AGENDA FOR THE MEETING OF THE AUDIT AND RISK SUBCOMMITTEE

TO BE HELD IN THE SELWYN DISTRICT COUNCIL CHAMBER, 2 NORMAN KIRK DRIVE, ROLLESTON ON MONDAY 24 MARCH 2025 COMMENCING AT 1PM

Audit and Risk Subcommittee - Monday 24 March 2025 Public Agenda

Attendees: Mayor (S T Broughton), Ms A Elstob (Chair), Councillors P Dean (Deputy Chair), S N O H Epiha, and N C Reid; Mr B Gemmell

24 March 2025 01:00 PM

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Public Meeting Ends

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Public portions of this meeting are audio-recorded and livestreamed via the Council's YouTube channel.

Whakataka te hau ki te uru	Cease the winds from the west
Whakataka te hau ki te tonga	Cease the winds from the south
Kia mākinakina ki uta	Let the breeze blow over the land
Kia mātaratara ki tai	Let the breeze blow over the sea
E hī ake ana te atakura	Let the red-tipped dawn come with a sharpened air
He tio, he huka, he hau hū	A touch of frost, a promise of a glorious day
Tīhei mauri ora!	

MINUTES OF AN ORDINARY MEETING OF THE AUDIT AND RISK SUBCOMMITTEE HELD IN THE COUNCIL CHAMBERS ON TUESDAY 5 NOVEMBER 2024 COMMENCING AT 9.38AM

PRESENT

Ms A Elstob (Chair), Mayor S T Broughton, Councillors P Dean (Deputy Chair), S N O Epiha, N C Reid; and Mr B Gemmell

ATTENDEES

Mrs S Mason (Chief Executive); Messrs; S Gibling (Executive Director People, Culture & Capability), Wayne Stack (Health and Safety Lead), Mesdames; A Sneddon (Chief Financial Officer), J Hands (Head of Legal and Risk), S Healy (Risk Manager), Laura King (Human Resource Lead), Maria Mudgway (Health and Safety Specialist), Tracy Copping (Wellbeing Lead), Jodie Beker (Legal Counsel Policy and Compliance), Firangiz Radcliffe (Head of Financial Control), Therese Davel (Senior Governance Advisor), Michelle Mordaunt (Assistant to the CDO and CFO), T Van der Velde (Assistant to the ED Enabling Services) and C Bennet (Governance Coordinator).

The meeting was opened with a karakia.

APOLOGIES

None.

EXTRAORDINARY OR GENERAL BUSINESS

The meeting began in Public at 9am and moved into Public Excluded at 9.01am to accommodate the CORDE Report.

The meeting moved back into public at 9.35am.

CONFLICTS OF INTEREST

None.

TERMS OF REFERENCE

For information only.

ORDER OF BUSINESS

2. CONFIRMATION OF MINUTES

Minutes of the ordinary meeting of the Audit and Risk Subcommittee held on Tuesday 6 August 2024.

Moved – Councillor Dean / **Seconded** – Councillor Reid

'That the Audit and Risk Subcommittee confirms the minutes of the ordinary meeting of the Subcommittee held on Tuesday 6 August 2024, as circulated.'

CARRIED

REPORTS

3. Chairperson's Report / Actions Register

Chairperson's (Verbal) Report

Item	Meeting referred from	Action required	Notes
Building Stock Inspection	7 May 2024	Council building stock report due to the Subcommittee by the end of this year (2024)	End of 2024 – It was agreed that this matter would be discussed offline, and the Chief Executive will coordinate with staff, as it was overlooked that the Audit and Risk Committee meets quarterly.
Treasury Report	6 August 2024	Align reporting with the Long-Term Plan	Received – Closed
Internal Audit Programme	6 August 2024	Deloitte to confirm how they will identify any actual or perceived conflict and how will they manage these going forward	Chair to seek further reassurance from Deloitte

Health, Safety and Wellbeing	6 August 2024	Staff to explore initiatives to encourage staff to use the EAP (or similar) services	5 November 2024- To discuss in today's meeting – Closed
Health, Safety and Wellbeing	6 August 2024	Staff to report back the process for selecting contractor management providers	Contractors Health & Safety Policy under review
Terms of Reference	6 August 2024	Internal Audit Programme to include references to how it will be implemented and managed	To discuss in today's meeting – Closed
Terms of Reference	6 August 2024	Mr Bruce Gemmell to be added	Closed

Moved – Ms Elstob

'That the Risk and Audit Subcommittee receives for information the verbal report from the Chairperson'.

CARRIED

4. Executive Director's Report
Executive Director People, Capability and Culture

Steve Gibling, Executive Director of People Culture and Capability, spoke to his report and provided a summary.

Mr Gibling noted that the first Deloitte Internal Audit Report is still in draft and will be presented at the February Audit and Risk Subcommittee. He noted that, despite the report being in draft, that staff are already addressing some of the recommendations within the report where it makes sense to.

Councillor Dean congratulated staff on the completion of Health, Safety and Wellbeing Maturity Assessment.

There was discussion held over the potential conflict of interest in regards to the Deloitte internal audit role at Selwyn District Council and CORDE with both Councillor Reid and Dean raising concerns about cross-work.

Councillor Dean emphasised that any decisions made must be approached with full awareness of the associated risks.

Ms Elstob, Mr Gemmell, and Councillor Epiha are comfortable with Deloitte's processes and the separate partners and all Intellectual Property and information will be protected.

Ms Elstob suggested that Council request Deloitte to appoint an internal audit partner to Selwyn District Council who has no involvement with CORDE. She proposed implementing a quarterly attestation statement as an added safeguard to ensure there is no cross-over in work.

Mr Gibling confirmed that each quarterly report will be brought back to Audit and Risk Subcommittee. As part of the methodology, they can request Deloitte to confirm the team members involved for an extra level of assurance.

Moved – Councillor Dean / **Seconded** – Councillor Epiha

'That the Risk and Audit Subcommittee:

1. *Receive the report 'Executive Directors Joint Report to November 2024.'*

2. *Approve the Draft 2024/25 Work Programme.*

3. *Note the updated memo from Deloitte regarding their provision of Internal Audit services.'*

CARRIED

'Meeting paused for a fire drill at 10.00am'

'Meeting reconvened at 10.20am'

5. Health, Safety and Wellbeing Update
Health and Safety Lead
Head of People

Wayne Stack, Health and Safety Lead and Tracy Copping, Wellbeing Lead presented the quarterly report and highlighted key points of interest for the committee.

Discussion was held around contractor incidents and Mr Stack noted that he was meeting with HEB Construction and that HEB will report back to an Audit and Risk Subcommittee in the new year.

Councillor Reid highlighted the improvements on lone worker safety and sought clarification on whether councillors are included. Mr Stack confirmed that the policy applies to all individuals with access to Council information.

The Chief Executive noted that a piece of work Council are looking to do is a review around general health and safety for councillors and Mayors with the changing views of communities and how they perceive them.

Councillor Reid provided feedback on the reporting format asked if the colours in the bar graphs could be amended as it was hard to differentiate between the purple and the black.

Ms Elstob commented on the importance of shifting the culture to encourage staff to report near misses.

Ms Elstob congratulated the team on the improved reporting.

Moved – Councillor Epiha / **Seconded** – Mayor Broughton

'That the Audit and Risk Subcommittee receive the Health, Safety and Wellbeing Update Report.'

CARRIED

6. Health, Safety and Wellbeing Maturity Assessment Findings

Executive Director People, Culture and Capability

Phil Parkes HSE Global Group Director congratulated the Council and executives for completing the assessment and highlighted key points and findings of the assessment.

Mr Parkes noted that progress is being made and the Selwyn District Council Chief Executive and the Executive Leadership Team (ELT) are leading the change. Leadership is strong, and the focus now is on building a supportive safety culture. A key recommendation is the need for a single, unified Health and Safety Strategy held by the executives, who will own and drive it. Mr Parkes commented that overall, the team is on the right track.

There was discussion over the big body of work for executives to be across all areas of Health and Safety. The Chief Executive commented that at ELT strategy sessions they set out clear of priorities for the year and can the framework be provided to the Audit and Risk Subcommittee.

Councillor Dean noted that from a Governance view he now has more assurance from this assessment.

Moved – Councillor Epiha / **Seconded** – Councillor Dean

'That Audit and Risk Committee;

a. *Receive the report "Health, Safety and Wellbeing Maturity Assessment findings" report.*
b. *Endorse staff, subject to the Audit and Risk Committees feedback, to finalise this report and to incorporate the recommendations into the forward work programme for the Health, Safety and Wellbeing team.*
c. *Agree that the "Impac Report" findings are now closed, with the exception of action 14(d), and that the HSE Global report findings now direct the future work programme.'*

CARRIED

'Meeting paused for Morning Tea 11.09am'

'The meeting reconvened at 11.24am'

7. Quarterly Treasury Report

Chief Financial Officer

Ms Radcliff, Head of Financial Control spoke to the report, noting format has changed after feedback from the subcommittee. Ms Radcliff highlighted key points from the report.

'Mayor Broughton left the Chambers at 11.59am'

There was discussion on getting an independent review of the way Council transacts in relation to treasury and the compliance of that given there is an internal audit programme in place.

Discussion was held around the need for the capacity to act and whether the Delegated Authority Policy allows significant shift in debt at the Chief Executive level. Staff will check and get back to the Audit and Risk Committee about delegations.

Moved – Mr Gemmell / **Seconded** – Councillor Reid

'That the Audit and Risk Subcommittee receives for information the Selwyn District Council Treasury Quarterly Report for the quarter ended 30 September 2024.'

CARRIED

8. International Swaps and Derivatives Association Agreements

Chief Financial Officer

The report was taken as read and Ms Radcliff, Head of Financial Control provided a summary of the review process.

Staff will review the Treasury Policy to confirm the proper delegation process for approving the proposed International Swaps and Derivatives Association (ISDA) Agreement between SDC and ASB, as well as updates to the existing ISDA Agreement between SDC and ANZ, to determine if approval is required from the Chief Executive or the full Council. They will then update and inform the Audit and Risk Committee accordingly.

The Audit and Risk Committee endorsed the proposed ISDA agreements in the report.

Moved -**(with amendment)** -Mr Gemmell / **Seconded** – Councillor Dean

'That the Audit and Risk Subcommittee endorses the proposed ISDA agreement between Selwyn District Council (SDC) and ASB, and updates to the existing ISDA agreement between SDC and ANZ.'

CARRIED

'Councillor Epiha left the Chambers at 11.26am'

9. Risk and Internal Audit Workplan

Risk Manager

Julie Hands, Head of Legal and Risk introduced herself. Sonja Healy, Risk Manager spoke to the report and highlighted key points.

There was discussion of risk appetite and the importance of the understanding of this by Councillors. Staff responded that there are upcoming workshops, with key strategic workshops planned and then moving onto risk appetite off the basis of the strategic workshops.

Moved – Councillor Dean / **Seconded** – Mayor Broughton

'That the Audit and Risk Subcommittee receive the "Risk and Internal Audit Workplan" report and workplan.'

CARRIED

10. Risk Management Framework Update

Risk Manager

Ms Healy, Sonja Healy, Risk Manager took the report as read.

Councillor Dean discussed risk categories and suggested the potential need for a specific governance category. For example, he highlighted the risks associated with having elected members serve as governors in an environment where they may lack tenure, relevant skill sets, or where their political bias is unknown. Additional risks mentioned included the uncertainty of workloads and the possibility of governors encroaching on management roles.

Ms Healy spoke of the Code of Conduct, roles and responsibilities, and her job to make sure that governance and management are aware of their roles and responsibilities. Councillor Dean's comments were noted and will be taken into consideration and reflected in documentation going forward.

Moved – Mr Gemmell / **Seconded** –Mayor Broughton

'That the Audit and Risk Subcommittee:

a) Receive the "Risk Management Framework Update" report

b) Endorse the updated Risk Policy

c) Endorse the updated Risk Management Framework.'

CARRIED

11. People Dashboard Report

Steve Gibling, Executive Director People Culture and Capability took the report as read, noting the report provides a snapshot of Selwyn District Council people for the last quarter. Laura King, Human Resources Lead was on hand to answer any questions

Mr Gibling also talked to the increase in FTE since the 1st July and addressed how these roles were aligned to managing the growth associated with the Councils services and also a greater focus on improving services to the external customer. It was noted that these roles did not require any new funding through rates but that these roles were either fully funded by user pays or were covered by reallocating or repurposing existing budgets.

There was discussion over staff with high leave balances. It was noted a report that comes through to ELT every month, has active plans in place for individuals that have high leave balances.

Moved – Councillor Dean / **Seconded** – Mr Gemmell

'That the Audit and Risk Subcommittee receive the Selwyn District Council People Dashboard Report July - September 2024.'

CARRIED

12. LGOIMA Update

Head of Legal and Risk

Julie Hands, Head of Legal and Risk spoke to her report. The LGOIMA space requires continued attention and improvement, with a stronger focus on refining processes. There have been no new complaints this quarter. The next reporting cycle will include a structured plan that outlines obligations, roles, and responsibilities, along with a self-assessment for the Ombudsman process.

The Chief Executive mentioned that in the new year, a training package will be developed for governors to help them understand the LGOIMA and how it is applied within the organisation.

There was a discussion on themes and Ms Hands noted that when a community is particularly interested in an issue Council will see a spike in requests.

There was discussion on the ability to charge for requests and it was noted that there are specific guidelines and generally staff go back to the requester asking them to refine the scope of their request where they can before considering a charge.

Ms Hands added that there are varying levels of complexity to LGOIMA requests—some are minor, some are resource-intensive, and others may be constrained by available resources.

There was also a discussion about the costs associated with LGOIMA requests, particularly when they are escalated to the Ombudsman. If a request reaches the Ombudsman, there is a cost involved.

Ms Hands noted that the Council will be relying less on external resources going forward.

Moved – Councillor Reid / **Seconded** – Councillor Dean

'That the Audit and Risk Subcommittee receives this report.'

CARRIED

13. Policy Review and Development Programme Update

Policy and Compliance

Jodie Beker, Legal Counsel Policy and Compliance, took the report as read and provided some background information about the review process.

Councillor Reid thanked Ms Beker for the work done on the review.

Moved – Councillor Reid / **Seconded** –Councillor Dean

'That the Audit and Risk Subcommittee:

a) *Receive the report; and*

b) *Note the appended review schedules.'*

CARRIED

GENERAL BUSINESS

None

14. RESOLUTION TO EXCLUDE THE PUBLIC

Moved – Councillor Epiha / **Seconded** – Mayor Broughton

RESOLUTION TO EXCLUDE THE PUBLIC

'That the public be excluded from the following proceedings of this meeting. The general subject matter to be considered while the public is excluded, the reason of passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reasons for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Date information can be released
1.	Minutes	*Good reason to withhold exists under Section 7*	*Section 48(1)(a)*	
5.	CORDE Presentation			

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

1 & 5	Enable the local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or	Section 7(2)(h)
1 & 5	Enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or	Section 7(2)(i)

that appropriate officers remain to provide advice to the Committee.'

CARRIED

The meeting closed at 12.34pm.

DATED this day of 2024

_____

CHAIRPERSON

AUDIT AND RISK SUBCOMMITTEE - TERMS OF REFERENCE

The Audit and Risk Subcommittee shall be a Subcommittee of Council, established by Council. The existence of the subcommittee does not remove from council any of its legal obligations or responsibilities.

Chair:	Analisa Elstob (Independent Chair)
Deputy Chair:	Councillor Phil Dean
Members:	The number of members shall be no less than five, with two members independently appointed by Council. ▪ Councillor Reid ▪ Councillor Epiha (Chair of Finance & Performance Committee) ▪ Independent Member (Bruce Gemmell) The maximum term an elected member may serve on the Subcommittee shall be two consecutive electoral cycles
Quorum:	Three members
Meeting Cycle:	Quarterly, or as required
Reports to:	Council
Delegations Powers:	The Subcommittee has the powers necessary to perform its responsibilities within the approved Long Term Plan and Annual Budgets
Reporting Officer:	Executive Director People, Culture and Capability

1. Purpose

The purpose of the Audit and Risk Subcommittee is to assist the Council to discharge its responsibilities to exercise due care, diligence, and skill in relation to the oversight of:

- health, safety and wellbeing responsibilities as required under the Health and Safety at Work Act 2015;
- the robustness of Council's internal control framework;
- the integrity and appropriateness of external accountability and reporting;
- the robustness of risk management systems, processes and practices;
- compliance with appropriate laws, regulations, standards and best practice guidelines;
- establishment and maintain controls to safeguard council's financial and non-financial assets; and
- Council's compliance with its financial policies including liability management (borrowing) policy and investment policies.

To allow it to undertake these responsibilities the Subcommittee can request information and reports from staff on matters relating to its purpose.

2. Health, Safety and Wellbeing Responsibilities

2.1. Monitor all aspects of health and safety legislative compliance.
2.2. Receive reports from an Internal Management Committee focused on health, safety and wellbeing issues (including reference to mental health, incidents and near-misses, responses and initiatives implemented to mitigate risks).

3. Internal Control Framework

3.1. Ensure that management's approach to maintaining an effective internal control framework is sound and effective.
3.2. Enquire as to the steps management has taken to embed a culture that is committed to probity and ethical behaviour.
3.3. Review whether there are appropriate processes and systems in place to identify and investigate fraudulent behaviour .

4. Risk Management

4.1. Review the risk management framework and associated procedures for effective identification and management of Council's significant risks.
4.2. Review at least annually, the Council's risk profile.
4.3. Assist the Council to determine its appetite for risk.
4.4. Provide input, annually, into the setting of the risk management programme of work.
4.5. Receive updates on current litigation and legal liabilities.

5. External Reporting and Accountability

5.1. Enquire of external auditors any information that affects the quality and clarity of Council's financial statements and assess whether appropriate action has been taken by management.
5.2. Satisfy itself that the financial statements (statutory and monthly) are supported by adequate systems of internal control.
5.3. Receive and consider external financial statements, and recommend their adoption, or not, by Council.

6. Financial Governance

6.1. Consider the appropriateness of Council's existing accounting policies and principles and any proposed changes.
6.2. Enquire of the external auditors on practices and issues surrounding financial governance.

7. External Audit

7.1. Confirm the terms of the appointment and engagement, including the nature and scope of the audit, timetable and fees, with the external auditor.
7.2. Receive the external audit reports and review action to be taken by management on significant issues and audit recommendations raised within.
7.3. Conduct a member only session with external audit to discuss any matters that the auditors wish to bring to the subcommittee's attention.
7.4. The Committee will manage Council's relationship with the external auditor.

8. Internal Audit

8.1. Review and approve the annual internal audit plan
8.2. Receive all internal audit reports and review management's response to internal audit recommendations.
8.3. Provide a functional reporting line for internal audit and ensure objectivity of internal audit.
8.4. Conduct a member only session with internal audit to discuss any matters that the auditors wish to bring to the subcommittee's attention.
8.5. Oversee and monitor the performance and independence of internal auditors. Review the range of services provided by the co-sourced partner and make recommendations to Council regarding the conduct of the internal audit function.

