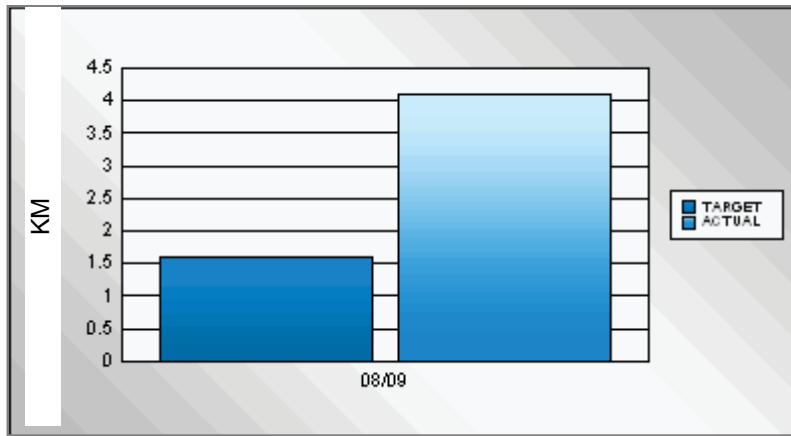
Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of 450 metres of cycle safety works was not met. The actual result was 400 metres. This was achieved when the Somme Parade shared pathway was constructed.

Roading

KPI: Pavement strengthening and smoothing will be carried out annually to reduce longer-term maintenance costs and to improve ride quality. (Road smoothness)



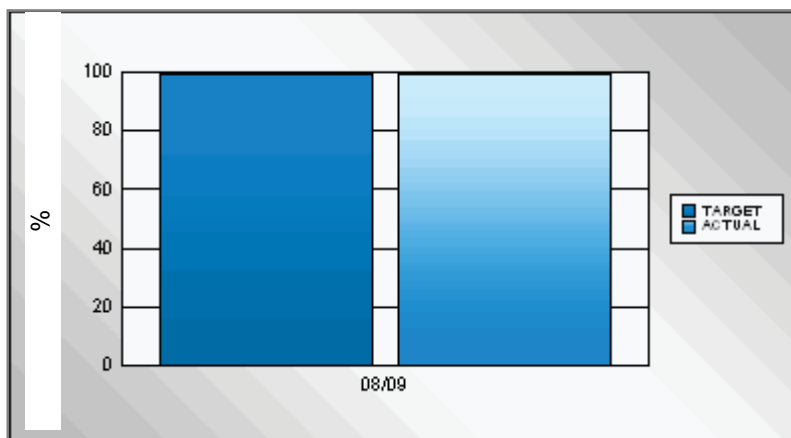
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of >1.6km pavement strengthening was exceeded. The actual result was 4.1km; this figure includes work undertaken on Whangaehu Valley Road and Morikau Road.

KPI: Physical access to all serviced properties will be available 365 days per year. (Access)



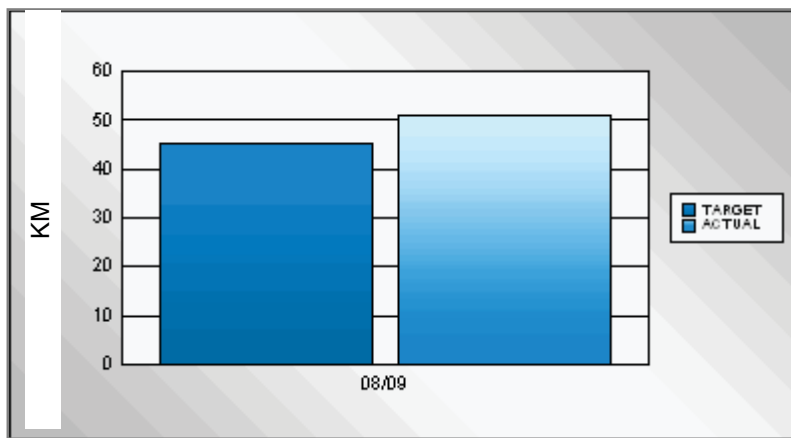
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

It is only estimated that the target of 99% accessibility was attained as there is currently no accurate mechanism to measure this.

KPI: Reseal and surface roads will be carried out annually to protect the integrity of the road surface. (Road smoothness)



RESPONSIBLE OFFICER:

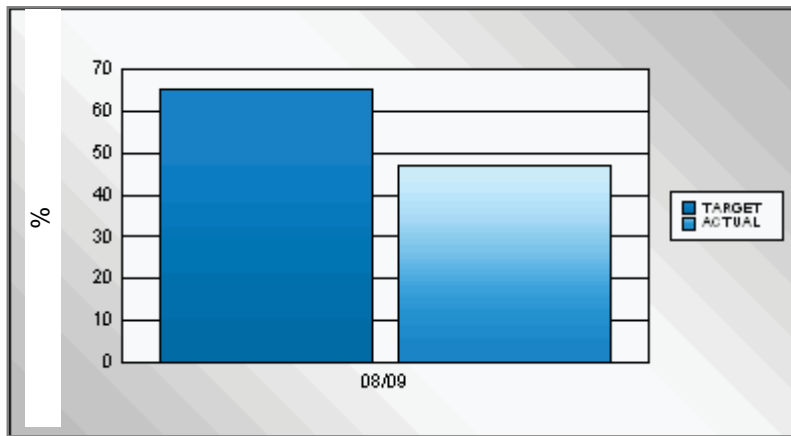
Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of >45km was exceeded. The actual result was 51.10km.

Roading

KPI: Residents will be fairly or very satisfied with the roading network. (Community satisfaction)



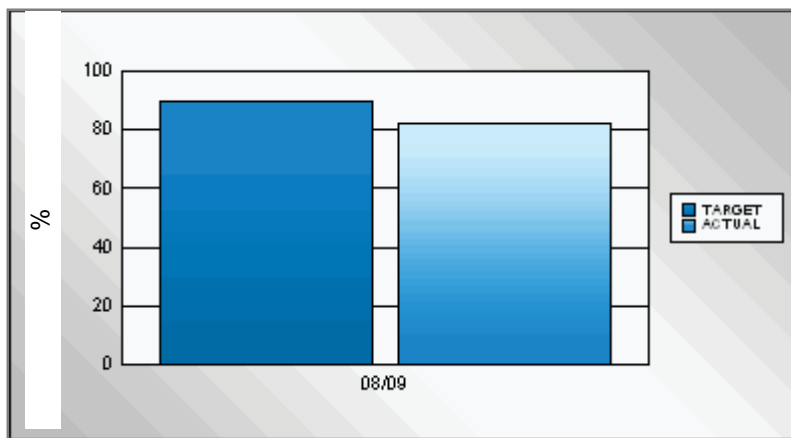
RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The satisfaction target of 65% was not met. The actual result was 47% of residents were fairly or very satisfied with the roading network as measured by the Community Views Survey.

KPI: Road users will travel on smooth urban and rural roads as measured by Smooth Traffic Exposure (STE). (Road smoothness)



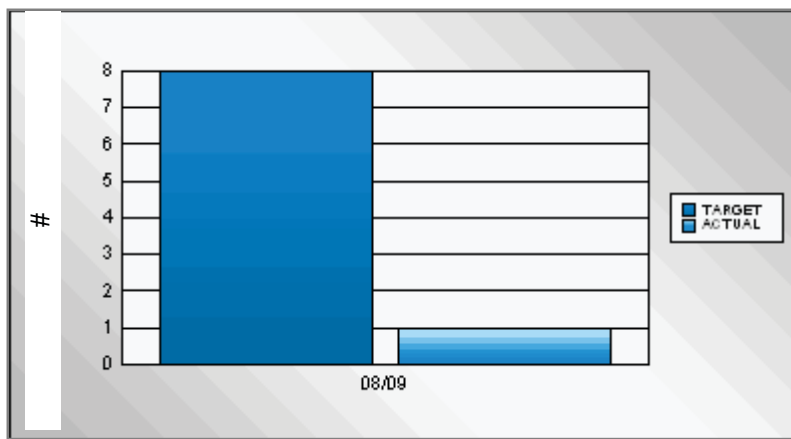
RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of 90% was not met. The actual result was 82%. This has been affected by stormwater separation works. Recovery will commence in 2009/10 along Dublin Street and Somme Parade.

KPI: There will be fewer fatal/serious injury crashes per year. (Rural road safety)



RESPONSIBLE OFFICER:

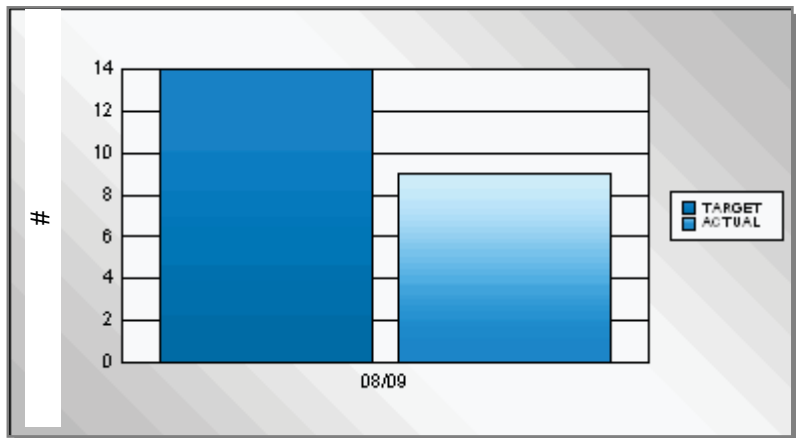
Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of less than eight fatal/serious injury crashes was achieved. The actual result was one. Trends are reflecting a reduction in severe crashes but an increase in minor crashes.

Roading

KPI: There will be fewer fatal/serious injury crashes per year. (Urban road safety)



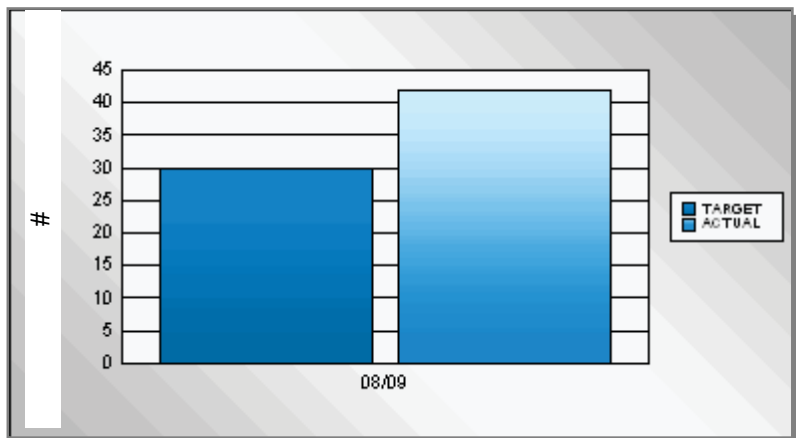
RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of less than 14 fatal/serious injury crashes was achieved. The actual result was nine for the year. Trends are reflecting a reduction in severe crashes but an increase in minor crashes.

KPI: There will be fewer reported injury crashes per 100 million vehicle kilometres travelled (local urban roads). Urban road safety



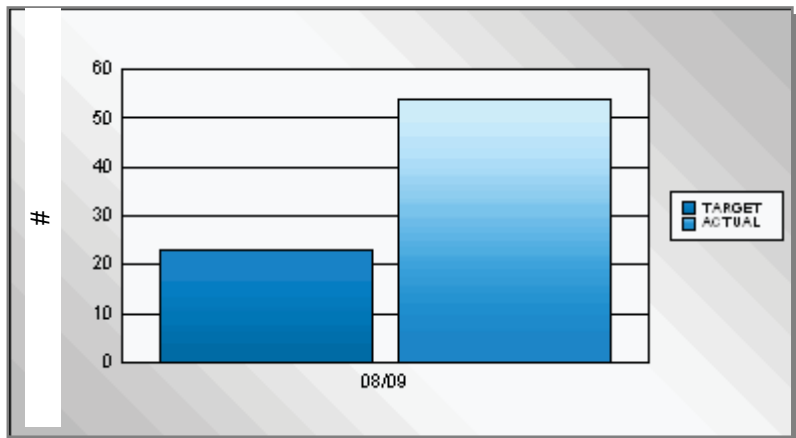
RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of <30 was not met. The actual result was 42.

KPI: There will be fewer reported injury crashes per 100 million vehicle kilometres travelled. (Rural road safety)



RESPONSIBLE OFFICER:

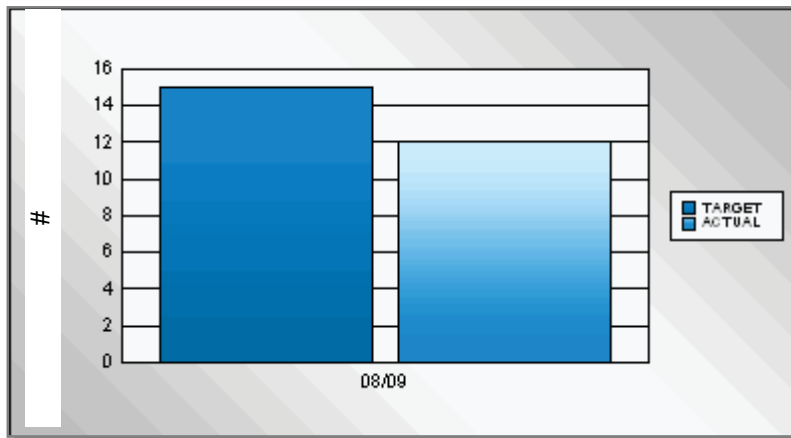
Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of <23 was not met. The actual result was 54.

Roading

KPI: *There will be fewer reported injury crashes per year. (Rural road safety)*



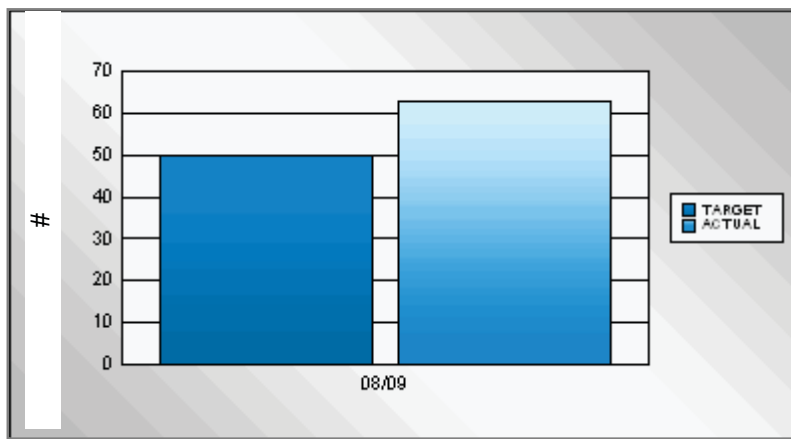
RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of less than 15 reported injury crashes was achieved. The actual result was 12.

KPI: *There will be fewer reported injury crashes per year. (Urban road safety)*



RESPONSIBLE OFFICER:

Rui Leitao
Roothing engineer

LATEST COMMENTS:

The target of less than 50 reported injury crashes was not achieved. The actual result was 63.

Water

For the year ended 30 June 2009

| | Budget | Council | |
|--------------------------------------|---------------|----------------|---------------|
| | 2009 | 2009 | 2008 |
| | \$000 | \$000 | \$000 |
| Income | | | |
| User fees and other revenue | 3,667 | 3,609 | 3,243 |
| Subsidies | 63 | - | - |
| Total income | 3,730 | 3,609 | 3,243 |
| Operating expenditure | | | |
| Operating expenditure | 6,554 | 6,954 | 6,257 |
| Finance costs | 3,733 | 3,251 | 2,961 |
| Depreciation | 3,335 | 5,576 | 5,613 |
| Council overhead | 1,215 | 1,324 | 1,434 |
| Total operating expenditure | 14,837 | 17,105 | 16,265 |
| Non-funded depreciation | (3,335) | (5,576) | (5,613) |
| Operational rates requirement | 7,772 | 7,920 | 7,409 |
| Capital acquisitions | 6,608 | 9,888 | 10,737 |
| Capital replacements | 2,300 | 2,961 | 1,592 |
| Total capital expenditure | 8,908 | 12,849 | 12,329 |
| Total funding requirement | 16,680 | 20,769 | 19,738 |
| Transfers (to)/from special funds | 120 | 40 | 87 |
| New loans/(loans repaid) | 3,750 | 7,338 | 6,349 |
| Total capital funding | 3,870 | 7,378 | 6,436 |
| Rate requirement | 12,810 | 13,391 | 13,302 |

Water group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Water Group. Significant variations to the Annual Plan are discussed below if necessary.

| Activity | Item | Budget \$ | Actual \$ |
|------------------------|---------------------------------|-----------|-----------|
| Stormwater | Separation project | 5,815,000 | 5,262,317 |
| | Urban reticulation maintenance | 280,000 | 316,319 |
| Wastewater | Treatment Plant | 750,000 | 1,531,864 |
| | Urban reticulation maintenance | 1,694,000 | 870,749 |
| Waterways and Drainage | Natural Capital acquisition | 50,000 | 28,448 |
| Water Supply | Water softening project | 1,500,000 | 2,778,025 |
| | Urban reticulation replacements | 2,093,000 | 2,061,219 |

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

Stormwater

The Annual Plan budget included \$4.0M for the Stormwater Separation Project, and there was also a carry over of \$1.8M from 2007/08, giving a total programme of \$5.8M for the year. Actual expenditure came in a little behind at \$5.3M. These figures included \$0.3M for the Virginia Lake job which had just started. Overall the unspent funds of \$0.5M will be carried over to next year.

Expenditure for urban reticulation replacements was a little ahead of budget, after being well behind last year because of delayed Project expenditure.

Wastewater

The Annual Plan budget included \$0.8M for the Treatment Plant Project. Actual expenditure came to \$1.5M. The additional costs in areas like aerators and electrical services were approved by Council during the year, and it also included some expenditure brought forward.

The capital replacement programme budget was \$0.5M, with \$1.2M being carried over from 2007/08, gave a total programme of \$1.7M for the year. Actual expenditure came in behind at \$0.9M, with the \$0.6M Putiki job being carried over to next year.

Waterways and natural drainage

Some proposed capital expenditure didn't happen this year.

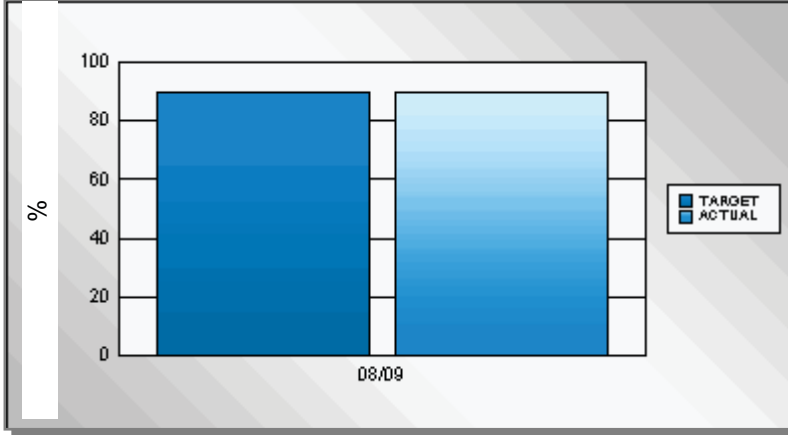
Water supply

The Annual Plan budget included \$1.5M for the water softening project. Actual expenditure was \$2.8M, with the project being brought forward mid-year as a result of a water crisis. With actual expenditure not reaching expected levels, \$1.5M has been carried forward to next year, to add to next years Annual Plan budget of \$0.6M.

Urban reticulation replacements were carried out as programmed, with the budget of \$1.9M plus a carry over of \$0.2M, being matched by actual expenditure of \$2.1M.

**Water Group:
Stormwater**

KPI: High priority repairs will commence within six hours of notification (Stormwater).



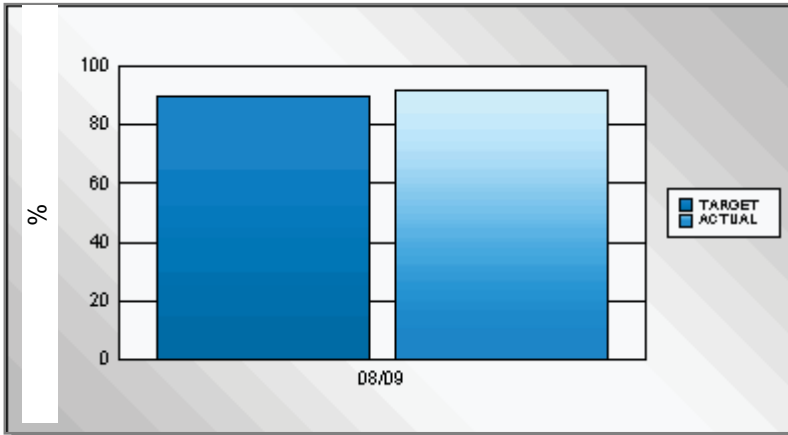
RESPONSIBLE OFFICER:

Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:

Achievement of the 90% target was unknown. This is because although Council's policy is to respond to high priority repairs within six hours of notification, there is currently no formal system for measuring this. It is estimated that 90% of repairs were commenced within the specified timeframe.

KPI: Routine priority repairs will be completed within five working days of notification (Stormwater).



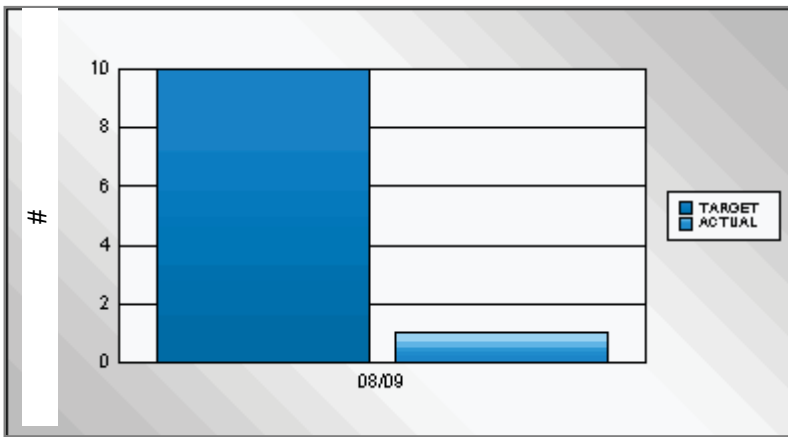
RESPONSIBLE OFFICER:

Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 91.9% of routine priority repairs were completed within five working days of notification.