9. Compliance with Legislation, Standards and Best Practice Guidelines

9.1. Review the effectiveness of the system for monitoring Council's compliance with laws, Council's own standards and best practice guidelines.

10. Review Process

10.1. On an annual basis the subcommittee will review its terms of reference to ensure all relevant legislation is acknowledged and incorporated.
10.2. At the commencement of each calendar year the Subcommittee will develop its work programme for the year ahead. The work programme will include linkage to Council's Long-term Plan and Annual Plan key activities and projects, the CEO's agreed KPIs and to risk assessment.

11. Reporting

11.1. The Chair will formally report to Council any matters of significance that have been brought to the attention of the Audit and Risk Subcommittee.

11.2. These reports will be accompanied by comments on corrective actions.

TERMS OF REFERFENCE REVIEW TABLE

Date of review	Status / summary of changes made
December 2019	Adopted by Council.
June 2020	Reviewed and re-adopted by Council following appointment of an independent director
November 2020	Reviewed and re-adopted by Council
August 2021	Reviewed
June 2022	Next review
November 2022	Review undertaken
14 December 2022	Adopted by Council
21 February 2023	Adopted by Audit and Risk Subcommittee Cr Phil Dean appointed Deputy Chair
1 August 2023	Altered by Audit and Risk Subcommittee with the inclusion of Councillor Epiha.
8 August 2024	Review undertaken to update Reporting Officer and include oversight of Internal Audit activities.

ACTIONS – Audit and Risk Subcommittee

Item	Meeting referred from	Action required	Report Date
Building Stock Inspection	7 May 2024	Council building stock report due to the Subcommittee by the end of this year (2024) It was agreed that this matter would be discussed offline, and the Chief Executive will coordinate with staff, as it was overlooked that the Audit and Risk Committee meets quarterly.	Closed
Treasury Report	6 August 2024	Align reporting with the Long-Term Plan	Closed
Internal Audit Progamme	6 August 2024	Deloitte to confirm how they will identify any actual or perceived and how will they manage these going forward	Chair to seek further reassurance from Deloitte
Health, Safety and Wellbeing	6 August 2024	Staff to explore initiatives to encourage staff to use the EAP (or similar) services	Closed
Health, Safety and Wellbeing	6 August 2024	Staff to report back the process for selecting contractor management providers. Discussed at the 5 November meeting.	Contractors Health & Safety Policy under review
Terms of Reference	6 August 2024	Internal Audit Programme to include references to how it will be implemented and managed	Closed

Terms of Reference	6 August 2024	Mr Bruce Gemmell to be added	Closed
Health, Safety and Wellbeing	5 November 2024	HEB Construction to report to the Subcommittee on health and safety including their incident management processes	Feb 2025
Health, Safety and Wellbeing	5 November 2024	Colours used in the graphs make it difficult to follow. Formatting to be changed to make it easier to read	Feb 2025
Quarterly Treasury Report	5 November 2024	Financial delegations to be clarified – Including the process for approving ISDAs.	Feb 2025
LGOIMA Update	5 November 2024	LGOIMA reporting to be updated to include a structured plan to outline roles, obligations and responsibilities	Feb 2025

REPORT

TO: Audit and Risk Sub-Committee

FOR: Audit and Risk Sub-Committee Meeting 24 March 2025

FROM: Chief Financial Officer – Allison Sneddon

DATE: 17 March 2025

SUBJECT: **DRAFT ANNUAL REPORT FOR YEAR ENDED 30 JUNE 2024**

RECOMMENDATION

'That the Audit and Risk Sub-Committee receives for information the Selwyn District Council Draft Annual Report for the year ended 30 June 2024' and:

a. *Receive the 'Draft Letter of Representation for the year ended 30 June 2024' to be signed by the Mayor and Chief Executive at the Council adoption meeting on 26 March 2025.*

b. *Receive the 'Draft Independent Auditor's Report' to the readers of Selwyn District Council's annual report for the year ended 30 June 2024, to be signed by Audit New Zealand (Audit NZ) at the Council adoption meeting on 26 March 2025.*

c. *Recommend to Council adoption of the Draft Annual Report for the year ending 30 June 2024, subsequent to Audit NZ providing written sign-off on their 'Independent Auditor's Report'.*

d. *Delegates to the Chief Financial Officer the authority to make alterations of minor effect or to correct any minor errors to the Draft Annual Report for the year ended 30 June 2024, as or if required.*

1. PURPOSE

The purpose of this report is to provide the Audit and Risk Sub-Committee the draft Annual Report for the year ended 30 June 2024 and gain its recommendation to Council to adopt the draft annual report on 26 March 2025.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's Significant and Engagement Policy.

3. APPENDED TO THIS REPORT

a) Selwyn District Council Draft Annual Report for the year ending 30 June 2024.

b) Draft Letter of Representation for the year ended 30 June 2024.

c) Draft Independent Auditor's Report.

4. STATUTORY REQUIREMENTS

a) The Annual Report for the year ended 30 June 2024 was not completed by 31 December 2024, as required by section 47 of Schedule 1AA of the Local Government Act 2002 (LGA 2002) due to resource constraints.

b) As per the LGA 2002, council must publish the signed annual report within 1 calendar month of adoption. Management is confident this deadline will be comfortably met.

5. ANNUAL REPORT HIGHLIGHTS

5.1 SERVICE PERFORMANCE

The service performance targets reported on in the Annual Report for the year ended 30 June 2024 were set as part of the Long-Term Plan 2021-2031(LTP).

Note that the targets set in the LTP 2024-2034 will only be reported on the year ended 30 June 2025.

5.2 FINANCIAL PERFORMANCE

5.2.1 The Selwyn District Council Parent reported a **surplus after tax** of $5.0 million in the 2023/24 financial year, $17.1 million under budget.

Summary Financial Performance ($M)

Financial year ending 30 June 2024

	Council			Group		
	2024 Actual	2024 Budget	Variance	2024 Actual	2023 Actual	Variance
Rates revenue	96.1	94.1	2.0	96.1	85.3	10.8
Subsidies and grants	27.0	24.2	2.8	27.0	13.5	13.5
Fees and charges	27.2	23.9	3.3	27.2	22.1	5.1
Dividend revenue	6.5	5.0	1.4	4.5	4.0	0.4
Interest revenue	1.1	-	1.1	1.5	1.5	0.1
Other revenue	7.8	8.3	(0.5)	49.8	47.1	2.7
Development and financial contributions	14.9	9.3	5.7	14.9	20.4	(5.5)
Vested assets	18.3	34.4	(16.1)	18.3	38.6	(20.3)
Other gains/(losses)	1.1	0.4	0.7	0.4	3.1	(2.7)
Total revenue	**199.9**	**199.5**	**0.3**	**239.7**	**235.5**	**4.1**
Operating expenses	194.8	177.4	17.4	235.8	199.3	36.6
Surplus/(deficit) before taxation	**5.1**	**22.1**	**(17.0)**	**3.8**	**36.3**	**(32.4)**
Income taxation expense/(benefit)	0.1	-	0.1	1.6	2.3	(0.7)
Surplus/(deficit) after taxation	**5.0**	**22.1**	**(17.1)**	**2.2**	**34.0**	**(31.7)**

a) **Total Revenue** of $199.9 million was $0.4 million favourable to the budgeted $199.5 million, resulting from:

   i. Continued population growth has translated in higher than budgeted revenue from Rates, Subsidies and grants, Fees and charges ($8.1 million over budget) and Development Contributions ($5.7 million over budget).

   ii. These were offset by $16.1 million lower than budgeted Vested Assets transferred to Council, resulting from a decrease in housing developments completed and the challenge to accurately estimate the timing of transfers for budgeting purposes.

b) **Total expenses** of $194.8 million was $17.4 million higher than the budgeted $177.4 million, resulting from:

   i. Personnel costs were $4.0 million higher than budget due to additional staffing requirements to facilitate the growth of population.

   ii. Other expenses were $10.0 million higher than budget due to additional maintenance, building levies, insurance and software licencing costs required to facilitate the growth of population.

c) **Other comprehensive revenue** was $94.3 million higher than budget due to unbudgeted gains on revaluation of assets.

5.2.2 The Selwyn District Council Parent's **net asset** position of $2.8 billion was $99.8 million higher than budget.

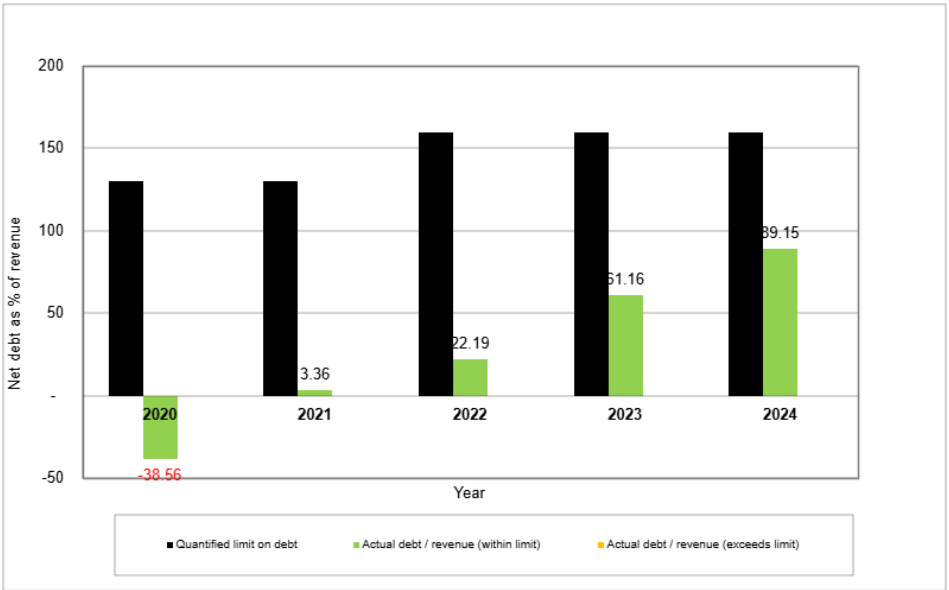
a) **Total assets** of $3.1 billion were $80.5 million higher than budget mostly due to higher than budgeted increase in fair value of its Investment in CCOs and similar entities.

b) **Total liabilities** of $237.1 million were $19.2 million lower than budget due to less external borrowings required due to lower than budgeted capital expenditure.

5.2.3 Throughout 2023/2024, it was identified that the general rate increase of 6% included in the 2021-31 LTP would not be sufficient to maintain debt at a sustainable level due to:

i. Higher costs associated with overheads such as insurance premiums and utilities;
ii. Higher costs of borrowing (2.5% vs 6% when compared to the 2021-31 LTP);
iii. Increased requirements from transportation general rate;
iv. Increase in support costs across all areas due to increased staff numbers and cost of living;
v. Lower ongoing dividend revenue from Orion.

Considering these unbudgeted expenses, Management were still able to deliver an operational surplus of $5.0 million and '*net borrowing as percentage of revenue'* of 89.15%, well within the limit of 160% as stated in the financial strategy included in the 2021-2031 LTP.



6. AUDIT NZ DRAFT LETTER OF REPRESENTATION

The Letter of Representation will be signed by the Mayor and Chief Executive at the Council adoption meeting on 26 March 2025 and handed to Audit NZ before formally signing off the independent auditor's report.

7. AUDIT NZ DRAFT INDEPENDENT AUDITORS'S REPORT

As per the attached draft Independent Auditor's Report, Audit NZ will be providing an **unqualified audit opinion**, stating the following sections of the annual report is fairly presented, in all material respects:

a) Financial Statements (pages 119 to 192)
b) Statement of Service Performance and Funding impact statements (pages 24 to 110 and 193).

Report of:



Allison Sneddon
CHIEF FINANCIAL OFFICER

26 March 2025

Julian Tan
Appointed Auditor
Audit New Zealand
PO Box 2
Christchurch 8140

Dear Julian

Representation letter for the year ended 30 June 2024

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Selwyn District Council (the District Council) and group and the District Council's statement of service provision ((which we refer to as "significant activities" in the District Council's annual report) in the District Council's annual report for the year ended 30 June 2024 for the purpose of expressing an independent opinion about whether:

- the financial statements of the District Council and group:
  - present fairly, in all material respects:
    - the financial position as at 30 June 2024; and
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement of the District Council presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan, and
- the statement of service provision of the District Council:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

We understand that your audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

General responsibilities

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations, and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the District Council and group) to prevent and detect fraud or error, and which enables the preparation of the financial statements and the statement of service provision that are free from material misstatement whether due to fraud or error.

Representations on the financial statements and the statement of service provision

We confirm that all transactions have been recorded in the accounting and service provision records and are reflected in the financial statements and statement of service provision respectively, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the statement of service provision as required by the Local Government Act 2002 and, in particular, that:
    - the financial statements of the District Council and group:
        - present fairly, in all material respects:
        - the financial position of the District Council and group as at 30 June 2024; and
        - the financial performance and cash flows for the year then ended; and
        - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
    - the statement of service provision of the District Council:
        - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2024, including:
        - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
        - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
        - complies with generally accepted accounting practice in New Zealand; and
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan;
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- we have complied with the requirements of Schedule 10 of the Act that apply to the annual report;

- we have made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014;
- we believe the methods, significant assumptions, and data used in making and supporting accounting estimates and the related disclosures in the financial statements and statement of service provision are appropriate to achieve recognition, measurement, or disclosure that is in accordance with Public Benefit Entity Reporting Standards;
- we have appropriately accounted for and disclosed related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to 30 June 2024 that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually or in the aggregate, to the financial statements and statement of service provision as a whole (a list of the uncorrected misstatements is attached as Appendix 1 to this representation letter);
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Benefit Entity Reporting Standards; and
- we have assessed our land classified as property, plant and equipment as being held for strategic purpose to meet our service delivery objectives rather than as investment property for rental and/or capital appreciation.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the statement of service provision; and
  - unrestricted access to persons within the District Council and group from whom you determined it necessary to obtain audit evidence; and
- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of service provision may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the District Council and group and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements and statement of service provision; and
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the District Council and group's financial statements and statement of service provision communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of service provision, including possible non-compliance with laws for setting rates;
- we have provided you with all the other documents ("other information") which will accompany the financial statements and the statement of service provision which are consistent with one another, and the other information does not contain any material misstatements; and

- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

Publication of the financial statements and statement of service provision and related audit report on a website

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of service provision.

The electronic version of the audited financial statements and statement of service provision and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of service provision and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial and statement of service provision and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and statement of service provision is provided on a website, the financial statements and statement of service provision are also provided in full.

Going concern

We confirm that, to the best of our knowledge and belief, the District Council and group have adequate resources to continue operations at their current level for the foreseeable future. For this reason, the Council continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of service provision for the year ended 30 June 2024. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the District Council and group during the period of one year from date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

We consider that the financial statements and the statement of service provision adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the District Council and group.

Sign-off on these representations

These representations are made at your request, and to supplement information obtained by you from the records of the District Council and group and to confirm information given to you orally.

Yours sincerely

Sam Broughton	Sharon Mason
Mayor	Chief Executive

Appendix 1: Uncorrected misstatements

Note	Statement of comprehensive income		Statement of financial position	
	Dr $000	Cr $000	Dr $000	Cr $000
PARENT				
1	680			680
2			804	804
3	1,043			1,043
4			13,801	13,801
GROUP				
5			2,291	2,291
6			3,307	1,469 1,838

Explanation for uncorrected misstatements

1 Additional land and improvements valued for Creyke Road investment property in current year, but the land and buildings are also recognised in property, plant and equipment (PPE) - should be transferred to investment property.

Journal: Dr Gain on Investment Property and Cr PPE.

2 Local Government Funding Agency outstanding position and net interest accrual from hedging recognised in accrued expenses, not in borrowings.

Journal: Dr Accrued Expenses and Cr Borrowings (current).

3 Projected overstatement of development contributions revenue using rates adjusted for Producer's Price Index Output for Construction (PPI).

Journal: Dr Development contributions revenue and Cr Other payable.

4 Projected difference if the District Council had used the unit rate comparable for Selwyn District Council for stormwater channel MKCC rather than the unit rate determined by an expert valuer.

Journal: Dr Roading network and Cr Revaluation reserve.

5 Cumulative net impact on accumulated funds and revaluation reserve relating to non-elimination of non-attributable overhead costs in the capitalised self-constructed assets by CORDE for financial years 2023 and 2022.

Journal: Dr Accumulated funds (Group) and Cr Revaluation reserve (Group).

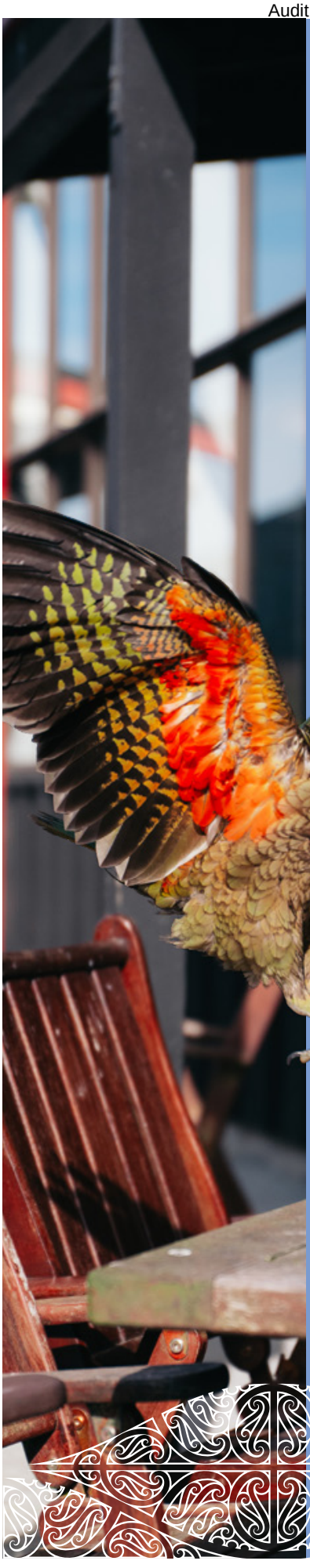
6 Cumulative fair value movement on CORDE's leased investment property and correction of reclassification error in PPE.

Journal: Dr PPE (Group); Cr Accumulated funds (Group) and Cr Revaluation reserve (Group)

Annual Report
2023/24



Selwyn DISTRICT COUNCIL



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From the Mayor and Chief Executive



Kia ora Waikirikiri Selwyn

We are pleased and proud to include in this Annual Report, the successes and challenges Waikirikiri Selwyn experienced in the year ending 30 June 2024.