KPI: There are no more than 10 instances per year of inundation of premises reported to Council.



RESPONSIBLE OFFICER:

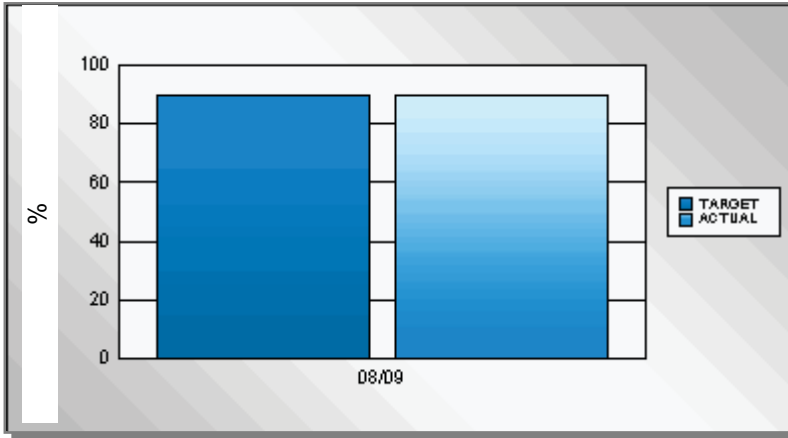
Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:

The target of less than 10 instances of inundation was achieved. The actual result was one.

Wastewater

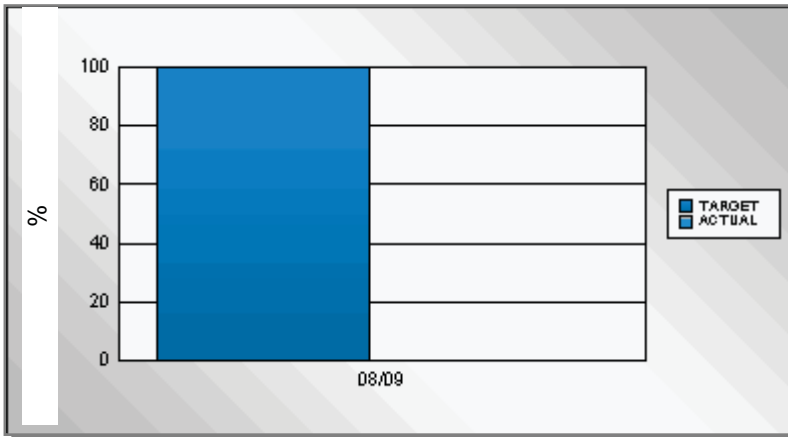
KPI: High priority repairs will be commenced within six hours of notification (wastewater).



RESPONSIBLE OFFICER:
Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:
Achievement of the 90% target was unknown. This is because although Council's policy is to respond to high priority repairs within six hours of notification, there is currently no formal system for measuring this. It is estimated that 90% of repairs were commenced within the specified timeframe.

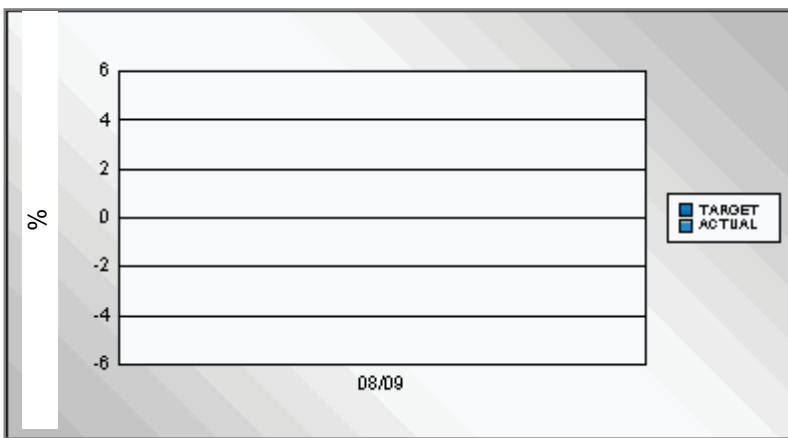
KPI: Horizons Regional Council consent to not allow discharge into the river upstream of the Cobham bridge after 30 June 2007 will be complied with.



RESPONSIBLE OFFICER:
Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:
Achievement of this target was not able to be accurately measured. There were instances during 2008/09 where blockages caused discharge of effluent or where stormwater flows in Durie Hill caused overflows to the river. There are plans to install level monitoring equipment to ensure accurate recording in the future.

KPI: Horizons Regional Council consent to not allow discharge of diluted wet weather overflows of wastewater, including trade waste and domestic sewage below the Cobham Bridge, after 20 June 2010 will be complied with.

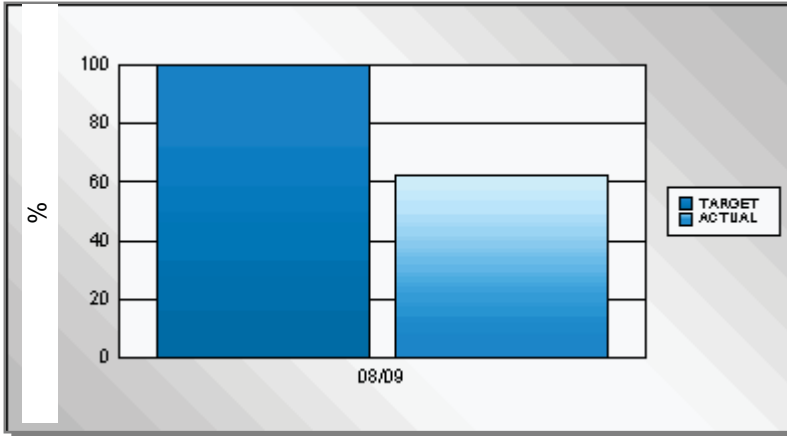


RESPONSIBLE OFFICER:
Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:
This measure is not a requirement until 2010/11.

Wastewater

KPI: Horizons Regional Council consent to not allow discharge of partially treated wastewater, including trade waste and domestic sewage from the coastal outfall, after 30 June 2007 will be complied with.



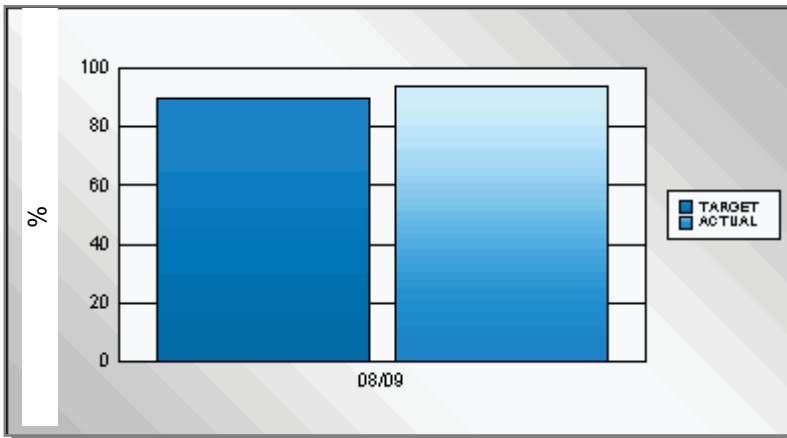
RESPONSIBLE OFFICER:

Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:

The target of 100% was not achieved. The actual result was 62% compliance. This was due to inadequate aeration where partially treated domestic and tradewaste sewage had to be discharged directly to the ocean outfall.

KPI: Routine priority repairs will be completed within five working days of notification (wastewater).



RESPONSIBLE OFFICER:

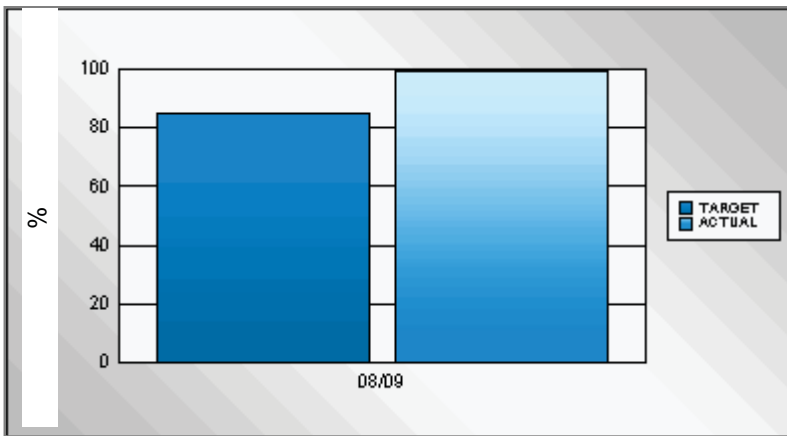
Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 93.85% of routine priority repairs were completed within five working days of notification.

Water supply

KPI: All hydrants will comply with the New Zealand Fire Service's code of practice.



RESPONSIBLE OFFICER:

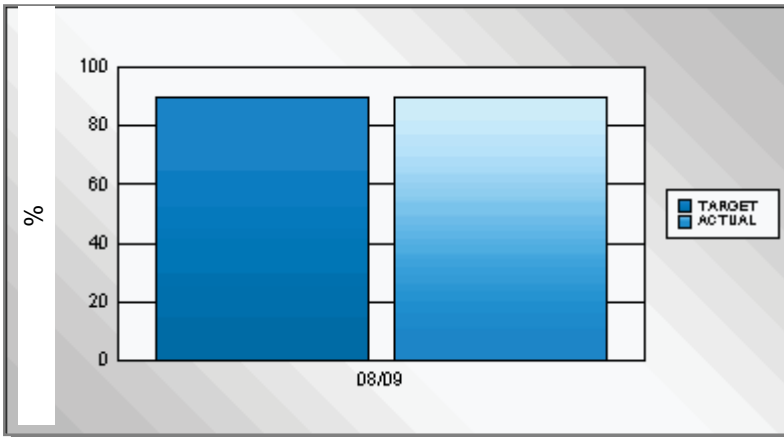
Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 85% was exceeded. The actual result was 99% of hydrants complied with the New Zealand Fire Service's code of practice.

Water supply

KPI: High priority leak repairs will be commenced within six hours of notification.



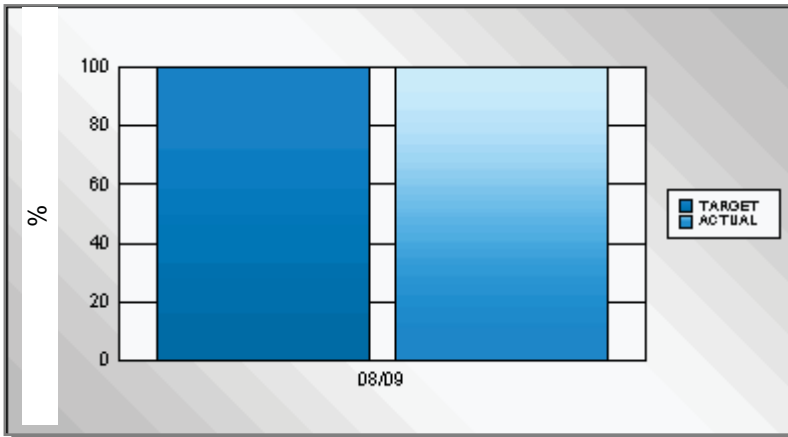
RESPONSIBLE OFFICER:

Srian Fonseka
Senior Engineer

LATEST COMMENTS:

Achievement of the 90% target was unknown. This is because although Council's policy is to respond to high priority repairs within six hours of notification, there is currently no formal system for measuring this. However, it is estimated that 90% of repairs were commenced within the specified timeframe.

KPI: Horizons Regional Council consent conditions will be complied with.



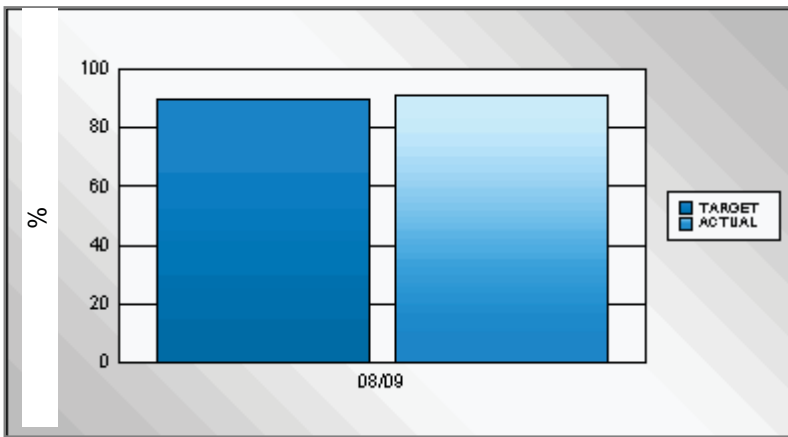
RESPONSIBLE OFFICER:

Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 100% was achieved. Consent conditions were complied with 100% of the time.

KPI: Routine priority leak repairs will be completed within five working days of notification.



RESPONSIBLE OFFICER:

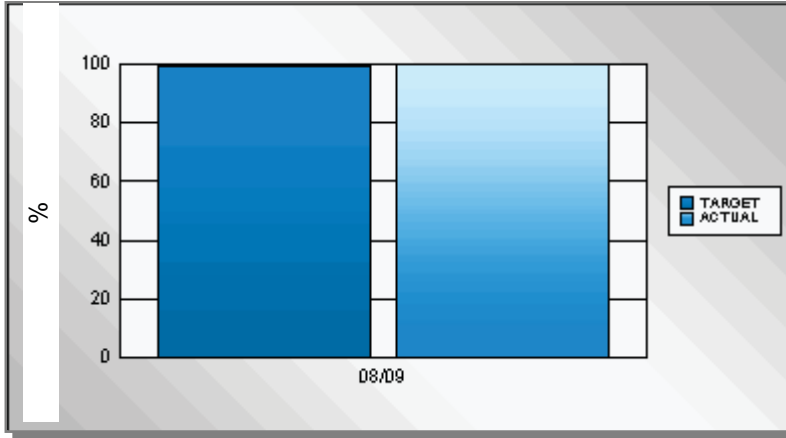
Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 90% was exceeded. The actual result was 91.25% of routine priority leak repairs were completed within five working days of notification.

Water supply

KPI: The Council will maintain an Ab grading and comply with the Drinking Water Standards for New Zealand



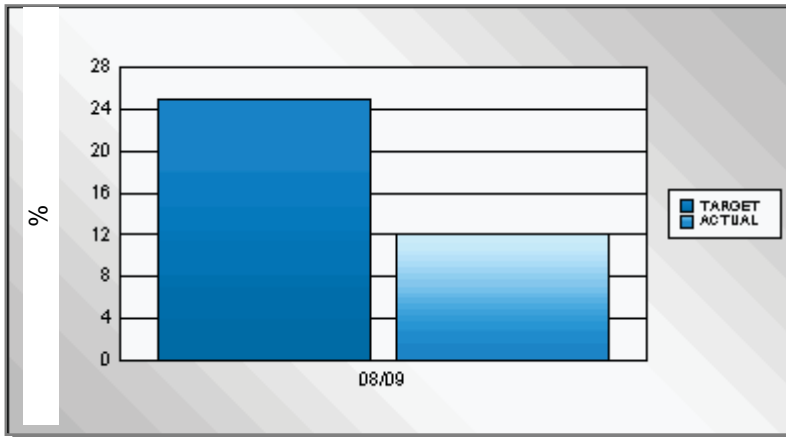
RESPONSIBLE OFFICER:

Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 99% was exceeded. The actual result was 100% maintenance of an Ab grading in compliance with Drinking Water Standards for New Zealand.

KPI: Wanganui households will receive a soft water supply.



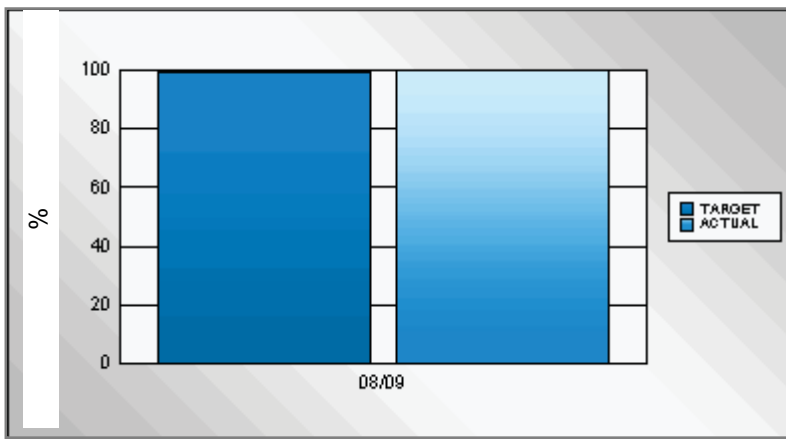
RESPONSIBLE OFFICER:

Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 25% was not met. The actual result was 12% of Wanganui households received a soft water supply. Although it was planned to commission the new soft water bores in 2008/09, technical problems have meant that soft water has not been able to be brought to the surface.

KPI: Water will be available to serviced properties at all times.



RESPONSIBLE OFFICER:

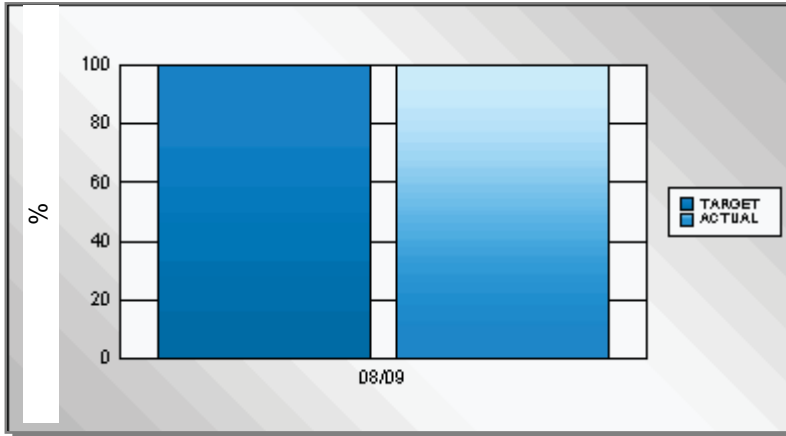
Srian Fonseka
Senior Engineer

LATEST COMMENTS:

The target of 99% was exceeded. The actual result was water was available to serviced properties 99.9% of the time.

Waterways and natural drainage

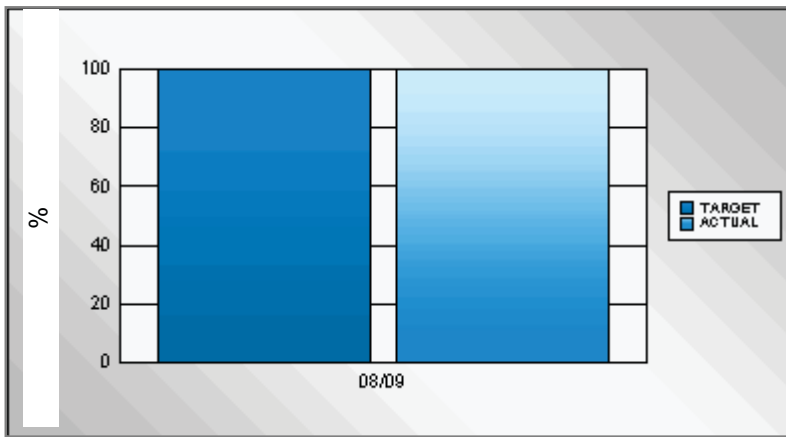
KPI: *The Wanganui East Matarawa Stream will not be overtopped during flood events.*



RESPONSIBLE OFFICER:
Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:
The target of 100% was achieved. There were no flood events for the Matarawa Stream.

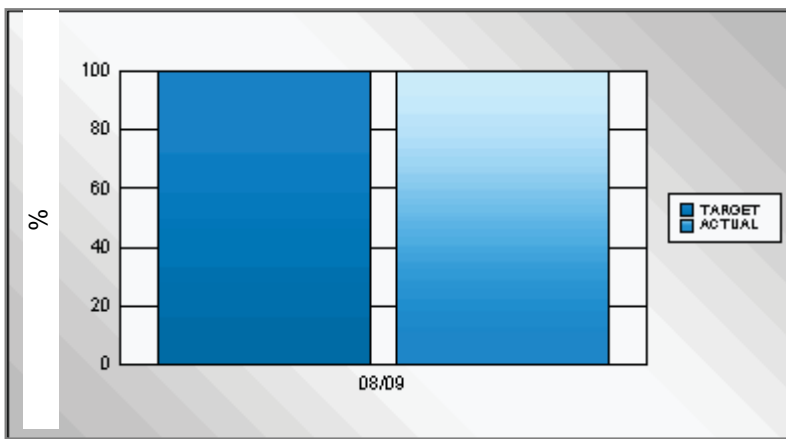
KPI: *Warnings of flood events from the Matarawa Stream will be given four hours in advance.*



RESPONSIBLE OFFICER:
Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:
The target of 100% was achieved. There were no flood events for the Matarawa Stream.