The district continues to experience unprecedented growth across many parts of our community. The Selwyn District Council has been working hard to accommodate and plan for the needs of our growing population.

One major focus in the past year was completing the 2024-2034 Long-Term Plan, which included extensive consultation with over 1500 submissions from our community about their needs, and how much our residents are willing to pay for those wishes. Thanks to all who participated.

We have confirmed significant investments in our future, including the upgrade of wastewater facilities like the new Ellesmere pipeline, the development of community spaces like the Rolleston Town Centre, the Darfield Pool, Whata Rau in Leeston, and other projects like the Lincoln Town Centre upgrade. We also continue a strategic approach to planning for future generations through the Waikirikiri Ki Tua Future Selwyn project.

Balancing affordability, meeting current needs, and allowing for future opportunities will remain the biggest challenge facing the Selwyn District Council in the coming years. Based on your feedback, we have determined that over 80% of our capital programme will be spent on essential water and transport infrastructure.

We acknowledge the additional financial stress rate increases add to our ratepayers when living costs are already high, and we aim to reduce the predicted rate increases as soon as possible. Inflation for the Council on our infrastructure will be over 30% in 3 years. The rates system to pay for it all is not sustainable, and we continue to talk with the government to see a change in how local government is funded beyond rates.

In the past year, our staff worked hard to deliver services for Selwyn, picking up your rubbish, fixing 4,786 potholes, resealing 81km of road, maintaining 645 reserves and parks, providing swimming lessons to 13,826 learners, answering 62,116 phone calls from the public and registering 17,042 dogs.

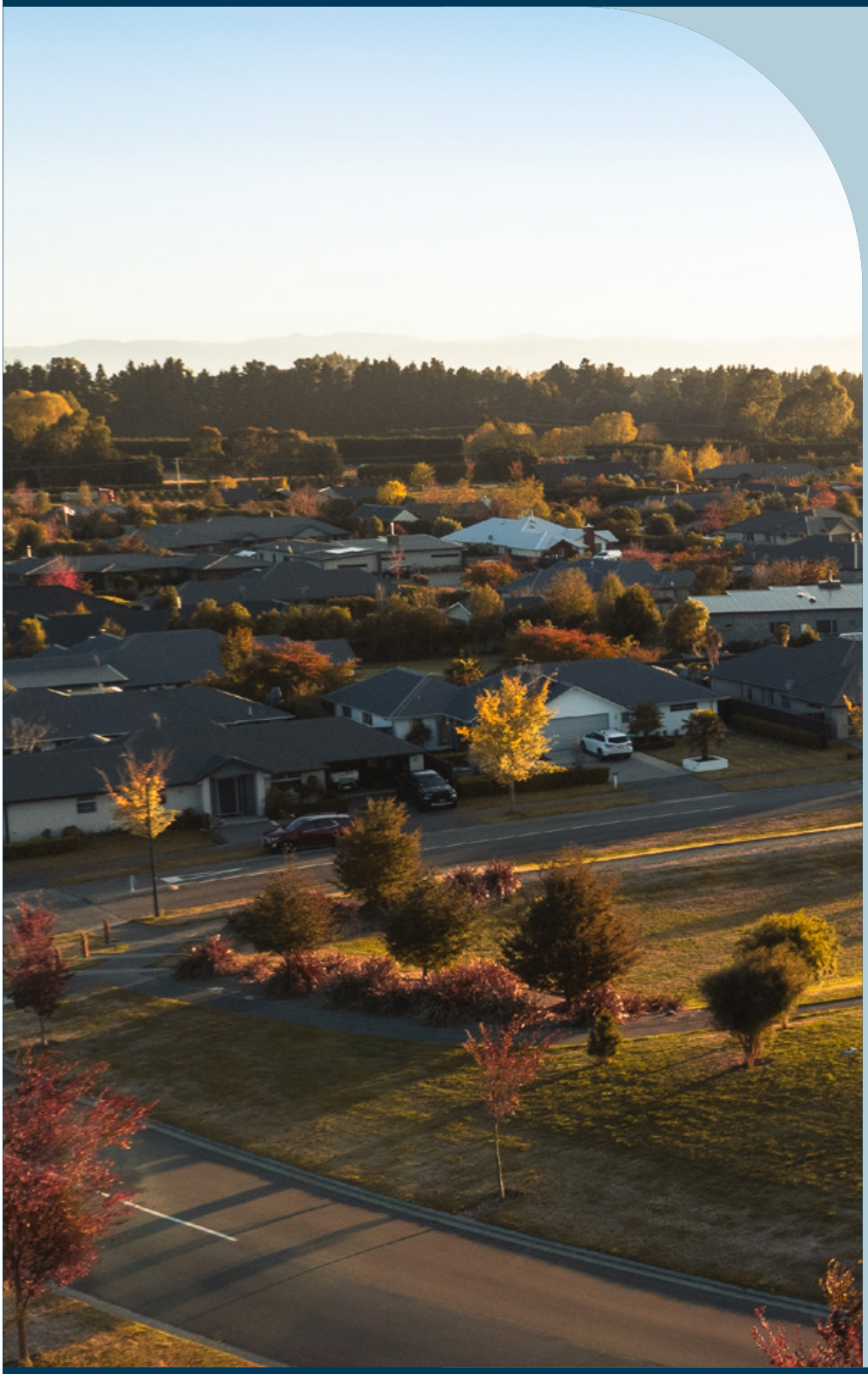
Our future looks bright, even as overall economic growth in the year until June slowed down slightly. Our building and resource consents signal that we continue to see investment and movement to Selwyn from around Aotearoa, New Zealand.

Our consumer spending increased by a whopping 13% in the previous year, while local businesses grew by 4.4%, creating 6.6% more local jobs.

Selwyn has always been a great place to live, and the Selwyn District Council is here to support our residents and businesses and create not just a fast-growing but enjoyable, liveable, and affordable place to call home.

Sam Broughton
Mayor

Sharon Mason
Chief Executive



About the Annual Report

Selwyn District Council is a territorial local authority that exists to provide a wide range of services for and on behalf of the residents of the Selwyn District. It serves a fast-growing population of about 80,000 people across 6,381 square kilometres. This includes plains and high country, as well as many farms and small towns.

The Council's Long-Term Plan sets out the outcomes it wants to achieve for Selwyn over the next 10 years and the projects and activities over the medium to long-term that will help it to achieve these.

The purpose of the Annual Report is to compare the actual activities and performance of the Council against those set out in the 2021-2031 Long-Term Plan. The Annual Report also supports the Council's accountability to the community for the decisions made during the year.

The financial statements and performance information presented in this document are reporting against the third year of the Selwyn District Council's Long-Term Plan 2021-2031, which was adopted on 23 June 2021.

Māori involvement in decision-making

The Selwyn District Council is committed to upholding the principles enshrined in the Local Government Act 2002, particularly those that acknowledge and foster the special relationship between the Council and Māori. This commitment is reflected in the Council's strategic objectives, which are aligned with the recognition of Māori culture, traditions, and the preservation of their ancestral lands and taoka.

Our district is located within the takiwā territory of Ngāi Te Ruahikihiki, Ngāi Tūāhuriri and Ngāi Tahu. The hapū subtribes are represented by Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga, two of the 18 Ngāi Tahu regional papatipu rūnanga, established under the Te Rūnanga o Ngāi Tahu Act 1996.

Throughout the year, the Council has remained dedicated to strengthening its relationship with mana whenua. Our approach is founded on the principle of active partnership and collaboration, recognising that our shared objectives are best achieved when we are 'in one house, working together'. This philosophy guides our work as we seek solutions, create opportunities, and uphold our responsibilities to mana whenua and iwi Māori.

We have also fostered strong relationships and have worked on a range of projects and initiatives that reflect our collective commitment to progress. The adoption of Te Rautaki Tikaka Rua Bicultural Strategy, induction of a mana whenua representative to the full Council and Committees of Council, alongside the establishment of Te Pou Mataaho Iwi Māori Capability Team are testament to the Council's commitment. These efforts are central to ensuring that our partnership continues to thrive and evolve, benefiting all communities within Waikirikiri Selwyn.

In this report, we reflect on the progress we have made over the past year and reaffirm our commitment to ongoing collaboration with iwi Māori, recognising the crucial role they play in shaping the future of our district.

The Year in Review

Financial Performance

$194.8m
total expenditure
(against a budget of $177.4 million)

$96.1m
rates revenue levied
(against a budget of $94.1 million)

$14.9m
received in development contributions revenue
(compared with budget of $9.3 million)

$2.8b
total Council net assets
(2023 $2.7 billion)

The Selwyn District Council Group reported an after-tax surplus of $2.25m in the 2023/24 financial year, a decrease of $31.74m on the previous year. The Group's net assets as at 30 June 2024 are $2.8 billion.

A notable portion of the Group surplus comprises development contributions, which are retained for future infrastructure provision and cannot be used to reduce rates: and vested assets which are a non-cash item and are also not available to reduce rates.



Summary Financial Performance ($M)

Financial year ending 30 June 2024

	Council			Group		
	2024	2024		2024	2023	
	Actual	Budget	Variance	Actual	Actual	Variance
Rates revenue	96.1	94.1	2.0	96.1	85.3	10.8
Subsidies and grants	27.0	24.2	2.8	27.0	13.5	13.5
Fees and charges	27.2	23.9	3.3	27.2	22.1	5.1
Dividend revenue	6.5	5.0	1.4	4.5	4.0	0.4
Interest revenue	1.1	-	1.1	1.5	1.5	0.1
Other revenue	7.8	8.3	(0.5)	49.8	47.1	2.7
Development and financial contributions	14.9	9.3	5.7	14.9	20.4	(5.5)
Vested assets	18.3	34.4	(16.1)	18.3	38.6	(20.3)
Other gains/(losses)	1.1	0.4	0.7	0.4	3.1	(2.7)
Total revenue	**199.9**	**199.5**	**0.3**	**239.7**	**235.5**	**4.1**
Operating expenses	194.8	177.4	17.4	235.8	199.3	36.6
Surplus/(deficit) before taxation	**5.1**	**22.1**	**(17.0)**	**3.8**	**36.3**	**(32.4)**
Income taxation expense/(benefit)	0.1	-	0.1	1.6	2.3	(0.7)
Surplus/(deficit) after taxation	**5.0**	**22.1**	**(17.1)**	**2.2**	**34.0**	**(31.7)**

The Council's core revenue in the year was $199.9 million, $0.34 million favourable to the budget of $199.5 million.

Population growth in the district exceeded budget expectations, leading to a continued fast-paced housing development sector. This has resulted in development and financial contribution revenue being $5.7 million above budget.

Development contributions are collected from developers, to fund the building of infrastructure assets to service the additional demand created from this housing growth. Higher population levels have also seen higher than budgeted property related revenues from rates, and fees and charges for the provision of building and resource consents and land information memorandum (LIM) reports.

Vested asset revenue was $16.1 million lower than budget. This is due to the slow down in completed housing developments in Selwyn, which has resulted in less income from vested assets than originally budgeted. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the Council for ongoing ownership and management. This is a non-cash item and is has no impact on rates.

The Council's core operating expenditure for the year was $194.8 million, $17.4 million unfavourable to the budget of $177.4 million.

Depreciation and amortisation expenditure was $5.4 million above budget due to an increase in assets, asset value and resources required to service a growing district.

Personnel costs were $4.0 million above budget, due to the growth of the district requiring an increase in staff to facilitate this growth. This has resulted in an increase in the personnel expenses when compared with budget.

Other expenditure was $10.0 million above budget, mainly due to:

Increased maintenance expenses required to service our growing district.

Other expenses above budget include increased consulting and professional fees, building levies, insurance and software licencing.

For more information on financial performance, see the Financial Reporting section starting at page 112.



Service Performance



525,782
visits to Selwyn Aquatic Centre

4,786
repaired potholes

11,810 km
of grading on unsealed roads

491,874
visits to Council libraries

2,038
building consents processed

676
resource consent applications processed

17,042
dogs registered

204
community groups, sports groups and individuals supported by communty grants



Our Services

This year, the Council has continued to provide services that help make Waikirikiri Selwyn a great place to live. Some of the things we've completed in the past year include:

- Resurfaced 81km of roads
- Constructed 6,800m of shared path
- Maintained 748 hectares of recreation reserves
- Maintained 645 reserves and playgrounds
- Taught 13,826 participants how to swim
- Hosted 18,605 people at Council Community Events
- Handled 62,116 phone calls from the public
- Received 46,146 emails from the public
- Ordered 5,057 new bins, repaired 1,974 and swapped 532 bins
- Delivered 10,974 driver's license transactions
- Completed $2.7m Youth Zone in Rolleston Town Centre
- Completed $2.4m redevelopment of Darfield Pool
- Built new public toilets in Darfield, Lake Lyndon and on Rail Trail
- Planted 9,000 native plants at Tārerekautuku Yarrs Lagoon
- Completed $1.6m upgrade of water treatment facilities
- Started construction of Ellesmere to Pines pipeline
- Completed lighting upgrades at Southbridge Park, Leeston Park and Darfield Domain
- Completed first stage of walking trail at Rhodes Park
- Increased bookings for community halls by 12.3%
- Increased fitness programme participation by 19.3%
- Hosted 13 regional and national sports events.

Progress on our Key Projects

In our Long-Term Plan 2021–2031, we consulted with the community on several significant new projects. Here's how some of these have progressed during the year to 30 June 2024.



Rolleston Town Centre and Reserve

Having completed the $2.7 million Youth Zone within the Rolleston town centre development earlier in 2023, the Council completed and opened the $1.8 million Reserve Greenspace upgrade either side of the Youth Zone. The area includes an amphitheatre space for events, picnic tables, shade umbrellas, seating, an electric BBQ, connecting pathways, lighting and planting.

Within the Reserve Greenspace, 20 Toro Atua Sculpture works by Artist Areta Wilkinson have also been installed. Work continues with our development partner, Cooper Developments, with another retail and commercial building completed in the Rolleston town centre. Four of nine planned commercial buildings have now been completed, with most tenancies full.



Darfield Pool Upgrade

The $2.4 million redevelopment programme for Darfield Pool was completed in time for the summer swim season. The first stage, completed over winter in 2023 included changing room and structural upgrades, new facility signage, replacing the fence along the Greendale roadside and external landscaping, giving the pool a new, attractive look and feel. The second stage focused on new additions for leisure swimming, including a toddler splash pad, water play area, three-metre hydro slide, picnic tables and seating as well as upgrading heating and filtration.

The overall redevelopment programme provides a greatly improved visitor experience to the pool. Since the development, an electricity saving of 33% was achieved. With the temperature of the pools being more consistent and more activities on offer, the Darfield pool achieved an increase of 68% of income compared to the previous financial year.



Waihora Whata Rau

The building of a new combined community centre, library and service centre facility (Whata Rau) on Leeston Park was included in the 2021–31 Long-Term Plan with a budget of $8.9 million. Work was undertaken on developing concept plans for this facility with the vision of creating a vibrant and inclusive community hub for Ellesmere. Cost estimates were developed based on the initial plans and associated works. However, it became clear that the original budget set aside for this project was insufficient to cover all project elements including land purchase and remediation.

It was therefore decided to defer this project and consult on options as part of the 2024-34 Long-Term Plan. The Council has now decided to proceed with Whata Rau, which will be a multi-purpose community centre, expected to include provision of a library service, with a budget of $16 million over 2024 to 2027 and will revisit the design and increase community involvement in the project.

The wider Waihora Whata Rau project included the redevelopment of Leeston Park. Following the preparation of a master plan for the park in 2023, some urgent safety work to upgrade the sport lighting has commenced.

The improvement works were consulted on through the 2024-34 Long-Term Plan to enable a final programme to be confirmed. The Council decided to carry out landscape improvements, extend playing fields and upgrade facilities from 2024 to 2033 with a total budget of $3.4 million.



Economic Progress continues

Waikirikiri Selwyn's economy has shown remarkable resilience in the face of economic headwinds in the last quarter of the fiscal year, according to recent Infometrics provisional GDP estimates. Despite a modest growth of 0.2% in the year to March 2024 and the weakest since 2008, the district's economic performance still compares favourably and aligns at a national level (0.2%). Among other medium-sized districts, only the Waikato District experienced faster growth (+1.6%).

The downturn in Waikirikiri Selwyn's growth was primarily driven by a pullback in construction activity and challenges within the food and beverage manufacturing sector. However, despite these challenges, the region continues to attract new residents, with health enrolment growth soaring by 5.4% in the year to March 2024. Employment of Waikirikiri Selwyn residents saw a significant uptick, growing by 6.1% during the same period. Alongside a surge in consumer spending, up by 12.5% compared to the national average of 2.3%, indicates robust job market dynamics and a resilient local economy.

The housing and building market in Waikirikiri Selwyn is undergoing a period of adjustment following years of rapid growth. New dwelling consents have seen a decline of 39% over the year to March 2024, while house values experienced an increase of 2.7% pa in the March 2024 quarter. Despite these fluctuations, sales volumes are on the rise, indicating potential growth in house values in the near future.

Planning for Future Growth

Economic Development Strategy

The Kai Aku Rika Economic Development Strategy was developed over the past year and has been endorsed by the Council. The strategy aims to build on our success, play to our strengths and drive more purposeful growth in our economy.

The strategy will provide a coordinated effort across our economy to target the right growth and guide investment and activity to help achieve it. By aligning and mobilising resources, we can achieve more together and make the change we're seeking happen faster.

Selwyn District Council is leading the strategy in partnership with business, community and mana whenua. Every decision and investment has an economic impact, so this is an integrated and whole-of-system approach to getting it right for our community.

The strategy is for 10 years and will align with Waikirikiri Ki Tua Future Selwyn which looks out to 2050 and beyond, recognising that big shifts require an intergenerational view. To close the gap between aspiration and action, the strategy will be delivered in stages with a clear and concise list of priority actions that we can start work on right away. We know these will evolve over time and we need to be responsive to change.

Selwyn Biodiversity Strategy

In June 2024, the Council adopted the Selwyn Biodiversity Strategy. The purpose of the strategy is to provide guidance and a common focus for policy and decision making, resource allocation, voluntary effort, and on-the-ground projects and initiatives related to indigenous biodiversity management in Selwyn. It aims to build on the good work already occurring, by raising awareness of biodiversity values, facilitating the coordination of agency effort through alignment and partnerships, and support and encourage the efforts of communities, landowners, and individuals.

The Council is working on priority actions and next steps to bring it to life.



Residential Development Design Guide

The purpose of this guide is to give developers and designers guidance on processes and best practice urban design with outcomes that benefit the overall community.

The guide is also intended to be a useful framework to Council staff in its assessment and decision making on applications under the District Plans. The guide's role is to provide a bridge between policy expectations and practical application.

The guide is a non-statutory document that works in conjunction with the provisions set out in the Selwyn District Plan and other strategic planning framework documents, such as Waikirikiri Ki Tua Future Selwyn, Structure Plans, Area Plans and Outline Development Plans (ODPs).

District Plan

The District Plan is a key document in helping the Council to plan for, and manage, the future growth of the District. The District Plan Review has delivered a Partially Operative District Plan and continues to seek the ongoing resolution of appeals. The Council will also start to work through changes to improve efficiency and effectiveness.

Waikirikiri Ki Tua Future Selwyn

Waikirikiri Ki Tua Future Selwyn is all about our future, and the future we leave for the generations to come. Waikirikiri Ki Tua Future Selwyn looks at where we are, reflects on where we have been, prepares us for what may come, and guides us to where we want to be.

Waikirikiri Ki Tua Future Selwyn is our long-term strategic approach to intergenerational wellbeing, sustainability, resilience, growth, change and development in Waikirikiri Selwyn. It is a long-term, future-focused strategy that provides the strategic and spatial direction for navigating our future.

Waikirikiri Ki Tua Future Selwyn will influence future decision-making, planning and investment by Selwyn District Council as well as aligning current and future strategies, plans and policies, so that there is a co-ordinated and joined up approach to delivering on the priorities and aspirations of Waikirikiri Selwyn.

It shares a vision for the future, and what it looks like (strategic outcomes), things we need to achieve to get there (directions) and our strategic priorities (or the things we need to focus on to achieve the outcomes).

Its vision is for 'a liveable, innovative and connected Waikirikiri Selwyn, filled with opportunity and prosperity'.

Waikirikiri Ki Tua Future Selwyn builds upon the Greater Christchurch Spatial Plan and will continue to work through translating its vision into Area Plans and coordinated actions for the future.

Meeting Growing Community Needs

A number of new facilities and spaces were completed in Selwyn District in the 2023/24 year, as the Council continued to invest in services to support a growing population.

Public Toilets

Funding received from Central Government's Tourism Infrastructure Fund has enabled a number of new public toilet facilities to be provided. This has included a replacement public convenience on State Highway 73 at Darfield, a new public toilet at Lake Lyndon as well as a new facility at Neills Road near Lincoln to service the Rail Trail to Little River. A new public toilet is also largely completed at Hororātā that will service both the travelling public and the Reserve. In providing public toilet services for high-use playgrounds a new toilet has been installed in Te Whariki/Lincoln.

Tārerekautuku Yarrs Lagoon

The 81-hectare Tārerekautuku Yarrs Lagoon restoration project is progressing well. The project is now in its third year, and work completed to date includes willow control across approximately two-thirds of the site, the planting of 9,000 native seedlings, predator control, and the construction of two bridges to provide improved site access. Tārerekautuku is one of Canterbury's largest freshwater wetlands, and it plays a significant part in the ecology of Te Waihora Lake Ellesmere and its catchment. The project received $796,980 in funding from the Ministry for the Environment's Freshwater Improvement Fund.

District Park

Work has started on the planning for the District Park which is to be located on the eastern edge of Rolleston on land purchased in 2016 to cater for district-wide recreation and community activities that may not be available in more urban open spaces. Over 1,600 responses were received from the community on ideas for the development of the park. With stage 1 (35 hectares) programmed to start in 2025/26 possible developments, subject to plan confirmation, include natural open space areas, community gardens and fruit trees, formal style gardens, tracks and trails, natural play areas, dog-friendly areas, multi-use hard courts, and open grass areas for sports and events.

Castle Hill Community Centre

Work was completed on extending the Castle Hill Community Centre which also included some internal reconfiguration to enable improved use of spaces. This work will provide additional community space for the expanding Castle Hill community and the building also serves as a civil defense welfare centre.



Essential Infrastructure

Roading Infrastructure

The Council's investment in infrastructure continues to grow to support community expansion. Developments on Selwyn's transportation network continue to be driven by district development and changing travel patterns resulting from the Christchurch Southern Motorway.

In 2023/24, the Council has significantly stepped up on the delivery of both capital projects and road maintenance and renewals, despite cost fluctuation from inflation and government regulatory changes.

Major projects completed or near completion in 2023/24 include the below:

Other projects across the district include new bus shelters, footpath extension, speed limit reduction around schools, minor safety improvements, and road safety promotion including bike skill training in schools.

For road maintenance and renewals, the Council delivered 81km of reseals and 8km of sealed road pavement rehabilitation, a significant improvement over previous years.

Following the July and October 2023 weather events, major repairs were required to Selwyn District's roads, culverts and bridges. The repairs to the events came at a total cost of around $4.37 million, which is partially subsidised by New Zealand Transport Agency (NZTA).

The Council continues to work with NZTA on transport improvements, including planning for projects coordinated with the NZTA's SH1 Rolleston Access programme. The Council has also embarked on major local road improvement projects, including the Lincoln Town Centre upgrade and the Levi/Lowes Rd Intersection upgrade.

- Shands/Hamptons Roundabout
- Shands/Trents Roundabout
- Tosswill/Trices Roundabout
- Leeston/Goulds Road Intersection improvement
- Maddisons/Dawsons Road Intersection improvement
- Trents Road widening
- Re-decking of the Waimakariri Gorge Bridge
- Broadlands Drive Park n Ride
- Templeton to Prebbleton Cycleway
- West Melton to Rolleston Cycleway
- Springston Rolleston Road Shared Use path
- Villa Mews Shared Use Path
- District Wide LED Conversion
- Dunns Crossing Road streetlighting
- Weedons Ross Road streetlighting
- Lincoln Rolleston Road streetlighting



Water Infrastructure

The provision of water services to Selwyn residents saw a significant focus this year on upgrades and renewals to meet levels of service and compliance criteria under the new Drinking Water Standards. This included completing the requirement for residual disinfection (chlorination) on all public drinking water supplies, along with $1.2m of additional monitoring to ensure quality of water across the network, and over $1.6m of upgrades or renewals to treatment plants and reservoirs across the district.

Selwyn was the first Council in the country to apply for an exemption from chlorination. In February 2024, Taumata Arowai granted an exemption for the Rakaia Huts community subject to conditions being met. Due to the impact on our ability to deliver safe water and the significant cost to upgrade our infrastructure, the Council decided in the Long-Term Plan 2024-2034 to continue chlorinating our supplies (including Rakaia Huts) and not to apply for further chlorine exemptions.

Significant Water Treatment Plant and storage upgrades were undertaken in Springfield, Southbridge, Leeston and Arthurs Pass along with replacement of water pipes in Prebbleton, Castle Hill, Lincoln and rural areas.

In May 2024, construction of the Ellesmere to Pines pipeline started which will connect the townships of Leeston, Doyleston and Irwell to the Wastewater Treatment Plant in Rolleston. Expansion of the Pines Wastewater Treatment Plant continued with construction of a new biosolids blending pad completed.

Network expansion to cater for residential growth continued in conjunction with the new developments including new pump stations and pipework.

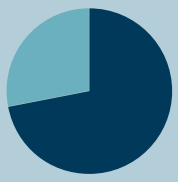
How Your Rates Were Spent

Community Services and Facilites

Capital Spend
$12.9m

Operating Spend
$41.5m

How costs are funded



72% Rates
28% Other

Rates spend per $100

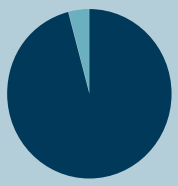


Democracy

Capital Spend
-

Operating Spend
$5.9m

How costs are funded



96% Rates
4% Other

Rates spend per $100

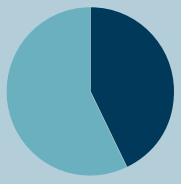


Environmental and Regulatory Services

Capital Spend
-

Operating Spend
$25m

How costs are funded



43% Rates
57% Other

Rates spend per $100



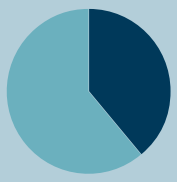


Transportation

Capital Spend
$34.8m

Operating Spend
$18.4m

How costs are funded



39% Rates
61% Other

Rates spend per $100



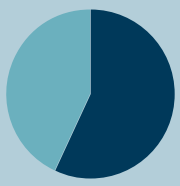


Resource Recovery and Waste Management

Capital Spend
$3.6m

Operating Spend
$19.5m

How costs are funded



57% Rates
43% Other

Rates spend per $100



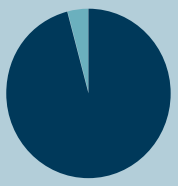


5 Waters Services

Capital Spend
$43.7m

Operating Spend
$29.7m

How costs are funded



96% Rates
4% Other

Rates spend per $100



Council Departments Significant Activities



Introduction

Selwyn District Council provides a wide range of services for and on behalf of the residents of the Selwyn District. For planning and reporting purposes, these services are grouped together as significant activities.

The Council's plans for each significant activity for the 2023/24 financial year were set out in the Selwyn District Council Long-Term Plan 2021-2031 (LTP). The 2024-34 LTP was adopted in June 2024, but this Annual Report is still covered by the 2021-31 LTP. All references to significant activities measures, etc. are in relation to 2021-31 LTP.

The purpose of this section of the Annual Report is to report on the degree to which the Council achieved what it set out to do for each significant activity in both financial and non-financial terms, and its actual performance for the year.

This section of the Annual Report provides the following information for each activity:

- An overview of the group of activities that summarises services included in the group and what the Council has achieved during the financial year.
- Performance measures that illustrate the level of service the Council has provided against levels set out in the Council's LTP.
- A funding impact statement that shows how the group of activities has been paid for.

More information on the funding impact statement is provided below.

Refer to the relevant Significant Activity section in the 2021-2031 LTP for additional details on each activity, including:

- An explanation of why the Council is involved in providing the group of activities.
- A summary of how the activity helps achieve the Council's community outcomes.
- Details of how the Council manages changing demand for any service, including the impact of population changes.

Service Performance Measure Information

The service performance information presented in this annual report was selected to compare the actual activities and the actual performance of Selwyn District Council with the intended activities and the intended level of performance as set out in respect of the year in the LTP 2021–2031 and the Annual Plan 2023/24. Through the LTP each activity was adopted with a suite of measures and targets, aligned to deliver on our community outcomes, that best reflect the service characteristics to be provided through that activity.

Consequently, the materiality of which performance measures and targets are included in annual reporting is determined through their adoption with the most recent LTP.

This provides an appropriate, meaningful, comparative, and consistent mix of non-financial performance measures to present service performance information on what Council has achieved during the financial year. This includes comparative performance information from previous years (trend information), and commentary and remedial action for any performance measures that did not achieve target.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water supply, sewerage and the treatment and disposal of sewage, stormwater, flood protection, and control works and the provision of roads and footpath. DIA guidance has been followed in measuring performance against all mandatory performance measures. We demonstrate regulatory compliance for statutory measures (such as percentage of both building consents and resource consents applications processed within 20 statutory days).

The information in this section of this Annual Report (pages 24–110) constitutes Council's Statement of Service Performance information.

Note: negative numbers are shown in brackets ( ).

Community Services and Facilities

302,167
visits to Community Centres

645
reserves and playgrounds

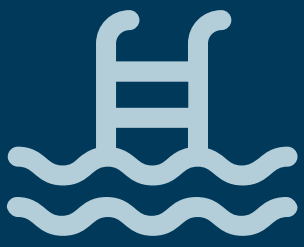
491,874
visits to Libraries and Edge Connector Vehicle

748
hectares of recreation reserves





1,100
residents attending capacity building initiatives



525,782
visits to Selwyn Aquatic Centre

95% of residents satisfied with Council facilities

6.85
swims per capita

18,605
people attended Council Community Events

295,569
visits to Selwyn Sports Centre

13,826
learn to swim participants



88,270
attendees at fitness programmes

694,536
digital and physical items loaned

Performance Highlights 2023/24

Recreation Reserves

The service target of providing three hectares of reserve per 1,000 people was achieved across the district. However, it is noted that in the eastern area, particularly Rolleston, population growth is creating increasing demand for sports space. Other notable results included:

A survey of sports clubs indicated overall satisfaction with Council-provided sports grounds, facilities and services at 86.6% compared with the target of 80% which is slightly higher than the 85% satisfaction level in 2023/24. There were some issues raised in the survey mainly about ground surface condition and sports lighting levels. With a new turf management regime to be implemented and a roll out of lighting improvement projects it is expected that these issues will be progressively addressed.

Work has continued on improving and expanding the facilities at various sports and recreation parks in the district and has included sports lighting projects at Southbridge Park, Leeston Park and Darfield Domain, development of a croquet area at Broadfield Reserve, constructing a new car park at West Melton Domain, resurfacing tennis courts at Castle Hill and Sheffield Domain and completing the first stage of the walking track at Rhodes Park in Tai Tapu.

An intercept survey of campers using Council-managed campgrounds was carried out over the late summer period and provided a very positive result with 100% of those surveyed indicating they were very satisfied or satisfied with the standard of campground facilities and services.

Township reserves and streetscapes

New neighbourhood reserves, greenlinks and playgrounds continue to be provided in line with residential development in townships across the district including at Rolleston, Lincoln, Prebbleton, Darfield and Leeston with ten new neighbourhood reserves added to the network over 2023/24. The Council also completed the development of two new neighbourhood playgrounds in Rolleston.

The provision level for playgrounds by the Council is above the national median at 6.3 per 1,000 children. An independent audit of the Council's playgrounds continues to show a high level of compliance at 95%, with the audit report noting that "the level of compliance was very high compared to other cities throughout the country" demonstrating Council's commitment to providing safe play environments for residents.

Public toilets

A programme to install new and replacement public toilet facilities as part of upgrading the network has continued with funding support from the Tourism Infrastructure Fund. Overall, the Council's provision level remains above the national median at 0.84 public toilets per 1,000 population.

The contract audit of public toilets indicated six instances where the service did not meet expected standards. Although this met the target (6 or less) this was higher than the previous year's result of 2 instances. Facilities at Arthurs Pass and Castle Hill on State Highway 73 were the main sites where non-compliance was evident which is linked to the high level of use. Servicing schedules will be reviewed to ensure the required standard is met.

Community Centres and halls

In the last year, the Council has exceeded its Key Performance Indicators (KPIs) for Community centres and halls.

Notably, there was an increase of 12.3% in the hours of bookings in the Council's community centres and halls, against a KPI of 5%.

A Customer Satisfaction rating of 94% in the major venues exceeded the KPI of 90%.

In addition to the Council's scheduled events and programming, Council's community centres and halls have provided spaces for several community events over the 2023/24 year. These include the Twilight Market, Kids Market and a pop-up clothing store.

Our events centres have welcomed a large range of functions such as cultural weddings, cultural events and festivals, corporate functions, school functions and individual events such as birthdays, weddings and baby showers and other community events and programmes.

As well as focusing on providing spaces for our community, Council's facilities held a variety of larger events.

Collaboration with Community and Economic Development, and Sport and Recreation teams assist in providing events that serve large portions of the community.

Significant cultural events include the Kerala Fest (4,000 visitors), an Indonesian celebration of 200 families, and Garbarolls – celebrating the Hindu festival. The Emergency Services Open Day was another well supported event.

Schools utilised the facilities for events such as Ladbrooks Primary play, Rolleston College Sports Awards and Te Runanga Sustainability Symposium.

The corporate and government sectors have met in our venues and are an area of growth and opportunity which will have further focus. Regular hirers are encouraged and supported.

Aquatics and Fitness

In the last year, our aquatics and fitness teams have continued to exceed KPIs.

Visits to the Selwyn Aquatics Centre and Selwyn Sports Centre have increased by 14.1% and 6.5% respectively on last year's figures. In addition, swim school enrolments have increased by 3% in the last year.

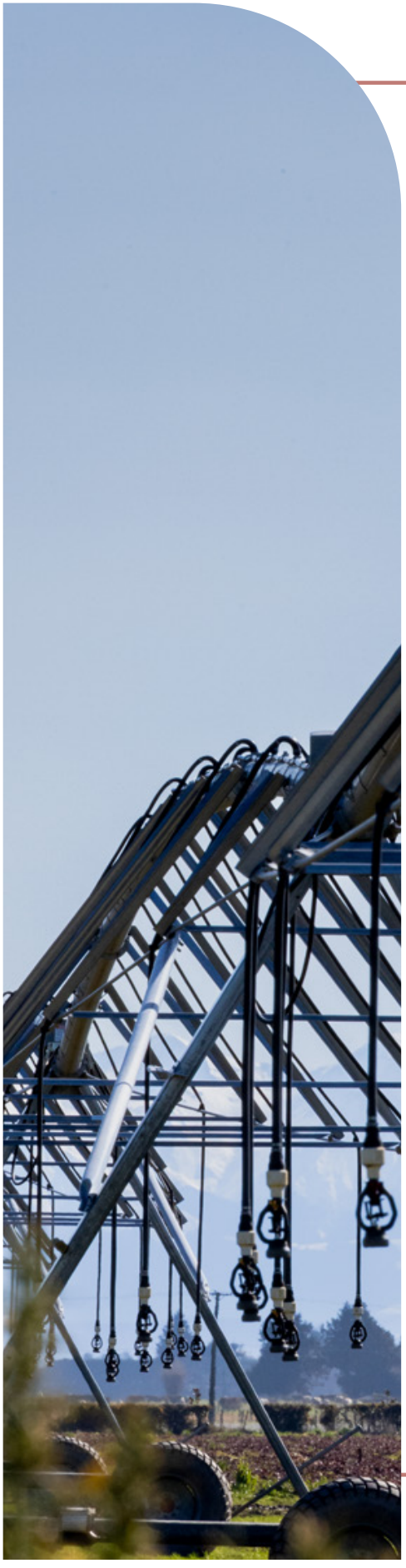
Fitness and recreation programme participation across the district has increased from 73,959 to 88,270, a 19.3% increase, and fitness membership have increased by 16% in the last year.

Aquatics maintained a user-funding percentage of approximately 55%, in line with previous years, with revenue increasing 17% on the previous financial year.

The sports events and bookings team has engaged with over 110 sports clubs in 2023/24, catering to an estimated 20,000 residents across the district. This has seen an increase in positive interactions with the Council, with 80 sports clubs completing the club satisfaction survey in 2023/24 compared with 61 in 2022/23, and 86.5% of responses reporting being very satisfied or satisfied with the Council.

As a result of the relationships formed through this team, 13 Regional and National sporting events have brought over 15,000 visitors to Waikirikiri Selwyn in 2024.

The Darfield Pool redevelopment was completed in November 2023. Since the development, an electricity saving of 33% was achieved. Additionally, with the temperature of the pools being more consistent and more activities on offer, an increase of 68% of income was achieved compared to the previous financial year.



Cemeteries

With nine complaints received related to cemetery maintenance and services over the year, the target of 10 or less was met and indicates that the public visiting cemeteries are mostly satisfied with the maintenance standards and service provided. The annual survey of funeral directors was not completed in time for results to be disclosed but will be undertaken for the next report cycle.

The target of 85% of townships being within 10km of a cemetery was achieved, although there continue to be gaps in more remote locations such as Arthur's Pass, Castle Hill, and Rakaia Huts.