KPI: *Warnings of flood events from the Whanganui River will be given 12 hours in advance.*

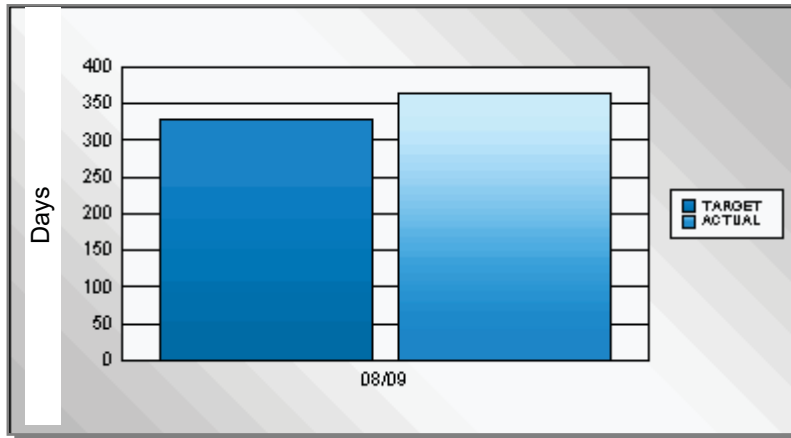


RESPONSIBLE OFFICER:
Robert van Bentum
Senior Water and Wastewater Engineer

LATEST COMMENTS:
The target of 100% was achieved. There were no flood events for the Whanganui River.

Whanganui River control

KPI: Access to the River for coastguard and rescue services will be available 365 days per year.



RESPONSIBLE OFFICER:

Rui Leitao
Roading engineer

LATEST COMMENTS:

The target of 328.50 days was exceeded. The actual result was access to the Whanganui River for coastguard and rescue services was available every day of the year.

Investments group

For the year ended 30 June 2009

| | Budget | Council | |
|--------------------------------------|----------------|----------------|--------------|
| | 2009 | 2009 | 2008 |
| | \$000 | \$000 | \$000 |
| Income | | | |
| User fees and other revenue | 2,867 | 2,416 | 1,749 |
| Subsidies | - | - | - |
| Total income | 2,867 | 2,416 | 1,749 |
| Operating expenditure | | | |
| Operating expenditure | 2,475 | 2,415 | 2,983 |
| Finance costs | (128) | (16) | 108 |
| Depreciation | 205 | 224 | 145 |
| Council overhead | 458 | 500 | 406 |
| Total operating expenditure | 3,010 | 3,123 | 3,642 |
| Non-funded depreciation | (205) | (224) | (145) |
| Operational rates requirement | (62) | 483 | 1,748 |
| Capital acquisitions | 318 | 685 | 194 |
| Capital replacements | 322 | 283 | 296 |
| Total capital expenditure | 640 | 968 | 490 |
| Total funding requirement | 578 | 1,451 | 2,238 |
| Transfers (to)/from special funds | 709 | 1,034 | 546 |
| New loans/(loans repaid) | 900 | 943 | 480 |
| Total capital funding | 1,609 | 1,977 | 1,026 |
| Rate requirement | (1,031) | (526) | 1,212 |

Investments group significant acquisitions or replacements of assets

The following table shows the significant expenditure on capital acquisitions and replacements for the Community Facilities Group. Significant variations to the Annual Plan are discussed below if necessary.

| Activity | Item | Budget \$ | Actual \$ |
|-------------------|--|-----------|-----------|
| City endowment | JAAG Project (Airport Hangar) | 265,000 | 274,622 |
| | 31 Taupo Quay | 0 | 495,816 |
| | Parks Yard | 107,000 | 60,853 |
| | Other capital works | 38,000 | 3,817 |
| Harbour endowment | Gas Building | 50,000 | 83,016 |
| | Other capital works | 50,000 | 48,084 |
| City freehold | 125 Guyton Street | 21,000 | 21,808 |
| | Community House | 0 | 3,650 |
| 101 Guyton Street | Reroofing of the third floor and capital works | 131,000 | 77,495 |

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

City endowment

The JAAG Project (Airport Hangar) was completed this year. During the year Council purchased the leasehold interest in 31 Taupo Quay with the new Information Centre in mind, and the Parks Yard painting and driveway work was begun. All this expenditure was financed from the City endowment special fund. \$46,000 has been carried forward to next year to complete the Parks Yard work.

Harbour endowment

The Gas Building work including toilet upgrade, and 507 Heads Road was financed by Harbour Capital and Insurance special funds. \$62,000 has been carried forward to next year to complete the Gas Building work.

City freehold

Concrete and electrical work was carried out on 125 Guyton Street during the year.

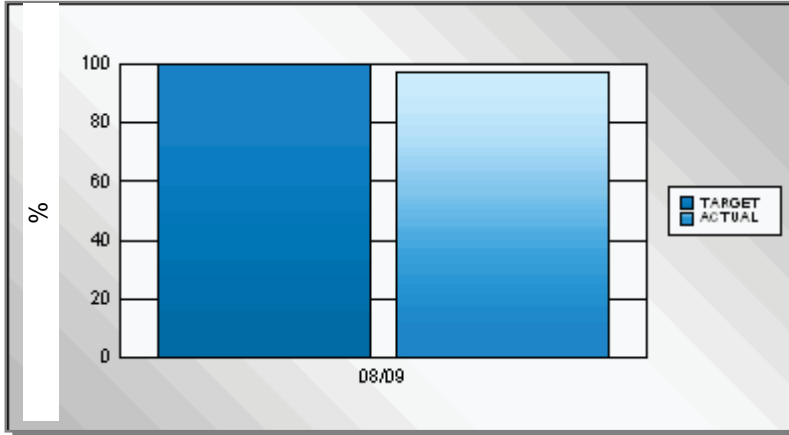
101 Guyton Street

The reroof and exterior re-cladding of the Council Building project continued this year. \$60,000 has been carried forward to next year to complete the works.

Investments Group:

Investments

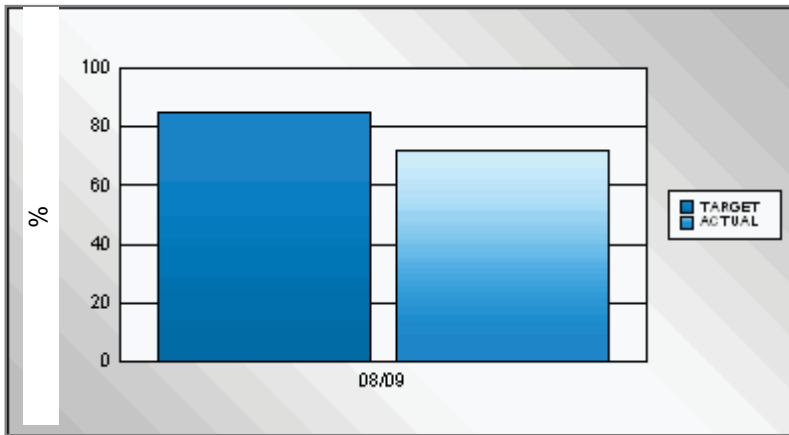
KPI: Council owned buildings will have a Building Warrant of Fitness. (Property)



RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The target of 100% compliance was not achieved. The actual result was 97.5%. Delays in receiving the paperwork from IQP contractors meant that some buildings were technically without a Building Warrant of Fitness, notwithstanding the fact that the inspections had been carried out.

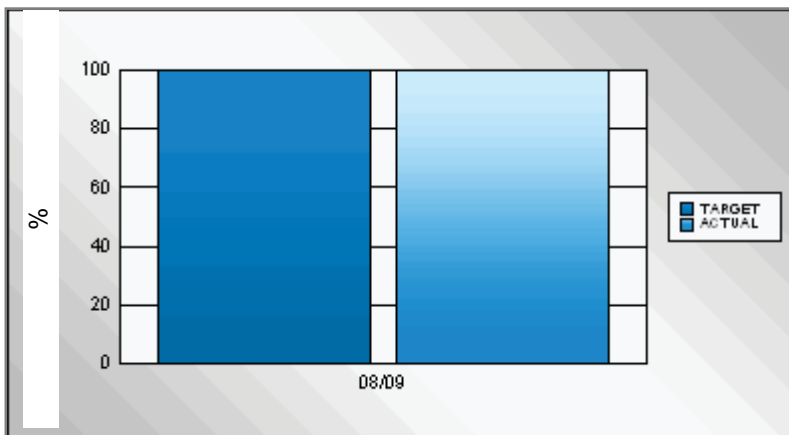
KPI: Tenants will be fairly or very satisfied with the services provided. (Property)



RESPONSIBLE OFFICER:
Greg Morris
Deputy Property Manager

LATEST COMMENTS:
The satisfaction target of 85% was not met. The actual result was 72% of tenants were fairly or very satisfied with the services provided.

KPI: The forecast revenue from Wanganui District Council Holdings will be received as budgeted. (Investments)

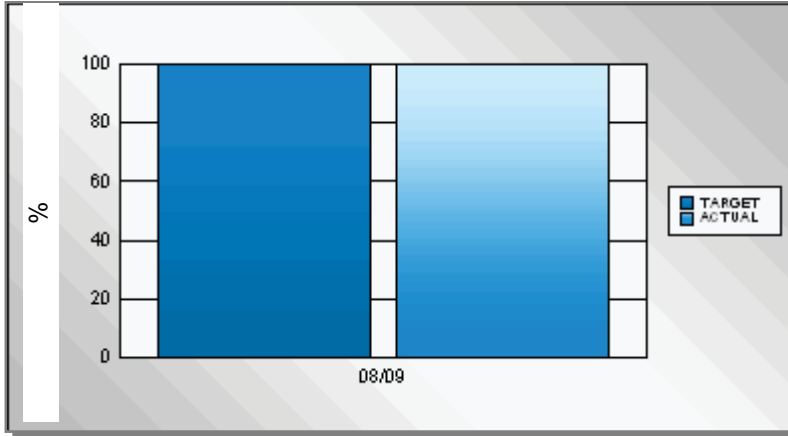


RESPONSIBLE OFFICER:
Rowan McGregor
Property manager

LATEST COMMENTS:
The target of 100% receipt of forecast return was achieved. There was no return budgeted and no return was received in the 2008/09 year.

Investments

KPI: The forecast revenue from the Joint Wanganui District Council Forestry Committee will be received as budgeted. (Investments)



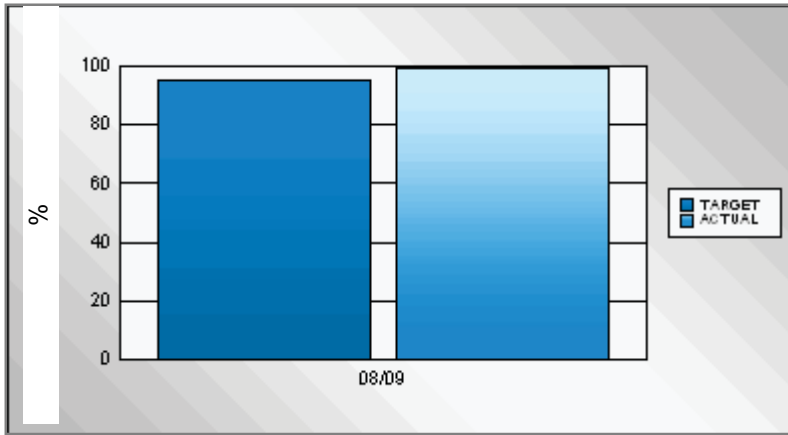
RESPONSIBLE OFFICER:

Rowan McGregor
Property manager

LATEST COMMENTS:

The target of 100% receipt of forecast return was achieved. There was no return budgeted and no return was received in the 2008/09 year.