The target of recovering 45% of cemetery operating costs from revenue was achieved (58%). This reflects the increase in fees for 2023/24 and reduced overhead support costs for the activity.

Libraries and Service Centres

Since July 2023, visits to Library Service Centres and Te Ara Ātea totalled 487,377, exceeding target KPIs. Active library membership increased by 7% to 32,257, and the total physical items issued increased by 2.5% to 586,684. While this is a modest increase on total physical items issued, visits to the Library Service Centres and Te Ara Ātea have increased by 15% compared to 2022/23, demonstrating the use of these spaces is increasing beyond physical book lending, in addition to 32% increase in digital lending to 107,852.

Overall, 97% of customers expressed being satisfied with the libraries and service centres.

Across the year, 26,659 people attended programmes providing lifelong learning, arts or cultural experiences at a Library Service Centre, Te Ara Ātea, the Edge Connector Vehicle, or another Council facility such as a community hall. In addition, Library Service Centres, Te Ara Ātea and the Edge Connector Vehicle have offered 44 Art, Culture, and Heritage initiatives.

The Arts Culture and Lifelong Learning team in the last year have continued developing and strengthening relationships with our regional museum, heritage, library, arts, and learning peers, while exploring how resources, programmes, heritage, and art experiences can be delivered in partnership for the benefit of Selwyn communities. This has included Christchurch City Libraries, Waimakariri District Libraries, Canterbury Museum, Ngāi Tahu Archives, Lincoln University, University of Canterbury, the Christchurch Symphony Orchestra, the Court Theatre, and others, along with our Selwyn-based heritage and arts groups, pre-schools, primary schools, and secondary schools around the Selwyn District.

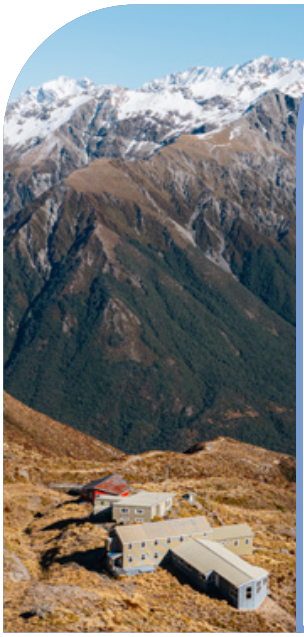
Community and Economic Development and Events



Events

In the last year, Council delivered 109 community events which had an attendance of 17,221.

The majority of these events targeted young people, families with children, older people, and people facing additional barriers. Notably, the Selwyn Awards was delivered on 5th August with a sold-out gala dinner with 628 attendees. Survey results show overall satisfaction rate of attendees was around 98%, which indicates that the event participants were satisfied or very satisfied with the event they attended.



Community grants and capacity building

This year, 204 community groups, sports clubs, and individuals were funded through eight community funding streams, including the Community Fund, Creative Communities, Meet Your Street, and Sport NZ Rural Travel Fund.

Contributions were made to projects, events and initiatives such as the Leeston Fete, Southbridge Bowling Club, Rolleston Patchwork and Quilting Club, Selwyn Prostate Support Group, the first Filipino Basketball Association Kings Cup Competition, and The Small Print exhibition at Te Huanui Art Gallery.

In the past year, 1,100 people attended capacity building events, with 99% of surveyed attendees reporting satisfaction with the workshops. These events covered topics such as fundraising, best-practice grant-seeking and volunteer support, and leadership and management. Selwyn Youth Council delivered 18 consultation activities.



Economic Development

Selwyn was showcased as a destination through 14 visitor promotion initiatives with visits to the "From the Land" destination website reaching 148,600 across the year: 64% above target (90,497).

Taste Selwyn was delivered with 38 local businesses participating and a range of events delivered showcasing the district's hospitality and agricultural industries.

Customer Services

In the last year, the customer services team has:

Received
62,116
phone calls

59,597
answered (96%)

2,519
abandoned (4%)

9,312
calls transferred (16%)

leaving
84%
of calls handled by Customer Services

answered
74%
of calls within 20 seconds

Ordered
5,057
new bins

arranged repairs of
1,974
bins

arranged
532
bins to be swapped

logged
218
as stolen

Each team member has two of their recorded calls reviewed for quality each week. The overall year score for the whole team is **96%**

Received
46,146
emails

Raised
10,227
Service requests

Delivered
10,974
driver's license transactions

5,632
Snap Send Solves

Snap Send Solve

Logged
567
internal admin requests

Strategies

Kai Aku Rika Economic Development Strategy

The Kai Aku Rika Economic Development Strategy was developed over the year and has been endorsed by the Council. The strategy was developed in consultation with business leaders and key economic partners across Waikirikiri Selwyn.

The development of the strategy provided the opportunity to develop working relationships with over 250 stakeholders, facilitate five networking opportunities, and attract investment into the district. The strategy project was complemented by the 17 additional initiatives to promote economic development and support local businesses including networking events, the bi-annual business survey, training, and workshops.

Te Paepae Ageing Well and Piki Amokura Youth Strategies

The Te Paepae Ageing Well and Piki Amokura Youth strategies were developed and are on track for endorsement in September.

These strategies had high engagement from community with 1,067 people engaging for Te Paepae and over 2,500 people for Piki Amokura. Although there have been similar themes identified through the strategy work for both strategies they are nuanced to the needs and life stages of people in both demographic groups. The next stage is action planning and regular reporting on progress and measures to the Council.

Play, Active Recreation and Sport Strategic Action Plan

In the coming year, the actions in the recently endorsed Play, Active Recreation and Sport Strategic Action Plan will begin in earnest. The actions in this plan were awaiting budget provision from the Long-Term Plan 2024-34 process. The plan will give the Council a guiding framework on how to meet the current and future needs of Waikirikiri Selwyn residents for Play, Active Recreation and Sport in the next three years.

Te Rautaki Tikaka Rua Bicultural Strategy

Council is committed to foster strong relationships with mana whenua, enhance the cultural competency of our staff and ensure our systems and processes are inclusive and reflective of our bicultural values. The adoption of Te Rautaki Tikaka Rua Bicultural Strategy laid a strong foundation for the work.

This strategy, with its focus on Kā Honoka Our Relationships, He Takata Our People, Kā Mahi Our Systems, and He Huarahi Hou A New Way, is guiding the Council to embed bicultural practices and in building a more inclusive, equitable, and responsive Waikirikiri Selwyn.

Under the Kā Honoka (Our Relationships) workstream, Council continued to strengthen its relationship with mana whenua and iwi Māori, including the establishment of engagement protocols and mana whenua leadership as well as participation at Council and committee meetings. A significant accomplishment was also the establishment of Te Pou Mataaho, the Iwi Māori Partnerships and Capability Team.

Our staff's cultural competence is a priority for the Council. Under the He Takata Our People, this year a Te Reo Māori programme and mihi whakatau, as part of staff induction, were implemented.

Within Kā Mahi Our Systems, Te Pou Mataaho provided expert cultural advice for the development and review of eight Council strategies and processes, incorporating cultural narrative expertise from inception to completion. These efforts have been complemented by translation services and the ongoing development of an organisational Bilingual Glossary.

We have also made significant progress in integrating cultural design elements, dual naming practices and normalisation of Te Reo Māori within Council practice. This work is a result of our commitment to He Huarahi Hou A New Way.

Booking system

Projects underway this year include the improvement of a new centralised booking system for completion for 2025. Once complete, the booking system will be more user friendly, increase in-house delivery and service for our customers, and be more efficient leading to greater cost benefits.



Service targets for community services and facilities

Objective	Performance measure	Service target	2023/24	Achievement	Last year achievement (2022/23)
Recreation Reserves					
To provide recreational open space to give opportunities for residents to enjoy healthy, active lifestyles as well as enhancing the district's landscape, environmental and ecological values	Hectares of sports park per 1,000 population is above the average for similar sized district authorities	≥3 ha	3.02	Achieved	Achieved: 3.1 ha
	Customer satisfaction with sports grounds as measured by an annual survey of users	≥80%	86.60%	Achieved	Achieved: 85%
	Visitor satisfaction with the standard of campgrounds provided as measured by intercept surveys conducted over the camping season	≥80%	100%	Achieved	Not measured as campgrounds usage has not recovered
Township Reserves and Streetscapes					
To provide township reserves and streetscapes to enhance the landscape character of the District, unique identity of township environments, and provide places for recreation activities and social contact	% of townships where all residents are serviced by a reserve within 500m	≥70%	92%	Achieved	Achieved: 84%
	The number of playgrounds per 1,000 children is above the national median for playground provision as measured through the Yardstick benchmark survey	>4	6.3	Achieved	Achieved: 5.9
	Proportion of playgrounds that comply with the NZ safety standard (NZS 5828:2015) as measured by annual ROSPA 3 inspection	≥90%	95%	Achieved	Achieved: 95%

Objective	Performance measure	Service target	2023/24	Achievement	Last year achievement (2022/23)
Community Centres and Halls					
To support social connections and active lifestyles by providing venues for social, cultural, creative, recreational, and education purposes as well as encouraging corporate and private use	The total bookings (community, corporate, and private) of Council Community Centres and Halls, by Ward, increase per annum	≥5%	12%	Achieved	Achieved: 28% Increase (10,007)
	The percentage of Council owned Community Centres and Halls, by Ward, continue to generate revenue meeting or exceeding 20% of operating costs (excluding capital project costs) per annum	75%	100%	Achieved	Not achieved: 54%
	The % satisfaction from annual user surveys for:				
	a) Lincoln Event Centre (LEC)	a) ≥90%	98%	Achieved	Achieved: 98%
	b) Rolleston Community Centre (RCC)	b) ≥90%	92%	Achieved	Achieved: 98%
	c) West Melton Community Centre (WMCC)	c) ≥90%	100%	Achieved	Achieved: 98%
	d) Selwyn Sports Centre (SSC)	d) ≥90%	96%	Achieved	Achieved: 98%
	Total number of visits at: Lincoln Event Centre, Rolleston Community Centre, West Melton Community Centre, and Selwyn Sports Centre	≥350,000	567,558	Achieved	Achieved: 458,574

Objective	Performance measure	Service target	2023/24	Achievement	Last year achievement (2022/23)
Aquatics and Fitness					
To provide opportunities for residents to enjoy healthy and active lifestyles as well as to learn skills to stay safe in the water	The % satisfaction with Selwyn Aquatic Centre from user survey	≥90%	94%	Achieved	Achieved: 97%
	Selwyn Aquatic Centre and Council-operated pools in Ellesmere and Malvern achieve 100% compliance with New Zealand Recreation Association Pool safe accreditation	100%	Achieved	Achieved	Achieved: 100%
	Number of swims per capita of district population per year recorded at Selwyn Aquatic Centre, Darfield, and Southbridge pools	≥4.5	6.85	Achieved	Achieved: 6.23
	Number of visits per annum at the Selwyn Aquatic Centre	≥300,000	525,782	Achieved	Achieved: 460,865
	Number of Learn to Swim participants per annum	≥ 8,000	13,826	Achieved	Achieved: 12,905
	Number of fitness programme participants delivered by Council across Selwyn (per annum)	60,000	88,270	Achieved	Achieved: 80,340
	The percentage of Council owned swimming pools generating revenue meeting or exceeding 20% of operating costs (excluding capital projects)	≥75%	67%	Not achieved: 2 of the 6 pools did not meet this target	Not Achieved: 40%

Objective	Performance measure	Service target	2023/24	Achievement	Last year achievement (2022/23)
Public Toilets					
To provide public toilets to promote a healthy living environment for district residents and provide economic benefits in supporting local businesses and visitor destinations	The provision level for the number of public toilets per 1,000 residents is above the national median measured through the Yardstick benchmark survey	≥0.8	0.84	Achieved	Achieved: 0.82
	Number of "facility compliance failures" per annum identified by independent audit	≤6	6	Achieved	Achieved: 2
Cemeteries					
To provide a network of cemeteries to meet the district's burial and remembrance needs	The level of satisfaction with cemetery maintenance and services as recorded in an annual survey of funeral directors	≥70%	Not measured	Not measured: Survey not completed by funeral directors	Achieved: 75%
	A cemetery is located within easy driving distance (10 km) of district townships	≥85%	88%	Achieved	Achieved: 88%
	The proportion of cemetery operating costs that is recovered from revenue received from fees and charges	≥45%	58%	Achieved	Not achieved: 39% (Costs have increased faster than fees due to inflation)
	Number of complaints received per annum related to cemetery service	≤10	9	Achieved	Achieved: 7 complaints were received

Objective	Performance measure	Service target	2023/24	Achievement	Last year achievement (2022/23)
Libraries/Service Centres (including arts, culture and heritage)					
To respect residents' diversity and encourage residents to learn throughout their life, and to celebrate Selwyn's identity through participation in arts, culture, and heritage	The % satisfaction from annual user surveys for Libraries/Service Centres	≥90%	97%	Achieved	Achieved: 98%
	Active library membership increases annually	≥5% p.a.	7%	Achieved	Achieved: 13% increase
	Total number of 'walk in' visits per annum to the four libraries/ service centres: Darfield Leeston, Lincoln, Rolleston/Te Ara Ātea	≥280,000	487,377	Achieved	Achieved: 422,963
	The number of 'digital' sessions (either logged in to library website, using a library computer or using Wi-fi and own device) per annum	≥300,000	1,664,744	Achieved	Achieved: 1,106,518
	The number of programme/session participants per annum, delivered in libraries and/or by library staff (including Edge Connector) and number of programme/sessions	≥15,000 participants	26,659	Achieved	Achieved: 28,170

Objective	Performance measure	Service target	2023/24	Achievement	Last year achievement (2022/23)
Libraries/Service Centres (including arts, culture and heritage)					
To respect residents' diversity and encourage residents to learn throughout their life, and to celebrate Selwyn's identity through participation in arts, culture, and heritage	The number of community-based/led arts, culture and heritage initiatives facilitated/coordinated annually	≥20 initiatives	44	Achieved	Achieved: 39
	The % satisfaction from user surveys for arts, culture, and heritage initiative participants	≥90%	100%	Achieved	Achieved: 97%
	The % of overall rates/water and dog registration payments made at library/Council service centres annually	≥20%	52%	Achieved	Achieved: 50%
	Total combined physical and digital items issued per annum is equal to or greater than 350,000	≥350,000	694,536	Achieved	Achieved: 653,647

Objective	Performance measure	Service target	2023/24	Achievement	Last year achievement (2022/23)
Community and Economic Development including Event Delivery					
To build community connectedness, inclusivity and safety by providing opportunities, events and resources for volunteers and communities	More than 500 residents annually participate in community capacity building initiatives targeted at volunteers, clubs, groups and organisations delivered/resourced and/or facilitated by Council	≥500 participants	1,100	Achieved	Achieved: 1,045
To promote economic development by collaboration, networking, information sharing and encouraging visitors	Community capacity building participants are satisfied/very satisfied	≥90%	99%	Achieved	Achieved: 97%
	Initiatives targeted at newcomers are delivered/resourced and/or facilitated by Council annually	≥12	17	Achieved	Achieved: 21
	Selwyn Youth Consultation/ engagement activities are delivered/resourced and/or facilitated by Council (generally via Selwyn Youth Council)	≥6	24	Achieved	Achieved: 25
	Community events are delivered/resourced and/or coordinated by Council annually, targeting young people, families with children, older people and those facing additional barriers and participation numbers captured	≥100	109	Achieved	Achieved: 143
	Participants in not less than 25 events are satisfied/very satisfied	≥90%	98%	Achieved	Achieved: 99%
	Community Grants Funding is delivered that enables community-led initiatives annually	≥35	108	Achieved	Achieved: 92

Objective	Performance measure	Service target	2023/24	Achievement	Last year achievement (2022/23)
Community and Economic Development including Event Delivery					
To promote economic development by collaboration, networking, information sharing and encouraging visitors	Initiatives to promote economic development/local business and/or celebrate business excellence are delivered, resourced or facilitated annually	≥6	21	Achieved	Achieved: 6
	Visitor Promotion campaigns are delivered resourced or facilitated annually	≥12	12	Achieved	Achieved: 15
	"From the Land" visitor promotion website usage increases annually	≥ 10%	81%	Achieved	Achieved: 11%

Funding Impact Statement – Community Services and Facilities

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	13,887	13,346	15,100	Note 1
Targeted rates	15,815	16,679	17,786	Note 1
Subsidies and grants for operating purposes	70	72	961	Note 2
Fees and charges	8,458	9,385	10,531	Note 3
Internal charges and overheads recovered	2,192	2,115	1,519	
Local authorities fuel tax, fines, infringement fees and other receipts	90	97	-	
Total operating funding (A)	***40,512***	***41,694***	***45,897***	
Applications of operating funding				
Payments to staff and suppliers	22,815	23,547	29,987	Note 4
Finance costs	1,579	1,752	1,653	Note 5
Internal charges and overheads	7,609	7,633	9,711	Note 6
Other operating funding applications	72	73	122	
Total applications of operating funding (B)	***32,075***	***33,005***	***41,472***	
Surplus/(deficit) of operating funding (A - B)	**8,437**	**8,689**	**4,425**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of capital funding				
Subsidies and grants for capital expenditure	-	2,105	-	
Development and financial contributions	3,029	1,016	5,932	Note 7
Increase/(decrease) in debt	4,342	9,574	46,364	Note 8
Gross proceeds from the sale of assets	2,585	5,222	-	Note 9
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	***9,956***	***17,917***	***52,296***	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	17,735	9,115	6,128	Note 10
- to improve the level of service	1,391	6,195	4,684	
- to replace existing assets	1,915	5,253	2,087	Note 10
Increase/(decrease) in reserves	(5,365)	(2,081)	41,450	Note 11
Increase/(decrease) of investments	2,717	8,124	2,372	
Total applications of capital funding (D)	***18,393***	***26,606***	***56,721***	
Surplus/(deficit) of capital funding (C - D)	**(8,437)**	**(8,689)**	**(4,425)**	
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	48,999	14,038
Repaid during the year	(2,547)	(6,535)
Balance as at 30/06/2024	85,678	93,181
Finance costs for year	2,794	4,711

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: Targeted rates & general rates are higher than the LTP due to the growing population of Selwyn District.

Note 2: Subsidies and grants are higher than the LTP due to grants agreed & administered to SDC after the budget was already set (however these will have been spent through roughly the same amount of unbudgeted expenditure).

Note 3: Fees and charges higher than the LTP in the areas of +$900k additional DOC reserve disposal income, +$687k Selwyn Aquatic Centre fees & charges, $341k additional revenue from commercial rentals and expense recoveries, among others.

Note 4: The nature of Customer Services and Facilities (CSF) for many teams is that they must operate at full capacity for operational and health and safety reasons (e.g. the sports centre and pools) so even if a position is vacant the hours must be filled in order to open and operate. Also during the year the Council adopted a living wage increase, which impacted many people within the CSF teams.