KPI: The occupancy rates of investment properties will be >90%. (Property)



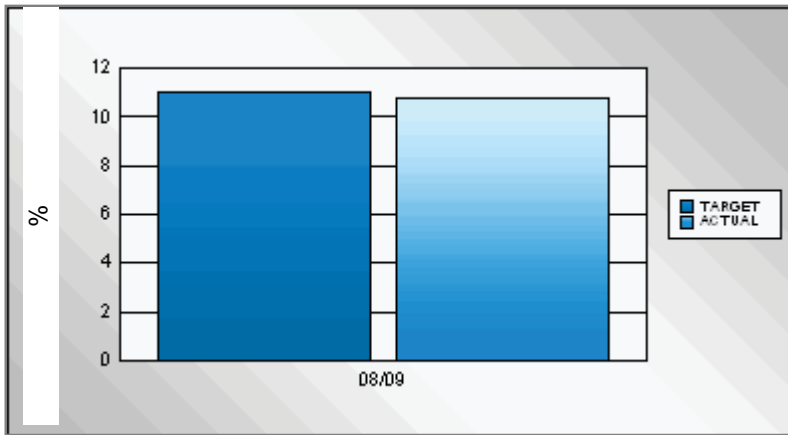
RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of 95% occupancy was exceeded. The actual result was 99.5%. Only one of the Council's 89 investment properties was vacant during the second half of the year.

KPI: The percentage of the total number of properties held, that the Council considers to be surplus to requirements, will be reduced. (Property)



RESPONSIBLE OFFICER:

Greg Morris
Deputy Property Manager

LATEST COMMENTS:

The target of <11% was achieved. The actual result was 10.8%. Council added a further 24 properties to the list as part of the three-yearly review of the 10-Year Plan.

Corporate management group

For the year ended 30 June 2009

| | Budget | Council | |
|--------------------------------------|---------------|----------------|----------------|
| | 2009 | 2009 | 2008 |
| | \$000 | \$000 | \$000 |
| Income | | | |
| User fees and other revenue | 1,102 | 760 | 1,109 |
| Subsidies | - | - | - |
| Total income | 1,102 | 760 | 1,109 |
| Operating expenditure | | | |
| Operating expenditure | 5,556 | 6,284 | 6,304 |
| Finance costs | 123 | 114 | 48 |
| Depreciation | 764 | 700 | 634 |
| Council overhead | (5,542) | (6,034) | (6,323) |
| Total operating expenditure | 901 | 1,064 | 663 |
| Non-funded depreciation | (764) | (700) | (634) |
| Operational rates requirement | (965) | (396) | (1,080) |
| Capital acquisitions | 325 | 217 | 268 |
| Capital replacements | 340 | 425 | 189 |
| Total capital expenditure | 665 | 642 | 457 |
| Total funding requirement | (300) | 246 | (623) |
| Transfers (to)/from special funds | (600) | (655) | (755) |
| New loans/(loans repaid) | 300 | 402 | 505 |
| Total capital funding | (300) | (253) | (250) |
| Rate requirement | - | 499 | (373) |

Corporate Group:

Corporate management

KPI: *A Community Outcomes Report will be published at least once every three years. (Strategy and policy)*



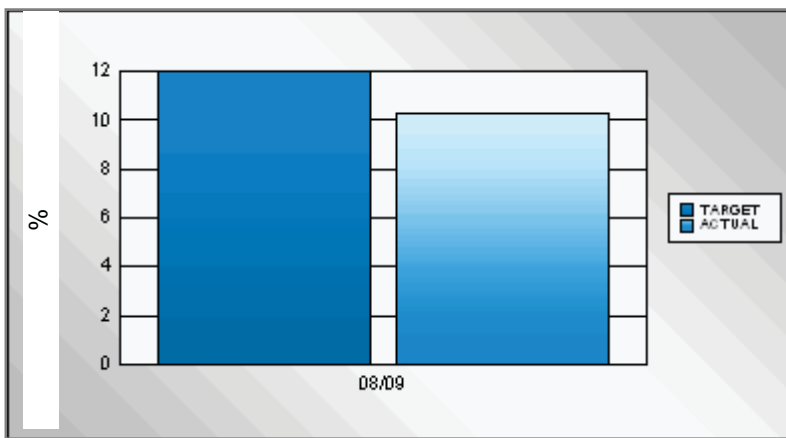
RESPONSIBLE OFFICER:

Charlotte Almond
Strategy and Development manager (Charlotte Almond)

LATEST COMMENTS:

Next report due 2010/11.

KPI: *Annual staff turnover will be kept within the specified range. (Personnel services)*



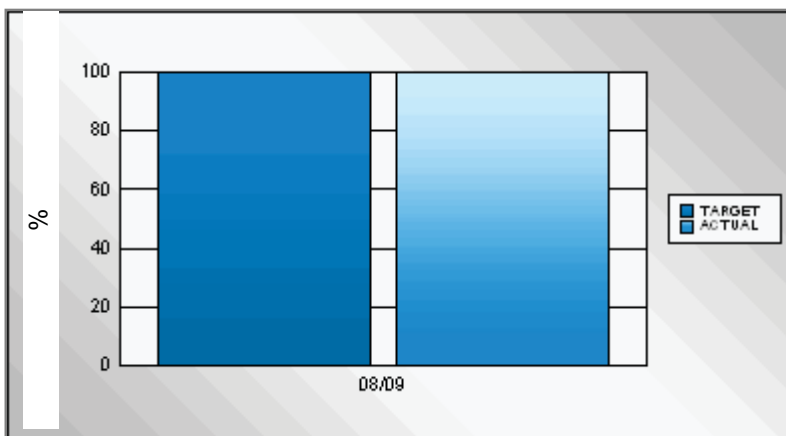
RESPONSIBLE OFFICER:

Danny Harrison
HR Manager

LATEST COMMENTS:

The target of annual staff turnover of between 10-12% was met. The actual result was 10.3%.

KPI: *Archives and records information will be available during core working hours. (Records management)*



RESPONSIBLE OFFICER:

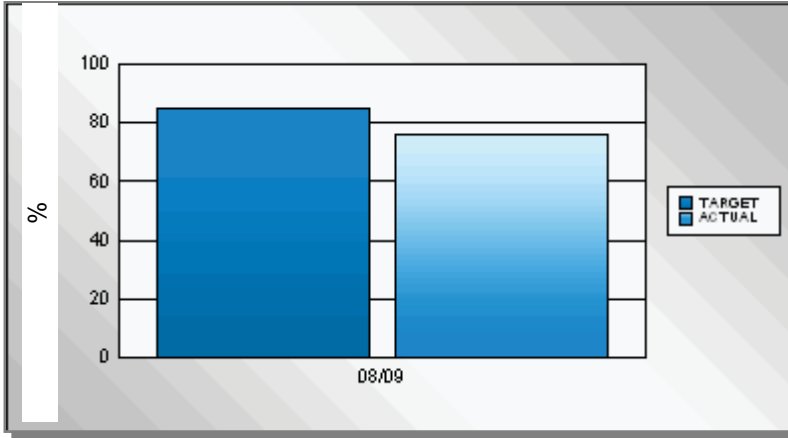
Jason Simons
Information Manager

LATEST COMMENTS:

The target of 100% was met. Archives and records information was available 100% of the time during core working hours.

Corporate management

KPI: Customers will be fairly or very satisfied with the contact they have with Council. (Customer service)



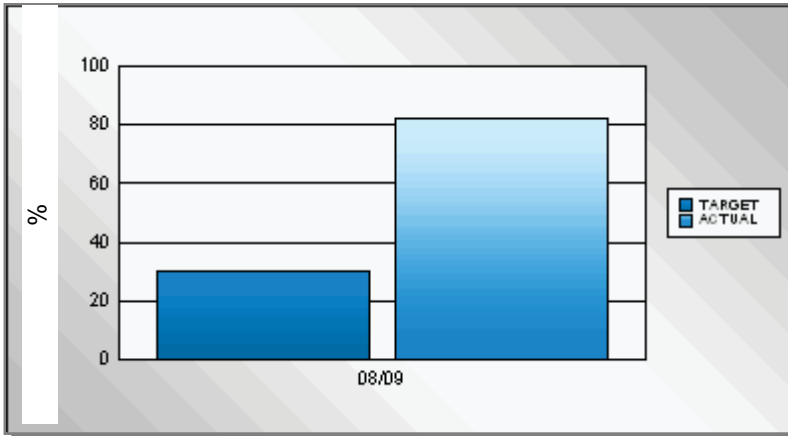
RESPONSIBLE OFFICER:

Melanie Heron
Customer Services Manager

LATEST COMMENTS:

The satisfaction target of 85% was not met. The actual result was 76%. The statistics used for the 2008/09 year are derived from the Community Views Survey. It is believed that using this method has resulted in a lower overall result when compared to previous years, as respondents to this survey would have most likely rated on the service they receive as a whole from the Council, rather than specifically the service received from the frontline team. In previous years separate, more targeted surveys were used. However, these methods required and used a large amount of resource to complete. It is planned to complete more frequent, targeted measurements of customer service satisfaction in the future.

KPI: Electronic records and archives information retrieval will be provided. (Records management)



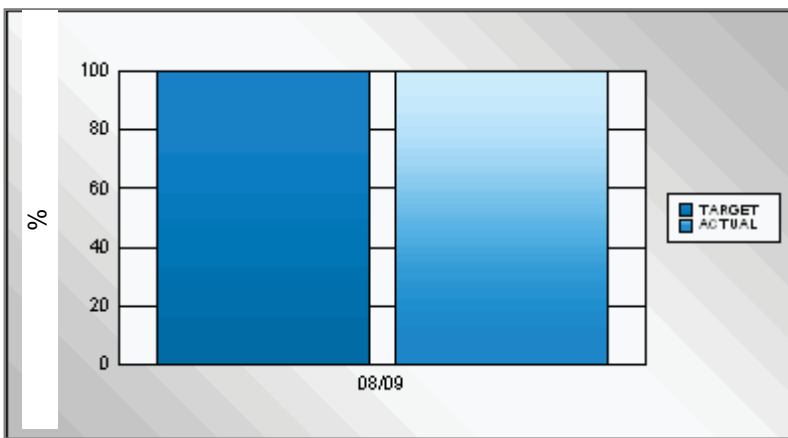
RESPONSIBLE OFFICER:

Jason Simons
Information Manager

LATEST COMMENTS:

The target of 30% was exceeded. The actual result was 82.5%. This result reflects the impact of TRIM (electronic record management system) from the second quarter onwards.

KPI: Meetings will be notified, agendas will be distributed and minutes will be recorded for Council and committee meetings in compliance with standing orders. (Elected members' support)



RESPONSIBLE OFFICER:

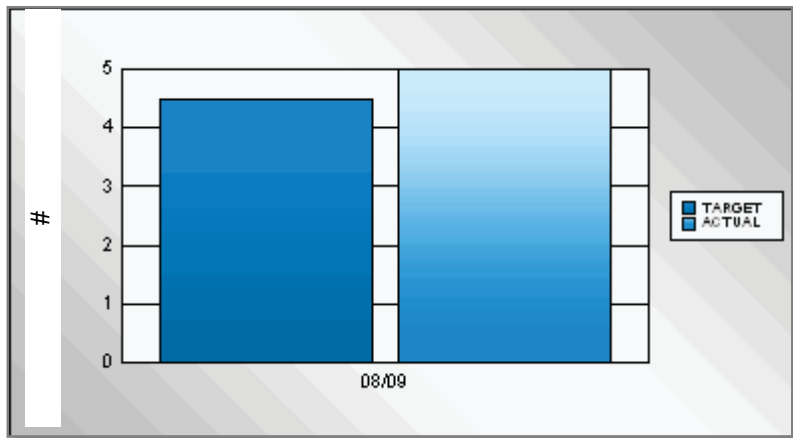
Malcolm Hunt
Governance services manager

LATEST COMMENTS:

The target of 100% was met. All meetings were notified, agendas were distributed and minutes were recorded for Council.

Corporate management

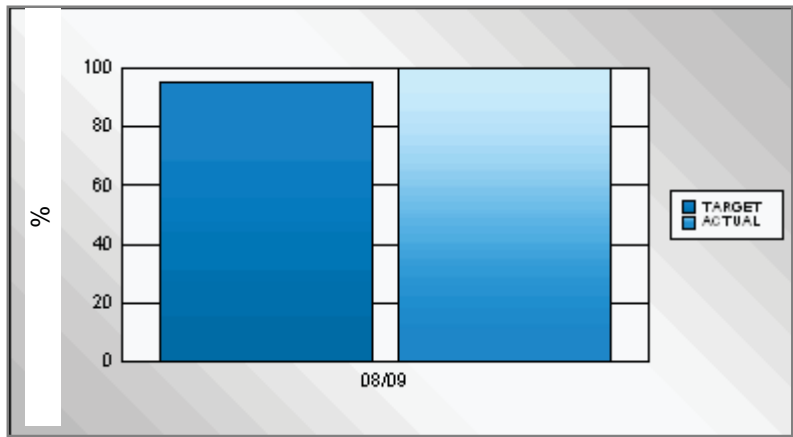
KPI: Significant issues in audit management letters will be reduced to five or less. (Finance)



RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The target of 4.5 (90% attainment) was not met.

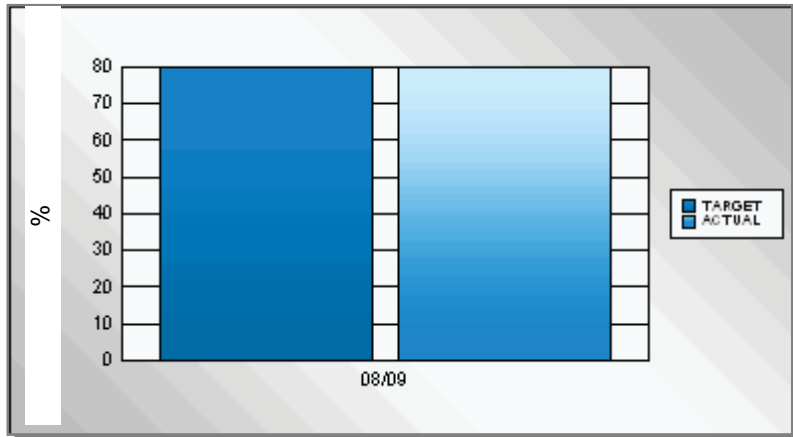
KPI: Statutory requirements for the Annual Plans and 10-Year Plans will be complied with. (Strategy and policy)



RESPONSIBLE OFFICER:
Charlotte Almond
Strategy and Development manager (Charlotte Almond)

LATEST COMMENTS:
The target of 95% was exceeded. All statutory requirements for the 10-Year Plan 2009-19 were complied with and an unqualified audit opinion was issued. The Plan was adopted on 30 June 2009.

KPI: The community will be satisfied that enough or more than enough information is supplied by the Council. (Communications)

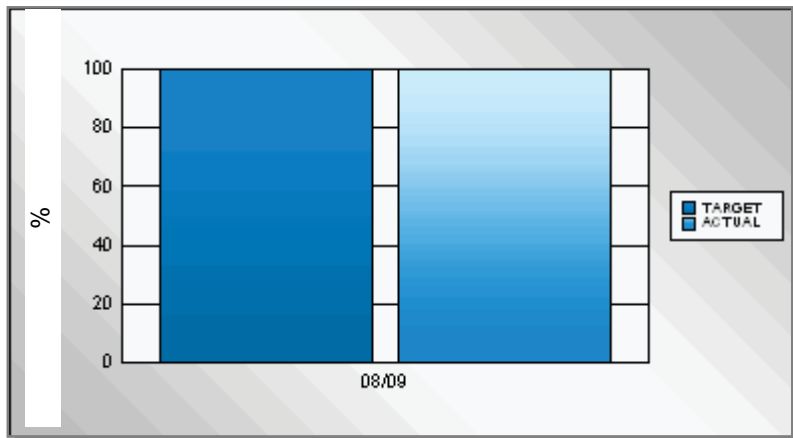


RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The satisfaction target of 80% was met. 80% of the community was satisfied that Council supplied enough or more than enough information as measured by the Community Views Survey.

Corporate management

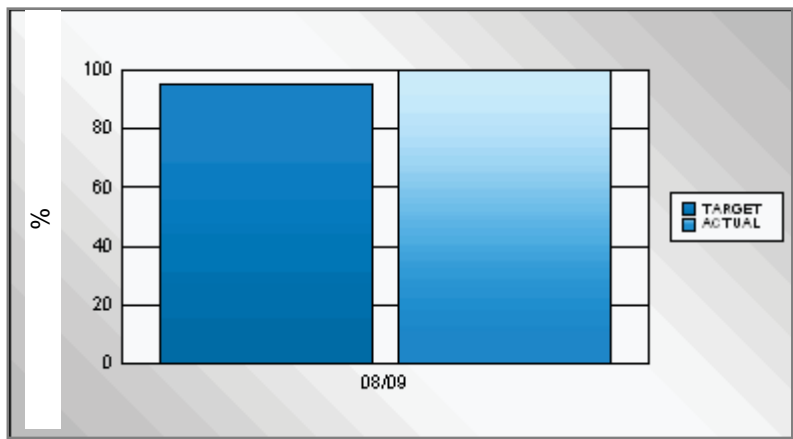
KPI: The Council will receive an unqualified audit opinion for every year of the 10-Year Plan. (Finance)



RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The target of 100% was met.

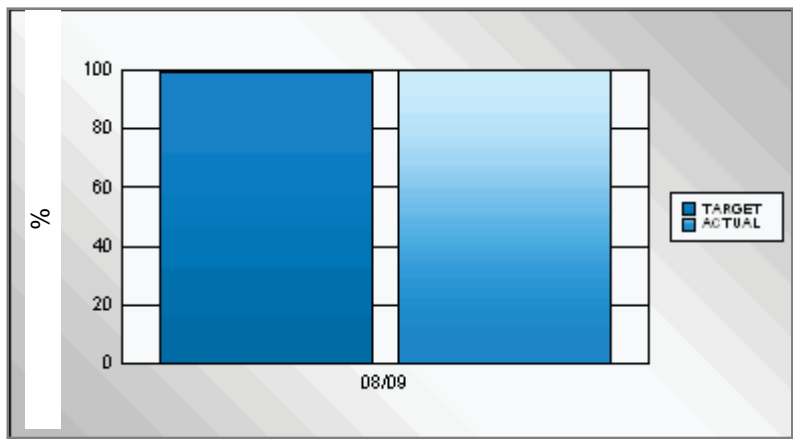
KPI: The GIS system will be available during normal business hours. (Geographic Information System)



RESPONSIBLE OFFICER:
Jason Simons
Information Manager

LATEST COMMENTS:
The target of 95% was exceeded. The actual result was 100% availability of the GIS system during normal business hours.

KPI: The information system will be available during normal business hours. (Information systems)

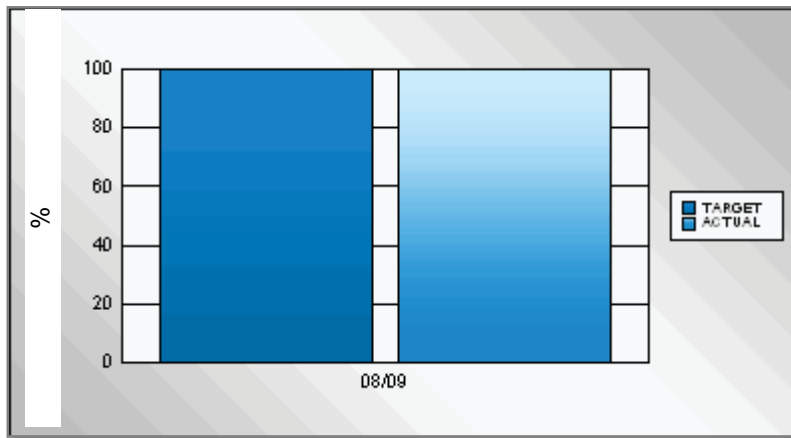


RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The target of 99% was exceeded. The actual result was 100% availability of the information system during normal business hours.

Corporate management

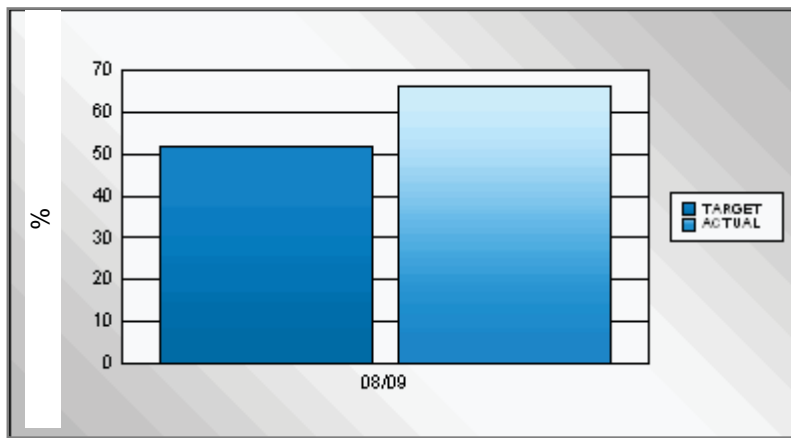
KPI: The information system will be secure. (Information systems)



RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The target of 99.98% was exceeded. The actual result saw the information system secure 100% of the time.

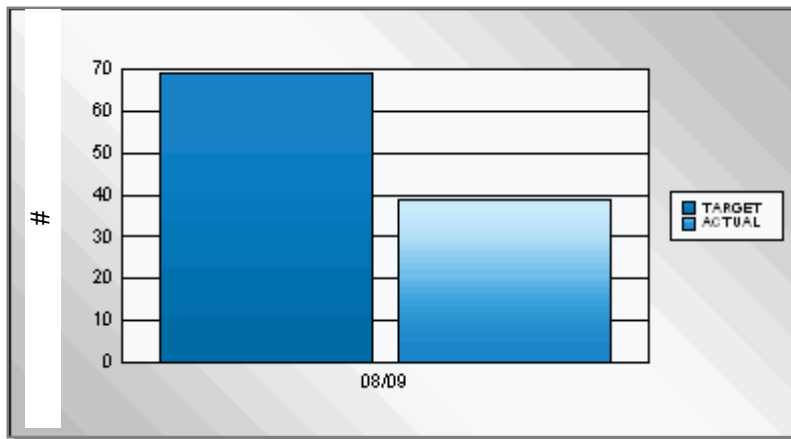
KPI: The performance of Council staff is rated by the community as good or very good. (Corporate management)



RESPONSIBLE OFFICER:
Julian Harkness
Finance and Corporate Services Manager

LATEST COMMENTS:
The satisfaction target of 52% was exceeded. The actual result was 66% of the community rated the performance of Council staff as good or very good.