Note 5: Finance costs less than budgeted due to only 50% of capital projects (across council) progressed for the year and therefore less borrowing required and less interest.

Note 6: Internal Charges and overheads are higher than the LTP due to increased resourcing in the support departments to cope with high district growth.

Note 7: Development contribution revenue is higher than the LTP due to substantial growth in the district being higher than forecast.

Note 8: An internal re-classification of Internal Loans resulted in an increase in this line for 2023/24. In the Whole of Council FIS in Appendix 1 (see page 193) these internal movements are eliminated on consolidation which leaves the increase in external debt.

Note 9: The assets budgeted to be sold in the LTP '24 were not sold.

Note 10: Less than budgeted capital expenditure was delivered due to delays in commencement of capital projects.

Note 11: An internal re-classification of Reserves resulted in an increase in this line for 2023/24. The schedule of Reserves is disclosed in Note 26 of the Financial Report.



Democracy

This year the Council...

Received

1,509

submissions on the draft Long-Term Plan



Key results

Public hearings were held on the proposed LTP which resulted in 136 submitters presenting their submission in person. The Council's Representation Review was upheld by the Local Government Commission.

Performance highlights 2023/24

The 2023/24 year was the third of the Council's LTP 2021-2031 years. During the last 12 months, the Council engaged with residents through a wide range of formal and informal consultation processes.

These included consultation on the LTP 2024-2034, our Economic Development, Ageing, Youth and Biodiversity strategies, speed management plan and a share an idea to assist the early planning of the District Park.

Decisions on submissions to the Proposed District Plan were publicly notified in August 2023, with the plan now in operation as the 'Partially Operative District Plan'.

The Council received 26 appeals to sections of the plan, with four appeals resolved during the year. The Council hosted 19 full Council and Audit and Risk meetings, 40 Committee meetings for Community Services, Finance & Performance, Transport and Infrastructure; Planning and Climate Change, and Discretionary Funding.

The Council also facilitated 11 Malvern Community Board and 17 Selwyn Waihora Zone committee meetings.

Service targets for democracy

Objective	Performance measure	Service target	Achievement	Last year achievement (2022/23)
To provide confidence in the Council and residents' opportunity to participate in decision making	CouncilMARK overall grading	Not measured	Not measured (this was not measured due to Council not having collected results)	This was not measured due to Council not having collected results
	The numbers of events at which residents have the opportunity to engage with the Council as part of the Annual Plan/Long-Term Plan process	4	Achieved: 14 drop in sessions + 1 online session	Achieved



Funding Impact Statement – Democracy

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Operating funding				
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	2,480	2,481	2,792	
Targeted rates	1,074	1,154	1,204	
Subsidies and grants for operating purposes	-	53	33	
Fees and charges	149	16	113	
Internal charges and overheads recovered	391	393	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
Total operating funding (A)	***4,094***	***4,097***	***4,141***	
Applications of operating funding				
Payments to staff and suppliers	3,668	3,604	4,443	Note 1
Finance costs	-	-	-	
Internal charges and overheads	1,117	1,181	1,292	
Other operating funding applications	256	263	136	
Total applications of operating funding (B)	**5,041**	**5,048**	**5,871**	
Surplus/(deficit) of operating funding (A-B)	**(947)**	**(951)**	**(1,730)**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Capital funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	**-**	**-**	**-**	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	-	-	-	
- to improve the level of service	-	-	-	
- to replace existing assets	-	-	-	
Increase/(decrease) in reserves	-	-	-	
Increase/(decrease) of investments	(947)	(951)	(1,730)	
Total applications of capital funding (D)	***(947)***	***(951)***	***(1,730)***	
Surplus/(deficit) of capital funding (C-D)	**947**	**951**	**1,730**	
Funding balance ((A-B) + (C-D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	-
Repaid during the year	-	-
Balance as at 30/06/2024	-	-
Finance costs for year	-	-

Explanations for significant variances between actual and the Long-Term Plan for the year 2023 to 2024:

Note 1: Payments to staff and suppliers are higher than the Long-Term Plan due to the timing of the planned Canterbury Museum upgrade. The Museum is planning a major upgrade to its buildings in the coming years to improve the visitor experience and to make better provision for the preservation of its extensive collection. The upgrade will be funded by a number of organisations and will include a contribution from Selwyn ratepayers.


SCHOOL
TRAFFIC SAFETY
TEAM
ZEALAND
POLICE
keep our
ariki safe
SCHOOL PATROL
STOP
SCHOOL PATROL
STOP

Enviromental and Regulatory Services

This year the Council...

Processed
676
resource consent applications

Issued
2,038
building consents

Registered
17,326
of the district's dogs

Issued
2,144
Code of Compliance certificates

Key results

84%
of resource consents issued on time

89%
of building consents issued on time

100%
of known dogs registered

100%
of registered food premises assessed per schedule





Performance Highlights 2023/24

Building

Application numbers softened throughout the financial year enabling the building team to get back on top of statutory compliance for building consents. The slow-down can be attributed to market pressures, material costs, inflation, interest rates, all adding to an increase in build costs.

Building Warrant of Fitness audit numbers are increasing with a stable workforce in the building compliance team and is resulting in several issues being identified. We are also seeing a positive lift in the work being carried out by Independent Qualified Persons inspecting these systems.

Regulatory

There has been a continued growth in the complexity of compliance cases and the monitoring and enforcement functions were similarly busy. The Council has successfully resolved and responded to all complaints, investigating them through to conclusion.

92% of all resource consent conditions were monitored within one month of the call-up report being issued, and the remaining 8% were monitored within the next calendar month exceeding the key performance indicator (KPI) of 85%.

The Parking Enforcement function has been a growth area with over 994 complaints about unsafe parking. Whilst a solutions-based approach continues to be applied, Council will look to introduce key performance indicators as data is captured to measure service delivery and response times.

The introduction of 'one-tag' lifetime dog tags, along with online registration has continued to help manage the increasing demand in growth from the number of dog registrations and complaints. 100% of all targets for minimising adverse effects on the public were achieved.

Similarly, all alcohol license applications were processed in accordance with legislative requirements and timeframes.

Resource Consents

Selwyn District continued to experience a strong rate of growth throughout the year, which is reflected in the number of resource consent applications processed. In the period from 1 January to 30 June, 48% more applications were received than for the same period in the previous year. The issue of decisions on the now Partially Operative District Plan and the subsequent appeal process has added to the complexity of the workload.

The high volume of work and added complexity has resulted in some applications having timeframe over-runs, despite extending timeframes on many applications. Timeframe compliance as well as quality of outcome are specific focuses of continuous improvement projects.

Implementation of new software solutions, as well as the addition of more full-time equivalent staff (FTE) in 2024/25 will assist in improvements across the board.

Service targets for Development and Growth

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
Strategy and policy				
To plan and provide for the sustainable management, development and protection of natural and physical resources of the District	The District Plan is up to date and in line with legislative requirements, including a reviewing provision every 10 years	100%	Achieved: 100%	Achieved: 100%
	Plan Changes are completed and made operative within two years of notification. NCS database updated and closed out.	100%	Achieved: 100%	Achieved: 100%
	Private plan changes have a decision made on them within two years of notification. NCS database updated and closed out.	100%	Achieved: 100%	Achieved: 100%
To engage with local communities, developers and other interested parties to develop a strategic direction	A suggested work programme is included on the Council agenda once a year (Annual Plan process). The Council decides which projects are advanced from the work programme per year.	Achieved	Achieved	Achieved
To protect areas of significant indigenous vegetation and significant habitats of indigenous fauna to ensure no net loss of indigenous biodiversity, and other indigenous biodiversity values are maintained and enhanced	Identify and protect 15 Significant Natural Areas in the district per year	100%	Not achieved: 53%. Due to governments' shift in focus, staff re-prioritised workload to protection of biodiversity and working with landowners	Achieved: 100%

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To encourage and support the restoration and enhancement of areas of indigenous biodiversity	Carry out or facilitate 2 km of riparian margin planting in the district year	100%	Achieved: 100%	Achieved: 100%
	Carry out or facilitate 5 ha of indigenous vegetation planting in the district per year	100%	Achieved: 100%	Achieved: 100%
Resource consents and compliance				
To administer the District Plan effectively and efficiently by making timely and quality decisions on Resource Consents	Proportion of Resource Consents issued within Statutory Requirements	98%	Not achieved: 84% The volume of resource consents increased this year and the increased workload caused delays in issuing consents	Not achieved: 77%
To interact with Resource Consent Applicants in a manner which results in a high level of customer satisfaction	Preparation of Environment Court Appeals Settled or found in Council's favour	70%	N/A (no appeals received or resolved in this time period)	Not applicable (no appeals resolved)
	Proportion of Resource Consent Applicants very satisfied or satisfied	85%	Not measured. Insufficient responses from customers.	Not measured

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
Building control				
To support compliant building work through the efficient and effective administration of the Building Act 2004	Proportion of building consents issued within statutory time frames	95%	Not achieved: 89%. This was low due to the high volume of building work being experienced in the district. The 23/24 year started out with 75% compliance in July with gradual improvement throughout the period finishing on 96% in June.	Not achieved: 60%
	Carry out audit inspections of all known residential pools in the district within a three year cycle	33% of pools	Not achieved: 22% This target was not met due to staffing constraints, and Council is continuing to recruit to build the team to capacity to ensure we can meet the workload demands moving forward.	Not achieved: 24%
	Audit a representative sample of commercial building warrant of fitness's in the district	10% of all current BWOFs audited annually	Not achieved: 9%. This target was not met due to staffing constraints, and Council is continuing to recruit to build the team to capacity to ensure we can meet the workload demands moving forward.	Achieved: 13%
	Proportion of Code Compliance certificates issued within statutory time frames	95%	Achieved: 97%	Achieved: 96%
	Proportion of Building Consent Applicants satisfied or very satisfied	90%	Not measured	Not measured
Animal control				
To register all known dogs	Registration of all known dogs by 30 June each year	100%	Achieved: 100%	Achieved: 100%
To investigate all complaints in regard to dog control in a timely manner	Percentage of urgent callouts attended to within two hours	100%	Achieved: 100%	Achieved: 100%
	Percentage of non-urgent callouts attended to within 72 hours	100%	Achieved: 100%	Achieved: 100%

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
Environmental health				
To ensure all registered premises are operated in a manner that minimises any adverse effects on public health	Verbal and written food complaints, enquiries and suspected and confirmed food poisoning incidents will be responded to promptly and within the same day including contacting the complainant or enquirer	100%	Achieved: 100%	Achieved: 100%
	Complaints only in writing will be actioned within three working days (subject to human risk level)	100%	Achieved: 100%	Achieved: 100%
	All registered premises to be inspected and assessed at least once annually between the months of 1 July and 31 December	100%	Achieved: 100%	Achieved: 100%
To ensure all registered premises are operated in a manner that minimises any adverse effects on public health	All enquiries and complaints are prioritised and responded to within 24 hours	100%	Achieved: 100%	Achieved: 100%
	Each notified disease is actioned on the day of receipt from Canterbury District Health Board (Community & Public Health). The initial procedure involves telephone contact with each individual case and if they are not available a standard notification letter is sent on the same day.	100%	Achieved: 100%	Achieved: 100%
	All public swimming pools in the District will be inspected and assessed on an annual basis. These assessments will take place during the months of October – December or prior to use.	100%	Achieved: 100%	Achieved: 100%
	All public events (open to the general public) which have associated licences (Food, Alcohol, Amusement Devices) shall be visited on the day(s) of the event for the purposes of food safety, public health and sanitation	100%	Achieved: 100%	Achieved: 100%

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
Alcohol licencing				
To ensure all licence applications are processed efficiently in accordance with legislative requirements	Proportion of Special Licenses issued within 15 working days of receipt of reports filed by the Police and the Medical Officer of Health	100%	Achieved: 100%	Achieved: 100%
	Proportion of all other uncontested licenses issued within 20 working days of the closing day of submissions	100%	Achieved: 100%	Achieved: 100%
Monitoring, compliance and enforcement				
To monitor activities granted a resource consent to maintain compliance	Monitoring of resource consents conditions are completed within one calendar month of the monitoring report being issued	85%	Achieved: 92%	Achieved: 93%
	All complaints are recorded and investigated to conclusion	100%	Achieved: 100%	Achieved: 100%

Statistics for Resource and Building Consents

For year ended 30 June 2024.

Indicator	Number processed	Working days target	Target % within working days	% Achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	1	130	100%	100%	159
Subdivision consents – notified (no hearing)	-	50	100%	100%	-
Subdivision consents – limited notification (with hearing)	1	100	100%	50%	171
Subdivision consents – limited notification (no hearing)	2	65	100%	50%	58
Subdivision consents – non-notification (no hearing)	149	20	100%	77%	36
Land use consents – notified (with hearing)	1	130	100%	100%	159
Land use consents – notified (no hearing)	-	50	100%	100%	-
Land use consents – limited notification (with hearing)	2	100	100%	50%	157
Land use consents – limited notification (no hearing)	2	65	100%	50%	58
Land use consents – non-notification (no hearing)	433	20	100%	87%	31
Building consents	1,957	20	100%	89%	13
Full code of compliance certificates	2,144	20	100%	97%	6

Statistics for Resource and Building Consents

For year ended 30 June 2023.

Indicator	Number processed	Working days target	Target % within working days	% Achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	-	130	100%	100%	-
Subdivision consents – notified (no hearing)	-	50	100%	100%	-
Subdivision consents – limited notification (with hearing)	1	100	100%	0%	109
Subdivision consents – limited notification (no hearing)	2	65	100%	50%	64
Subdivision consents – non-notification (no hearing)	134	20	100%	86%	26
Land use consents – notified (with hearing)	1	130	100%	100%	117
Land use consents – notified (no hearing)	-	50	100%	100%	-
Land use consents – limited notification (with hearing)	4	100	100%	25%	128
Land use consents – limited notification (no hearing)	2	65	100%	50%	71
Land use consents – non-notification (no hearing)	485	20	100%	94%	17
Building consents	3,208	20	100%	42%	27
Full code of compliance certificates	2,252	20	100%	92%	5

Funding Impact Statement – Environmental and Regulatory Services

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	8,447	8,257	9,292	Note 1
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	130	133	52	
Fees and charges	9,427	9,675	12,039	Note 2
Internal charges and overheads recovered	1,334	1,308	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
Total operating funding (A)	***19,338***	***19,373***	***21,382***	
Applications of operating funding				
Payments to staff and suppliers	15,069	15,177	18,804	Note 3
Finance costs	-	-	-	
Internal charges and overheads	4,182	4,098	6,201	Note 4
Other operating funding applications	5	5	-	
Total applications of operating funding (B)	**19,256**	**19,280**	**25,005**	
Surplus/(deficit) of operating funding (A-B)	**82**	**93**	**(3,623)**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	(18)	
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	**-**	**-**	***(18)***	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	39	40	-	
- to improve the level of service	-	-	-	
- to replace existing assets	-	-	-	
Increase/(decrease) in reserves	34	35	485	
Increase/(decrease) of investments	9	18	(4,126)	
Total applications of capital funding (D)	***82***	***93***	***(3,641)***	
Surplus/(deficit) of capital funding (C - D)	**(82)**	**(93)**	**3,623**	
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	-
Repaid during the year	(20)	(18)
Balance as at 30/06/2024	305	287
Finance costs for year	8	17

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: The general rate funding requirement is higher than the LTP largely due to the timing of completion of work related to the District Plan review.
Note 2: Fees and charges revenue is higher than the LTP largely due to the level of building activity in the District.
Note 3: Payments to staff and suppliers is higher than the LTP largely due to increased level of resource to cope with increased level of building activity.
Note 4: Internal Charges and overheads are higher than the LTP due to increased resourcing in the support departments to cope with high district growth.



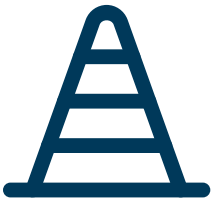
Transportation

This year the Council...

Completed
11,810 km
of grading on unsealed roads



Repaired
4,786
potholes



Completed
4,336 m
of footpath renewals

Completed
81 km
of sealed and unsealed road renewals

Completed
8 km
of sealed road pavement rehabilitation



Completed
557 m
of footpath extensions

Completed **6,800 m** of shared path construction

Key Results

86%
of urban road network met quality target

98%
of rural sealed road network met quality target

95%
of footpaths met service standards

Performance highlights 2023/24

The 2023/24 financial year was the third year of the National Land Transport Programme funding cycle. The Council has been successful in securing additional New Zealand Transport Agency (NZTA) subsidy to significantly step up the delivery of both capital projects and road maintenance and renewals, despite cost fluctuation from inflation and government regulatory changes.

Major projects completed or near completion in 23/24 include:

- Shands/Hamptons Roundabout
- Shands/Trents Roundabout
- Tosswill/Trices Roundabout
- Leeston/Goulds Road Intersection improvement
- Maddisons/Dawsons Road Intersection improvement
- Trents Road widening
- Re-decking of the Waimakariri Gorge Bridge
- Templeton to Prebbleton Cycleway
- West Melton to Rolleston Cycleway
- Springston Rolleston Road Shared Use path
- Villa Mews Shared Use Path
- District Wide LED Conversion
- Dunns Crossing Road streetlighting
- Weedons Ross Road streetlighting
- Lincoln Rolleston Road streetlighting
- Broadlands Drive Park n Ride

Other projects across the district include new bus shelters, footpath extension, speed limit reduction around schools, minor safety improvements, and road safety promotion including bike skill training in schools. For road maintenance and renewals, the Council delivered 81km of reseals and 8km of sealed road pavement rehabilitation, a significant improvement on previous years.

The Council built 6,800m of shared use path (cycleway) in 23/24, in addition to 557m of footpath constructed to establish a well-connected network. The performance target for footpath only has been deemed too high compared to available budget and has been revised down in the Long-Term Plan 2024/34 (LTP).

Safety remained a key issue, with crashes at intersections being a concern. In 2023/24, there were six fatal crashes and 21 serious-injury crashes on Selwyn's local road network, resulting in eight fatalities and 27 serious injuries.

While the overall condition of the network met the target, the urban portion of the network continues to be below target. This was impacted by the extensive urban development, capital works involving road excavation, as well as some roads deteriorating under heavy traffic.

The Council delivered 11,810km of unsealed road grading. The condition of gravel roads is monitored closely. Contractor inspections include a range of factors, with the proportion of road rated as good or very good reported.

The Council's target of 70% was not achieved, but further surveys are required to determine if this target is realistic year-round, especially considering the increasing impacts of more severe weather events resulting from climate change.

Service targets for Transportation

Objective	Performance measure	Service area	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To provide a well maintained, operated and affordable land transport system	Response to service requests: The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the LTP. (Mandatory Performance Measure)	All	>75% resolution within the 10 day timeframe specified	Achieved: 77.0% For the purposes of this measure, response means council has resolved the matter for which the service request was raised. The reported result only includes those service requests for which a response was provided during the reporting period	Not achieved: 70.3%
	Condition of the sealed road network: The average quality of ride on a sealed local road network, measured by smooth travel exposure. (This Mandatory Performance Measure indicates the percentage of the network that complies with a maximum roughness target for a particular level of road)	Urban	≥90%	Not achieved: 86% (urban roughness continues to be affected by construction activities leaving patches and some uneven surfaces)	Not achieved: 88%
		Rural	≥95%	Achieved: 98%	Achieved: 98%
		All roads	≥95%	Achieved: 95%	Achieved: 96%
	Maintenance of a sealed local road network: The distance of the sealed local road network that is resurfaced. (Mandatory Performance Measure)	Sealed roads	≥75km	Achieved: 81km	Not achieved: 23.66km
	Maintenance of the unsealed road network: The percentage of roads to achieve "good" or "very good" grades in both of the previous biannual visual condition surveys	Unsealed roads	70%	Not achieved: Dec 63% June 31% (Major weather events in July and October impacted unsealed roads)	Not achieved: 63% (A very challenging year has impacted rural unsealed roads. There have been numerous storm events resulting in extensive damage to roads and access to properties lost.)

Objective	Performance measure	Service area	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To provide a well maintained, operated and affordable land transport system	Condition of footpaths within the local road network: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its Annual Plan, activity management plan, asset management plan, annual works programme or LTP). (Mandatory Performance Measure)	Footpaths	≥80%	Achieved: 95%	Achieved: 95%
To cater for any significant projected traffic increases in a sustainable manner	The percentage of individual large capital projects generally completed in the year that they were programmed to occur	Roading improvements	≥75%	Not achieved: 69%. (A change in assessing this measure takes an overall approach as most projects occur across several years. 50% of projects are either complete or underway within the timeframe proposed)	Not achieved: 71%. (A change in assessing this measure takes an overall approach as most projects occur across several years. 50% of projects are either complete or underway within the timeframe proposed)
To allow pedestrians, cyclists and motor vehicle users move safely around the Selwyn District	Road Safety: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (Mandatory Performance Measure)	Road safety	Progressively reducing number of fatal and serious crashes	Not achieved: six fatal and 21 serious Injury crashes	Not achieved: one fatality and 18 serious injury crashes
	Public Transport: The change from the previous financial year in the number of passengers utilising public transport to, from, or within the district	Public transport utilisation	Progressive increase in patronage numbers	Achieved: 452,069 (increase of 107,224)	Achieved: 344,845 (increase of 90,690)

Objective	Performance measure	Service area	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To allow pedestrians, cyclists and motor vehicle users to move safely around the Selwyn District	Active transport (walking): The length of new footpaths constructed	Active transport	2,800 m	Not achieved: 557m constructed (Service target has been reduced to 1,000 m in 2024-2034 LTP. This does not include shared-use paths)	Not achieved: 2,623 m constructed
	Active transport (cycling): The number of schools participating in the School Cycle Skills Education Programme	Active transport	Three schools	Achieved: 27 schools	Achieved: 20 schools
To contribute to an integrated and responsive local and regional transportation system	Allocate the appropriate staff and resources to represent the interests of the Council and the community in Greater Christchurch and regional transportation planning, earthquake recovery, funding and implementation initiatives	Attendance at relevant Regional Transport Committee (RTC) and Regional Transport Officers Group (TOG) meetings and forums.	≥80%	Achieved: 100% (nine out of nine)	Achieved: 88% (seven out of eight)

Funding Impact Statement – Transportation

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Operating funding				
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	3,257	6,308	7,099	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	2,787	2,999	10,519	Note 1
Fees and charges	-	-	141	
Internal charges and overheads recovered	2,066	2,344	-	
Local authorities fuel tax, fines, infringement fees and other receipts	299	308	273	
Total operating funding (A)	***8,409***	***11,959***	***18,032***	
Applications of operating funding				
Payments to staff and suppliers	6,678	6,946	14,347	Note 2
Finance costs	1,198	1,427	1,347	
Internal charges and overheads	2,477	2,507	2,697	
Other operating funding applications	**-**	**-**	**-**	
Total applications of operating funding (B)	**10,353**	**10,880**	**18,390**	
Surplus/(deficit) of operating funding (A-B)	**(1,944)**	**1,079**	**(358)**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Capital funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	7,778	8,399	15,167	Note 3
Development and financial contributions	1,324	1,146	1,533	
Increase/(decrease) in debt	9,826	8,485	10,567	
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	***18,928***	***18,030***	***27,267***	
Applications of capital funding				
Capital expenditure				
- to meet additional demand	495	2,818	18,448	Note 4
- to improve the level of service	7,893	8,952	898	Note 5
- to replace existing assets	8,596	8,793	15,421	Note 6
Increase/(decrease) in reserves	739	263	(11,816)	Note 7
Increase/(decrease) of investments	(739)	(1,717)	3,958	
Total application of capital funding (D)	**16,984**	**19,109**	**26,909**	
Surplus/(deficit) of capital funding (C-D)	***1,944***	***(1,079)***	***358***	
Funding balance ((A - B) + (C - D))	-	-	-	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	74,994
Repaid during the year	-	-
Balance as at 30/06/2024	-	74,994
Finance costs for year	-	2,933

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: Subsidies and Grants for operating and capital expenditure is higher than in the LTP due mainly to higher levels of subsidies received from Waka Kotahi than budgeted including subsidies for emergency works.
Note 2: Payments to staff and suppliers is higher than the LTP due to emergency works expenditure and subsidized maintenance and operational expenditure being higher than originally budgeted.
Note 3: Subsidies and grants for capital expenditure are higher than the LTP due to increased capital projects expenditure resulting in more subsidies being claimed and also due to funds being received for emergency works.
Note 4: Capital expenditure to meet additional demand is higher than the LTP due to the timing of completion of capital projects, including projects for the roundabouts at the Shands and Hamptons Road intersection and Shands and Trents Road intersection.
Note 5: Capital expenditure to improve the level of service is lower than the LTP due to the timing of completing some capital projects, including planned local road improvements.
Note 6: Capital expenditure to replace existing assets is higher than the LTP due to the timing of project completions including sealed road resurfacing, pavement rehabilitation and re-decking the Waimakariri Gorge bridge.
Note 7: An internal re-classification of Reserves resulted in an increase in this line for 2023/24. The schedule of Reserves is disclosed in Note 26 of the Financial Report.

Resource Recovery and Waste Management

This year, the Council collected:

Waste and recycling from over

27,000

households



12,300

tonnes of rubbish



5,100

tonnes of recycling

8,400

tonnes of organics



34,500

tonnes of material processed through the Pines Resource Recovery Park.

Key results

3% reduction in total waste to landfill per capita.

14% reduction in contamination of kerbside recycling.



Performance highlights 2023/24

We are committed to diverting waste from landfill, as this impacts our carbon footprint, keeps valuable resources in use, and helps to reduce our environmental impact.

In 2023/24, Council continued work to transform the Pines Resource Recovery Park as part of the ReConnect project. This project is designed to inspire our communities to think differently about waste. The transformation incorporates the use of reclaimed buildings as well as sustainable material choices in the construction of new facilities and buildings on-site.

Our Waste and Sustainability Educator at ReDiscover provided over 140 outreach and on-site programmes to community groups and schools, hosted events and attended expos, reaching over 5,800 people.

The kerbside collection service collected bins from over 27,000 households. During the past year, a 3% reduction in total waste to landfill per capita was achieved, and contamination in kerbside recycling was reduced by 14%. We conducted a second recycling contamination education campaign in May and June of 2024.

ReConnect

The ReConnect Project at the Pines Resource Recovery Park is progressing. In 2024, we opened ReNourish – our community garden. At ReNourish we focus on using resources wisely and repurposing, recycling, and recovering materials for beneficial use. It is located adjacent to ReDiscover, our education centre, and provides a space to connect through workshops such as composting, learning to preserve fruits and vegetables, how to harvest and store vegetables and herbs for a longer shelf life and less food waste.

Our ReUse Shop is nearing completion and is expected to open in the 2025 calendar year. This will be an alternative to landfill for unwanted items that are still in a good usable condition, as well as providing a source of low-cost goods for the community.

Service targets for Resource Recovery and Waste Management

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To provide a quality solid waste service for the community	Number of substantiated formal complaints received per annum related to the solid waste service	≤15	Achieved: one substantiated formal complaint was received during the year	Achieved: two substantiated formal complaints were received during the year
To protect the environment by minimising waste to landfill	The total amount of landfill waste per capita measured against the previous year	No increase in kg per capita compared with the previous year	Achieved: 3% decrease in kg per capita on previous year	Achieved: 11% decrease in kg per capita on previous year
	The total amount of household kerbside landfill waste per capita measured against the previous year	Reduction in kg per capita compared with the previous year	Not achieved: 1% increase in kg per capita on previous year	Not achieved: 14% increase in kg per capita on previous year
	Percentage of contamination in the kerbside recycling measured against the previous year	Reduction in percentage contamination compared with the previous year until ≤2%	Achieved: 14% reduction in contamination levels on previous year	Achieved: 30% reduction in contamination levels on previous year


GREEN WASTE
RUBBISH/ HARDFILL
10
DANGER
CHILDREN ARE TO REMAIN IN VEHICLE AT ALL TIMES
PLEASE MAKE YOURSELF AWARE OF THE HAZARDS ON SITE
Moving vehicles and machinery
Flying debris
Trip hazard
Heavy object
Fall risk
Pedestrians
www.selwyn.govt.nz
Selwyn
GATE 2

Funding Impact Statement – Resource Recovery and Waste Management

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	-	-	-	
Targeted rates	9,636	10,120	12,029	Note 1
Subsidies and grants for operating purposes	70	71	10	
Fees and charges	3,375	3,941	8,997	Note 2
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
Total operating funding (A)	***13,081***	***14,132***	***21,036***	
Applications of operating funding				
Payments to staff and suppliers	11,670	13,197	18,706	Note 3
Finance costs	272	306	289	
Internal charges and overheads	625	635	527	
Other operating funding applications	-	-	-	
Total applications of operating funding (B)	**12,567**	**14,138**	**19,522**	
Surplus/(deficit) of capital funding (A-B)	**514**	**(6)**	**1,514**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	(208)	2,981	3,553	
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	***(208)***	***2,981***	***3,553***	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	76	3,376	3,439	
- to improve the level of service	-	-	-	
- to replace existing assets	-	-	111	
Increase/(decrease) in reserves	-	-	8,353	Note 4
Increase/(decrease) of investments	230	(401)	(6,836)	
Total applications of capital funding (D)	***306***	***2,975***	***5,067***	
Surplus/(deficit) of capital funding (C - D)	**(514)**	**6**	**(1,514)**	
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	10,706
Repaid during the year	-	-
Balance as at 30/06/2024	-	10,706
Finance costs for year	-	335

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: Targeted rate revenue is higher than the LTP due to growth in the district.
Note 2: Fees and charges revenue is higher than the LTP predominantly due to higher than forecast organic tonnes received at the Pines Resource Recovery Park.
Note 3: Payments to staff and suppliers is higher than the LTP due to higher than budgeted maintenance contracts and pit operation costs due to higher growth in the district.
Note 4: An internal re-classification of Reserves resulted in an increase in this line for 2023/24. The schedule of Reserves is disclosed in Note 26 of the Financial Report.



5 Waters Service

This year the Council...



Provided drinking water to

81%

of residential properties

Supplied

9.31

million cubic metres of water to households

Provided wastewater to

68%

of residential properties



Treated

4.34

million cubic metres of wastewater

The Council also maintained...

1,549 km
of water network

693 km
of wastewater network

128 km
of stormwater pipes

1,572 km
of water race channels

372 km
of land drainage drains

Key results

Operating under the new Drinking Water Quality Assurance Rules (DWQAR), our water supplies were:

98%
of treatment plants compliant for protozoa treatment

98%
of treatment plants compliant for bacterial

100%
compliant for bacteria monitoring (E.coli testing) in the distribution

0.335m^3
Average consumption of drinking water per day per resident

Performance highlights 2023/24

Safe drinking water

From 1 January 2023, new Drinking Water Quality Assurance Rules (DWQAR) reporting started, as introduced by Taumata Arowai.

Council's reporting requirements measure compliance against the following criteria: bacterial, protozoa, chemicals and cyanotoxin for treatment plants and microbiological, residual disinfection, disinfection by-products and plumbosolvent metal rules for distribution networks. Compliance is monitored and reported through on-line monitoring along with a sampling regime, with minimum samples specified for various zones. At minimum we adhered to these sampling requirements, and in some zones exceeded the sampling requirements.

All water treatment plants have now a protozoa and bacteria barrier (Ultraviolet light UV) in place. The compliance at water treatment plants for protozoa was 98% and for bacterial 98% and 100% for monitoring E. coli in the distribution systems.

Treatment non-compliances were mainly contributed to a lack of treatment barrier for part of the year for two supplies until new treatment came on-line and a data recording error on the 17 July 2023, which meant records were not available to show compliance for many treatment plants for that one day. It is important to note for the data recording error, all treatment plants remained in operation, met critical control point requirements and delivered safe water.

Water quantity

Selwyn residents tend to be high users of water, using an average of 0.335 m^3 of water per person a day in the 2023/24 year, slightly lower compared with previous years.
This can be attributed to mostly outdoor use – residents tend to have larger sections and therefore wish to maintain these sections, with comparatively low rainfall and free draining soils water use has historically been high. The Council has a role to play in continuing to educate the community on water conservation, with a long-term view to changing behaviour on water consumption.

Serviced area

81% of residential properties in Selwyn are serviced with water and 68% of residential properties are serviced by the Council's wastewater systems.

Compliance with resource consents

During the 2023/24 year there were no abatement notices, infringement notices, enforcement orders or convictions received for any of the Council's water services.

Dry weather sewer overflows

The Council attended to two dry weather sewage and one wet weather overflows in 2023/24. The target was less than 1.4 overflows per 1,000 rated properties, which was met. The final result was 0.9 dry weather overflows and 0.05 wet weather overflows per 1,000 rated properties.

Water sustainability and availability

Sustainable water management continues to be a focus for the Council. We are actively implementing a Water Demand Management Strategy which includes the installation of water meters and implementation of volumetric water charging. The Council is aware of the potential impact that climatic cycles and trends have on its five waters and is actively monitoring and planning for this.

Water loss assessment

The percentage of real water loss from the water reticulation system in urban schemes was 20.2%. It was determined through water balance calculations for each supply, using a nationally agreed methodology (BenchlossNZ).

It is noted that there were a significant number of 'new' metered water connections which were not included in the water billing data provided, and assumptions were made for these connections based on readings made in Aug-Oct 2024 except for Lincoln and Rolleston.

At the time of reporting some water meter reads data for Rolleston and Lincoln schemes were unavailable or incomplete. Rather than excluding these meters from the analysis and significantly over estimating leakage, existing use from the water meter read data set was analysed by SDC staff and used to estimate water demand for the missing data. For Rolleston and Lincoln, the missing water use data was updated with the following assumption: 49% of connections with full year use, 21% half year use and 30% zero use. These assumptions have been included in the water balance calculations and water loss results. It should be noted that while these assumptions aim to approximate the missing data as closely as possible, confidence in the accuracy of results for the Lincoln and Rolleston Townships is reduced.

Service targets for 5 Waters Services

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
Land drainage				
To minimise nuisance effects from water services	The number of complaints received about the performance of the land drainage system, expressed per 1,000 rated properties	Less than 10	Achieved: 3.40	Achieved: 2.25
To provide water services in a cost-effective manner	Total average operating cost per serviced property for land drainage	≤$170	Not achieved: $193.61. Target was set 3 years ago and higher than forecasted inflation has occurred.	Achieved: $113.70
Stormwater				
To minimise adverse effects of water services on the environment	Compliance with resource consents for discharge from the stormwater system measured by the number of:		Achieved all	Achieved all
	a) abatement notices	Nil	Nil	Nil
	b) infringement notices	Nil	Nil	Nil
	c) enforcement orders	Nil	Nil	Nil
	d) convictions	Nil	Nil	Nil
	Received from Environment Canterbury. (Mandatory Performance Measure)			

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To minimise nuisance effects from water services	The number of complaints received about the performance of the stormwater system, expressed per 1,000 rated properties. (Mandatory Performance Measure)	Less than 20	Achieved: 7.88	Achieved: 12.03
	The median response time to attend a flooding event measured from the time that personnel receives notification to the time that service personnel reach the site. (Mandatory Performance Measure)	Less than one hour for urgent flooding events	Achieved: Nil	Achieved: Nil
	The number of flooding events that occur as a result of overflow from the stormwater system that enters a habitable floor (Mandatory Performance Measure)	Nil in less than 50 year storm events	Achieved: Nil	Achieved: Nil
	For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system (Mandatory Performance Measure)	Nil per 1,000 connected properties in less than 50 year storm events	Achieved: Nil	Achieved: Nil
	Total average rate per serviced property for stormwater	≤$110	Not achieved: $132.00. Target was set 3 years ago and higher than forecasted inflation has occurred.	Not achieved: $122.00

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
		Wastewater		
To minimise nuisance effects from water services	Compliance with resource consents for discharge from the wastewater system measured by the number of:		Achieved all	Achieved all
	a) abatement notices	Nil	Nil	Nil
	b) infringement notices	Nil	Nil	Nil
	c) enforcement orders	Nil	Nil	Nil
	d) convictions	Nil	Nil	Nil
	Received from Environment Canterbury. (Mandatory Performance Measure).			
	The total number of complaints received about sewage odour, blockages system faults and response to issues with its sewerage expressed per 1,000 rated properties (Mandatory Performance Measure)	Less than eight	Achieved: 1.51	Achieved: 1.18
To address problems with water services in a timely manner and prioritised according to risk and need	Where personnel attend wastewater overflows resulting from a blockage or other fault in the wastewater system. The median response time measures the:			
	a) attendance time: from the time that the personnel receives notification to the time that service personnel reach the site;	a) Less than one hour	Achieved: 50 minutes	Achieved: 35 minutes
	b) resolution time: from the time that the personnel receives notification to the time that service personnel confirm resolution of the blockage or other fault. (Mandatory Performance Measure)	b) Less than 24 hours	Achieved: 17 hours 11 minutes	Achieved: two hours 20 minutes