KPI: Workplace accidents for Council employees will be reduced from 2007/08. (Health and safety)



RESPONSIBLE OFFICER:
Danny Harrison
HR Manager

LATEST COMMENTS:
The target of less than 69 accidents was met. The actual result was 39 accidents.

Council Controlled Organisations

Wanganui District Council Holdings Limited (WDCHL) and Wanganui Gas Limited (WGL)

WDCHL was formed in March 2002 to provide a commercial overview to the Council's investment portfolio. It owns 100% of the shares in Wanganui Gas Limited and its subsidiaries and provides a monitoring service to Council for the following activities:

- Council's investment properties
- Wanganui District Councils' Forestry Joint Committee
- Wanganui Airport Joint Venture
- Wanganui Gas Limited
- Inland Port/Sea Port
- Quarrying

WDCHL was formed to oversee individual investments and to advise Council on:

- The mix of investments in the portfolio;
- The risk of investments in the portfolio;
- The management of individual investments in the portfolio;
- The overall strategy for investments in the portfolio;
- To identify opportunities to enhance investments and returns;
- To identify potential new investments that meet Council investment objectives;
- To identify appropriate structures that may better enhance focus and management of particular investments.

Monitoring of these investments has been carried out and questions regarding the future strategies, mix, prospects and risks of these investments have been addressed. The Board meets monthly except January. The Council objectives for the ownership of the Company are being met.

Objective

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

Performance measures

| | Actual 2007/08 | Budget | Actual 2008/09 |
|-----------------------------|-------------------|----------|-------------------|
| Surplus/(deficit) after tax | \$(89,000) | \$20,000 | \$(1,026,000) |
| Dividend received | \$0 | \$0 | \$0 |
| Dividend paid | \$0 | \$0 | \$0 |

Objective

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

Performance measures

Wanganui Gas Limited has experienced adverse market conditions over the financial year. WDCHL's directors have closely monitored the company's progress and have aggressively advised on implementing new income streams and have taken advantage of risk mitigating courses of action.

Objective

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

Performance measures

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. This has been evidenced by our involvement in the shellrock venture at Waitaihangā, and working alongside Iwi to co-develop the shellrock reserve at Kaiwhiaki.

Objective

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

Performance measures

Several of WDCHL's directors sit on the Wanganui Gas Limited Board. This has provided for timely involvement in the company and in the management of Council's investment. In addition, WDCHL's directors sat on the Airport Management Board, worked along side external contractors with the

Forestry portfolio, worked along side WDC staff with regard property matters, and investigated new commercial projects such as property development opportunities, shell rock extraction agreements.

Objective

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

Performance measures

The Board has met monthly to discuss its portfolio performance and the Chairman has reported to Council every meeting to update the Council on matters.

Objective

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

Performance measures

Board meetings are held on a monthly basis and include the Chief Executive of the Council which enables open communication regarding matters concerning the Council. Monthly Board papers include reports on each area under WDCHL's governance portfolio.

Objective

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.

Performance measures

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 "wellbeings" as defined by the Local Government Act 2002 and carry out their decision making with the benefits to the ratepayers of the Wanganui District in the forefront.

Wanganui Gas Limited

| | Actual | Target | Actual |
|---|---------|---------|---------|
| | 2007/08 | per SOI | 2008/09 |
| Net surplus/(deficit) after interest, tax and subvention payment to average ordinary shareholders funds | -1.08% | -18.77% | -16.6% |
| Earnings before interest and tax to average assets | 1.34% | -2.1% | -4.76% |

Statement of Intent

Wanganui Gas Limited (the company) is a Council Controlled Trading Organisation established under the Local Government Act 2002. The Statement of Intent for 2006/07 sets out the overall intentions and objectives of Wanganui Gas Limited for the three financial years beginning 1 July 2006.

Objectives

The Directors intend that the company operate as a successful business and be at least as profitable and efficient as other energy companies. The company aims to achieve a reasonable rate of return on the distribution network business division of the company and to seek a competitive return from its commercial operations to provide a satisfactory dividend to its shareholder after retaining adequate earnings for future business requirements.

Activities

The company's core businesses are those of providing gas traders with safe, efficient and reliable gas distribution services through the company's networks and the retailing of energy to our customers. Complementary activities undertaken include the sale and installation of natural gas and propane appliances and advisory services focussed on energy utilisation and efficiency.

Performance targets and assessment

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

Strategic Plan

Develop and annually review an outline on the future direction of the company and the strategies required to achieve it.

Reporting

To provide timely monthly reports to management and the shareholder covering the trading activities undertaken by the company. To provide an unaudited interim financial statement for the six months to 31 December to the shareholder by the end of February and to provide an audited Annual Report to the shareholder by the end of September.

Wanganui 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 Wanganui 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 Wanganui.

The objectives of the Wanganui Airport Joint Venture for this financial year and the following financial year were clearly specified in the statement of intent which was approved by the shareholders.

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

Objective

Operate the airport in a sound and business like manner.

Performance measure

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

Achievement

| | 2006 | 2007 | 2008 | 2009 |
|-------------------|-------------|-------------|---------------|-------------|
| Net profit/(loss) | \$(160,000) | \$(196,000) | \$(2,112,000) | \$(208,000) |

The 2008 deficit includes losses on property, plant and equipment valuation of \$1,161,000.

The airport was operated in a business like manner. Cost control was a major focus again this year. Although the financial result target as outlined in the business plan was not achieved, the deficit has improved compared to last year and 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 Wanganui 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.

Objective

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

Performance measure

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

Achievement

Although the deficit exceeded that outlined in the business plan, the deficit has improved compared to last year. Positive development continues with the direction being taken by the airport aimed at increasing user satisfaction.

Wanganui Incorporated (WINC)

The objective of Wanganui Incorporated is to improve the co-ordination of economic development and promotional agencies in Wanganui and to align relevant programmes and capabilities with Council in order to deliver on the Economic Development Strategy. Council brought many activities in house on 1 July 2007 however this charitable trust works in tandem with the Council's economic development activity.

Key performance targets are measured and reported as part of the Council's Statements of Service Performance.

Ruapehu, Wanganui, Rangitikei Regional Economic Development Trust (RED Trust)

The objective of the Ruapehu, Wanganui, Rangitikei Regional Economic Development Trust is the promotion and implementation of regional development initiatives that may be identified by the trustees or the community in general, that benefit communities within New Zealand but primarily within the territorial authority districts of Ruapehu, Wanganui and Rangitikei. The Trust was established on 4 May 2006.

The Ruapehu, Wanganui, Rangitikei Regional Economic Development Trust (RED 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.

Cooks Gardens Trust Board

The Cooks Gardens Trust Board was initially established to undertake the development of Cooks Gardens including construction of a new all-weather athletics track, a new velodrome and a new grandstand. With the community investment in this facility, Council believes the use of the facility should be as high as possible while not causing excessive wear or damage to the assets.

Cooks Gardens is a premier sporting facility and the Trust has met the Council objectives of developing the facility and increasing its use.

The Cooks Gardens 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.

Whanganui River Enhancement Charitable Trust

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

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

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

Sarjeant Gallery Trust Board

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

The Wanganui Sarjeant Gallery provides a nationally recognised art experience for both residents of Wanganui 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-Wanganui 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-Wanganui region to investigate, procure, develop and deliver shared services.

Such services will be initiated under the umbrella of MW LASS Ltd where a business case shows that they provide benefits to the council users by either improved levels of service, reduced costs, improved efficiency and/or increased value through innovation. Current feasibility studies being undertaken include GIS, Aerial photography and Joint procurement.

Equal employment opportunities (EEO) report

Over the past year the attainment of EEO goals has been sought through:

- Making EEO information more readily available on the intranet, personnel policy manuals and through discussions of matters that impacted on our EEO policy and goals at senior management meetings, staff committee meetings and the union/employer working party meetings.
- Giving staff the opportunity to express their views through the annual staff survey and addressing issues that arose.
- Having in place an Employees Assistance Programme which included:
 - Staff support procedures which were adopted to assist employees to resolve concerns and difficulties before they became costly in terms of personal distress or work efficiency.
 - Access to independent workplace support advisors.
 - Access to an independent counselling service.
- Adopting health and safety initiatives and supporting wellness programmes through:
 - Appointing a Health and Safety Officer.
 - Reviewing, rewriting, endorsing and implementing the current health and safety policy and procedure manual.
 - The establishment of an independent staff health and safety committee.
 - The continuance of the influenza inoculation programme which was extended to provide alternative anti-flu medications.
 - The subsidisation of fees programme for medical health eye checks.
 - The continuation of the conduct of Treaty of Waitangi training seminars for all newly appointed staff.
 - A staff group including the CE attending a Whanganui Iwi protocol course at Pungarehu Marae (Te Kainga o Ngati Tuera) to gain an understanding of the Tangata Whenua o Whanganui.

Working with Maori

The Wanganui District Council continues to meet separately with two of the Atihaunui-A-Paparangi Runanga, Tupoho and TamaUpoko, on a six-weekly basis as per our relationship documents. Only three TamaUpoko Link meetings took place during the 2008/09 year as several were cancelled for a variety of reasons. Eight Tupoho Working Party meetings were held.

Iwi, the Council and the Crown continued administration of Moutoa Gardens through the Moutoa Gardens Historic Reserve Board, now renamed the Pakaitore Historic Reserve Board. Four meetings were held during the year.

Although relationship documents have not been developed with the two adjoining Iwi, Nga Rauru and Ngati Apa, contact has continued on an as-required basis. Approaches for a relationship have been made by Tamareheroto, a group associated with Nga Rauru.

Council employs an Iwi Liaison officer on a halftime contract basis. Officers continue to carry out consultation with Iwi on specific issues.

Audit Report

To the readers of Wanganui District Council and group's financial statements and performance information for the year ended 30 June 2009

The Auditor-General is the auditor of Wanganui District Council (the District Council) and group. The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out an audit. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2009, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 10 to 56:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2009; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the District Council and group on pages 94 to 176 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 30 October 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

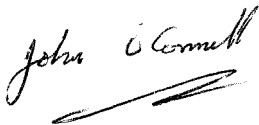
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2009. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information and the Other Requirements

This audit report relates to the financial statements, performance information and the other requirements of Wanganui District Council and group for the year ended 30 June 2009 included on Wanganui District Council's website. The Wanganui District Council is responsible for the maintenance and integrity of the Wanganui District Council's website. We have not been engaged to report on the integrity of the Wanganui District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, performance information and the other requirements as well as the related audit report dated 30 October to confirm the information included in the audited financial statements, performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.