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To provide service capacity to accommodate growing communities, where this growth is sustainable	The proportion of residential properties serviced by wastewater services within the district expressed as a percentage of total residential properties	≥60%	Achieved: 68%	Achieved: 67%
To provide the community with water services to a standard that protects their health and property	The number of wet and dry weather wastewater overflows from the wastewater system, expressed per 1,000 rated properties (Mandatory Performance Measure)	Less than 1.4 overflow	Achieved: 0.14 Wet 0.05 Dry 0.09	Achieved: Wet 0.15 Dry 0.10
To provide water services in a cost effective manner	Total average rate per serviced property for wastewater	≤$555	Not achieved: $610.00. Target was set 3 years ago and higher than forecasted inflation has occurred	Not achieved: $586.00
Water supply				
To minimise nuisance effects from water services	Compliance with resource consents for surface water takes for water supplies measured by the number of:		Achieved all	Achieved all
	a) abatement notices	Nil	Nil	Nil
	b) infringement notices	Nil	Nil	Nil
	c) enforcement orders	Nil	Nil	Nil
	d) convictions	Nil	Nil	Nil
	Received from Environment Canterbury.			
To minimise nuisance effects from water services	The total number of complaints received about drinking water clarity, continuity of supply, odour, taste, pressure flow and response to these issues, expressed per 1,000 rated properties (Mandatory Performance Measure)	Less than 20	Achieved: 8.36	Achieved: 11.90

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To address problems with water services in a timely manner and prioritised according to risk and need	Where personnel attend a non-urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the:		Achieved all	Achieved all
	a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site;	a) Less than 24 hours	Achieved: 26 minutes	Achieved: one hour
	b) resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption (Mandatory Performance Measure)	b) Less than 120 hours	Achieved: one hour eight minutes	Achieved: two hours two minutes
	Where personnel attend an urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the:		Achieved all	Achieved all
	a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site;	a) Less than four hours	Achieved: 30 minutes	Achieved: 60 minutes
	b) resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption (Mandatory Performance Measure)	b) Less than 48 hours	Achieved: one hour three minutes	Achieved: two hours
To provide service capacity is provided to accommodate growing communities, where this growth is sustainable	The proportion of residential properties serviced by water supplies within the district expressed as a percentage of total residential properties	≥80%	Achieved: 81%	Achieved: 80%

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
To provide service capacity is provided to accommodate growing communities, where this growth is sustainable	The percentage of real water loss from the water reticulation system in urban schemes. Determined through a water balance calculations for each supply, using a nationally agreed methodology (BenchlossNZ) (Mandatory Performance Measure)	19%	Not achieved: 20.2% (Measure is close to achievement and improved from prior year)	Not Achieved: 20.9%
	The average consumption of drinking water per day per resident (Mandatory Performance Measure)	Less than 0.48m^3 per person per day within urban schemes	Achieved: 0.335 m^3	Achieved: 0.367m^3
	The extent to which the drinking water supplies comply with the drinking water standards for bacteria compliance (Mandatory Performance Measure)	≥99.9% of monitoring samples comply, at both the treatment plant and within the reticulation, across the district	Not achieved: (Treatment plant 98%) Achieved: (Reticulation 100%) Records were not available on one day due to a data recording error to show non compliance. However, on this day all treatment plants remained operational and meeting critical control point requirements and delivering safe water.	Not achieved: 1 July 2022 to 31 December 2022 80% 1 January 2023 to 30 June 2023 88% (Under new compliance rules) (No UV Protozoa barrier in place but in place as of May 2023)
	The extent to which the drinking water supplies comply with the drinking water standards for protozoal compliance	≥85% of the treatment plant sites (include bores where secure) are compliant across the district	Achieved: (98%)	Not achieved: 1 July 2022 to 31 December 2022 80% 1 January 2023 to 30 June 2023 88% (Under new compliance rules) (No UV Protozoa barrier in place but in place as of May 2023)
To provide water services in a cost effective manner	Total cost to provide 200m^3 of water to a 'on demand' serviced property	≤$484	Achieved: $468.00	Achieved: $432.00

Objective	Performance measure	Service target	Current year achievement (2023/24)	Last year achievement (2022/23)
		Water Races		
To minimise nuisance effects from water services	The total number of complaints received about continuity of supply, expressed per 1,000 rated properties	Less than 50	Achieved: 9.03	Achieved: 9.8
To address problems with water services in a timely manner and prioritised according to risk and need	Where personnel attends an urgent blockage or other fault in the water race system. The median response times measures the:		Achieved all	Achieved all
	a) Attendance time: from the time that personnel receives notification to the time that service personnel reach the site;	a) Less than four hours	Achieved: 31 minutes	Achieved: 35 minutes
	b) Resolution time: the time that personnel receives notification to the time that service personnel confirm the resolution of the blockage or other fault	b) Less than 48 hours	Achieved: two hours eight minutes	Achieved: two hours 26 minutes
To provide water services in a cost-effective manner	Total average operating cost per serviced property for water races	≤$200	Achieved: $115.75	Achieved: $109.51
To minimise adverse effects of water services on the environment	Compliance with resource consents for surface water takes for water supplies measured by the number of:		Achieved all	Achieved all
	a) abatement notices	a) Nil	Nil	Nil
	b) infringement notices	b) Nil	Nil	Nil
	c) enforcement orders	c) Nil	Nil	Nil
	d) convictions	d) Nil	Nil	Nil
	Received from Environment Canterbury.			



Funding Impact Statement – Community Water Supply

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	-	-	-	
Targeted rates	10,056	11,054	12,081	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	219	227	114	
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
Total operating funding (A)	***10,275***	***11,281***	***12,194***	
Applications of operating funding				
Payments to staff and suppliers	5,568	5,528	10,823	Note 1
Finance costs	465	575	542	
Internal charges and overheads	1,993	2,022	1,538	
Other operating funding applications	-	-	-	
Total applications of operating funding (B)	***8,026***	***8,125***	***12,903***	
Surplus (deficit) of operating funding (A - B)	**2,249**	**3,156**	**(709)**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	2,365	2,421	2,317	
Increase/(decrease) in debt	9,420	(594)	20,388	Note 2
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	***11,785***	***1,827***	***22,705***	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	4,764	4,759	10,512	Note 3
- to improve the level of service	5,591	3,706	10,060	Note 4
- to replace existing assets	3,874	3,974	4,646	
Increase/(decrease) in reserves	(2,835)	(2,946)	2,464	Note 5
Increase/(decrease) of investments	2,640	(4,510)	(5,686)	
Total applications of capital funding (D)	***14,034***	***4,983***	***21,996***	
Surplus/(deficit) of capital funding (C - D)	**(2,249)**	**(3,156)**	**709**	
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	40,563
Repaid during the year	-	-
Balance as at 30/06/2024	-	40,563
Finance costs for year	-	1,363

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: Payments to staff and suppliers is higher than the LTP largely due to the timing of completion of some operational projects and increased maintenance costs.
Note 2: Increase/(decrease) in debt is higher than LTP due to the timing of completion and increased costs of Capital Projects.
Note 3: Capital expenditure to meet additional demand is higher than the LTP due to timing of completion and increased cost of water supply projects.
Note 4: Capital expenditure to improve the level of service is higher than the LTP due to timing of completion and increased cost of water supply upgrades.
Note 5: An internal re-classification of Reserves resulted in an increase in this line for 2023/24. The schedule of Reserves is disclosed in Note 26 of the Financial Report.

Funding Impact Statement – Community Wastewater

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	-	-	-	
Targeted rates	9,044	9,796	10,935	Note 1
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	1,107	1,136	751	
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
Total operating funding (A)	***10,151***	***10,932***	***11,687***	
Applications of operating funding				
Payments to staff and suppliers	5,460	5,656	7,253	Note 2
Finance costs	926	1,282	1,210	
Internal charges and overheads	1,310	1,328	1,362	
Other operating funding applications	-	-	-	
Total applications of operating funding (B)	***7,696***	***8,266***	***9,825***	
Surplus (deficit) of operating funding (A - B)	**2,455**	**2,666**	**1,862**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	3,821	3,402	5,117	Note 3
Increase/(decrease) in debt	7,005	21,521	10,708	Note 4
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	***10,826***	***24,923***	***15,825***	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	7,707	26,037	11,760	Note 5
- to improve the level of service	3,409	2,035	2,056	
- to replace existing assets	2,700	4,161	4,047	
Increase/(decrease) in reserves	(1,123)	(1,103)	4,900	Note 6
Increase/(decrease) of investments	588	(3,541)	(5,076)	
Total applications of capital funding (D)	***13,281***	***27,589***	***17,687***	
Surplus/(deficit) of capital funding (C - D)	**(2,455)**	**(2,666)**	**(1,862)**	
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	4,715
Repaid during the year	-	-
Balance as at 30/06/2024	-	4,715
Finance costs for year	-	-

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: Targeted rate revenue is higher than the LTP due to growth in the district.
Note 2: Payments to staff and suppliers is higher than the LTP largely due to the timing of completion of some operational projects and increased maintenance costs.
Note 3: Development contributions revenue is higher than the LTP due to the higher than forecast substantial growth in the district.
Note 4: Increase/(decrease) in debt is lower than LTP due to the timing of completion of Capital Projects.
Note 5: Capital expenditure to meet additional demand is lower than the LTP due to timing of completion of Wastewater projects.
Note 6: An internal re-classification of Reserves resulted in an increase in this line for 2023/24. The schedule of Reserves is disclosed in Note 26 of the Financial Report.

Funding Impact Statement – Community Stormwater

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	-	-	-	
Targeted rates	1,991	2,256	2,455	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	-	-	-	
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
Total operating funding (A)	***1,991***	***2,256***	***2,455***	
Applications of operating funding				
Payments to staff and suppliers	1,335	1,387	1,609	
Finance costs	62	62	58	
Internal charges and overheads	202	205	722	Note 1
Other operating funding applications	-	-	-	
Total applications of operating funding (B)	***1,599***	***1,654***	***2,390***	
Surplus (deficit) of operating funding (A - B)	**392**	**602**	**66**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	251	257	15	
Increase/(decrease) in debt	-	-	16	
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	***251***	***257***	***31***	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	-	-	-	
- to improve the level of service	973	972	178	
- to replace existing assets	123	127	68	
Increase/(decrease) in reserves	74	79	(1,286)	
Increase/(decrease) of investments	(527)	(319)	1,136	
Total applications of capital funding (D)	***643***	***859***	***96***	
Surplus/(deficit) of capital funding (C - D)	**(392)**	**(602)**	**(66)**	
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	178
Repaid during the year	-	-
Balance as at 30/06/2024	-	178
Finance costs for year	-	-

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: Internal Charges and overheads are higher than the LTP due to increased resourcing in the support departments to cope with high district growth.

Funding Impact Statement – Water Races and Land Drainage

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	37	38	43	
Targeted rates	3,578	3,710	4,329	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	491	503	252	
Internal charges and overheads recovered	187	189	-	
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	
Total operating funding (A)	***4,293***	***4,440***	***4,624***	
Applications of operating funding				
Payments to staff and suppliers	3,023	3,248	4,138	Note 1
Finance costs	-	-	1	
Internal charges and overheads	631	639	485	
Other operating funding applications	-	-	-	
Total applications of operating funding (B)	***3,654***	***3,887***	***4,624***	
Surplus (deficit) of operating funding (A - B)	**639**	**553**	**-**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	102	
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	**-**	**-**	***102***	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	-	-	-	
- to improve the level of service	311	329	248	
- to replace existing assets	354	395	128	
Increase/(decrease) in reserves	16	2	(1,370)	
Increase/(decrease) of investments	(42)	(173)	1,096	
Total applications of capital funding (D)	***639***	***553***	***102***	
Surplus/(deficit) of capital funding (C - D)	**(639)**	**(553)**	**-**	
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	248
Repaid during the year	-	-
Balance as at 30/06/2024	-	248
Finance costs for year	-	-

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: Payments to staff and suppliers is higher than the LTP largely due to the timing of completion of some operational projects and increased maintenance costs.

Internal Council Services

Support services

Internal support and administration functions assist the Council to deliver its significant activities and services (with the exception of taxation expense).

The cost of all support services (overheads) is allocated to each of the Council's significant activities on a cost basis.

Support services include the Chief Executive's department, finance, digital services, enabling services, legal and risk, asset management and service delivery. Internal Council Services also cover the Council's corporate revenue, including dividends, interest and property leases. Because it includes corporate revenue, the Internal Council Services activity generates a surplus. This surplus is used to reduce the general rate requirement so that all ratepayers benefit from this revenue.

Working in collaboration with others

The Council collects rates on behalf of the Canterbury Regional Council (Environment Canterbury) which in turn pays us a fee and a portion of the rating valuation cost. The revenue received is used to offset the cost of running our rates department.

Internal Council services funding impact statement

The general rate revenue line in this statement is a reduction in the general rate requirement, rather than an amount of revenue to be collected from ratepayers. In effect, it offsets the amount of general rate expenditure that would need to be charged to ratepayers if the Council did not have dividend and interest revenue.

Supporting and developing our people

Reflecting on the growth of the organisation, the Council have appointed an Executive Director of People, Capability and Culture to further support the achievement of objectives within this Annual Plan and within the recently adopted Long-Term Plan 2024-2034 (LTP). A priority for this role is to ensure that the foundations of the organisation are in place to enable our kaimahi staff to succeed.

This work includes commencing an organisation-wide policy review, delegated authority review, an increased focus on building internal capacity for legal and risk management and a review of our delivery of Health, Safety and Wellbeing risk management.

In the area of Health, Safety and Wellbeing, community safety is at the heart of all that we do. The Council facilities have hundreds of thousands of visits per year and our teams work hard to ensure safe, welcoming and fit-for-purpose environments, so that all of our people, community included, go home safely every day. Internally our focus has centred around worker engagement, rollout of an organisation-wide critical risk programme, capability-building at the Governance level with workshops for Councillors and the Executive team, as well as an external review of the function, which will provide recommendations for the future.

The Council has nearly completed reviewing all position descriptions and learning needs of core roles to enhance capacity and capability and ensure our staff capacity is aligned with organisational needs. Following on from this significant piece of work is the roll-out of a new leadership development programme at the Executive level. This has commenced this year and will be further rolled out in the 2024/25 year for all leadership positions.

The ongoing delivery of core services, including learning and development, human resource, health, safety and wellbeing and recruitment functions have also been a focus this year. There are many small successes within this space, but a key measure is that our time to hire is significantly below industry average at around 26 days to fill a role, indicating that Selwyn District Council has a strong employee value proposition in the market. We are continuing to find ways to become more effective and efficient with our resources too. One way in which we are looking to improve is to increase our digital capacity by improving access of core human resources data and digital infrastructure. This includes a review of applicant tracking system, online learning systems and preparing for implementation of an human resources information system in year 3 of the Long-Term Plan 2024-2034 (LTP).





Funding Impact Statement – Internal Council Services

For the year ended 30 June 2024

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	787	853	960	
Targeted rates	314	335	80	
Subsidies and grants for operating purposes	153	157	240	
Fees and charges	1,270	1,327	1,777	
Internal charges and overheads recovered	25,155	25,117	31,562	Note 1
Local authorities fuel tax, fines, infringement fees and other receipts	5,863	5,999	6,968	Note 2
Total operating funding (A)	***33,542***	***33,788***	***41,586***	
Applications of operating funding				
Payments to staff and suppliers	20,551	20,638	30,558	Note 3
Finance costs	1	-	-	
Internal charges and overheads	11,178	11,218	7,989	
Other operating funding applications	127	131	305	
Total applications of operating funding (B)	***31,857***	***31,987***	***38,851***	
Surplus (deficit) of operating funding (A - B)	**1,685**	**1,801**	**2,735**	

	2022/23 LTP $000	2023/24 LTP $000	2023/24 Actual $000	Notes
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	(82)	-	5,284	Note 4
Gross proceeds from the sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	***(82)***	**-**	***5,284***	
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	876	370	684	Note 5
- to improve the level of service	-	-	-	
- to replace existing assets	258	254	-	
Increase/(decrease) in reserves	28	29	2,121	
Increase/(decrease) of investments	441	1,148	5,214	
Total applications of capital funding (D)	***1,603***	***1,801***	***8,019***	
Surplus/(deficit) of capital funding (C - D)	**(1,685)**	**(1,801)**	**(2,735)**	
Funding balance ((A - B) + (C - D))	**-**	**-**	**-**	

	2022/23 Actual $000	2023/24 Actual $000
Internal loans		
Raised during the year	-	-
Repaid during the year	-	-
Balance as at 30/06/2024	741	741
Finance costs for year	-	-

Explanations for significant variances between actual and the Long-Term Plan (LTP) 2023/24:

Note 1: Internal charges and overheads recovered are higher than the LTP due to continued population growth.
Note 2: Local authorities fuel tax, fines, infringement fees and other receipts are higher than the LTP due to higher dividend revenue and interest revenue received compared to projections.
Note 3: Payments to staff and suppliers are higher than the LTP due to continued population growth which includes increased staff numbers.
Note 4: The movement in debt represents the net transfer of loans between internal and external borrowing.
Note 5: Capital expenditure to meet additional demand is higher than the LTP due to increased information technology equipment and services.



Financial reporting

Statement of compliance and responsibility

Compliance

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

Responsibility

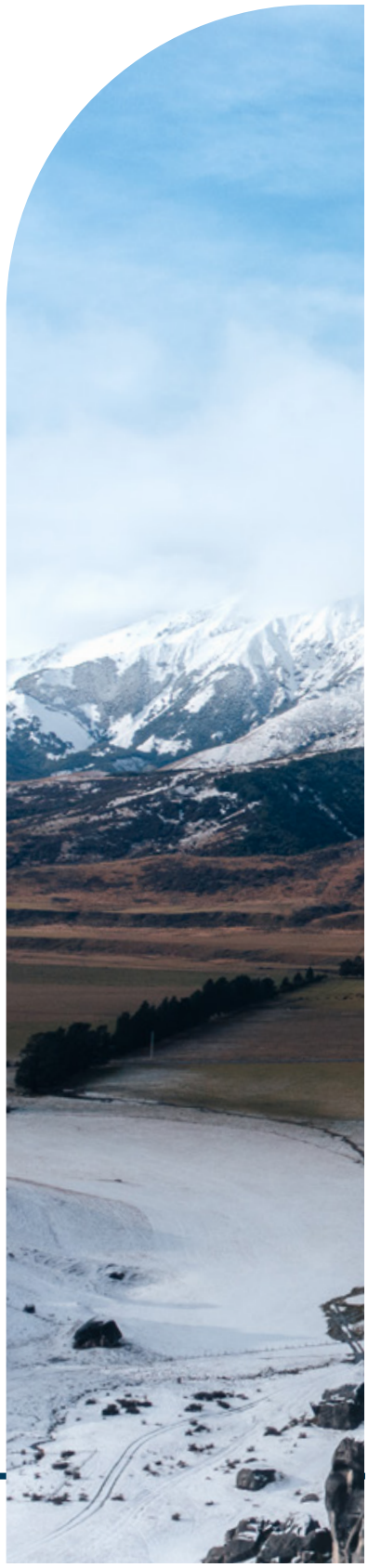
The Council and management of Selwyn District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of Selwyn District Council accept responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Selwyn District Council, the annual financial statements for the year ended 30 June 2024 fairly reflect the financial position and operations of the Selwyn District Council.

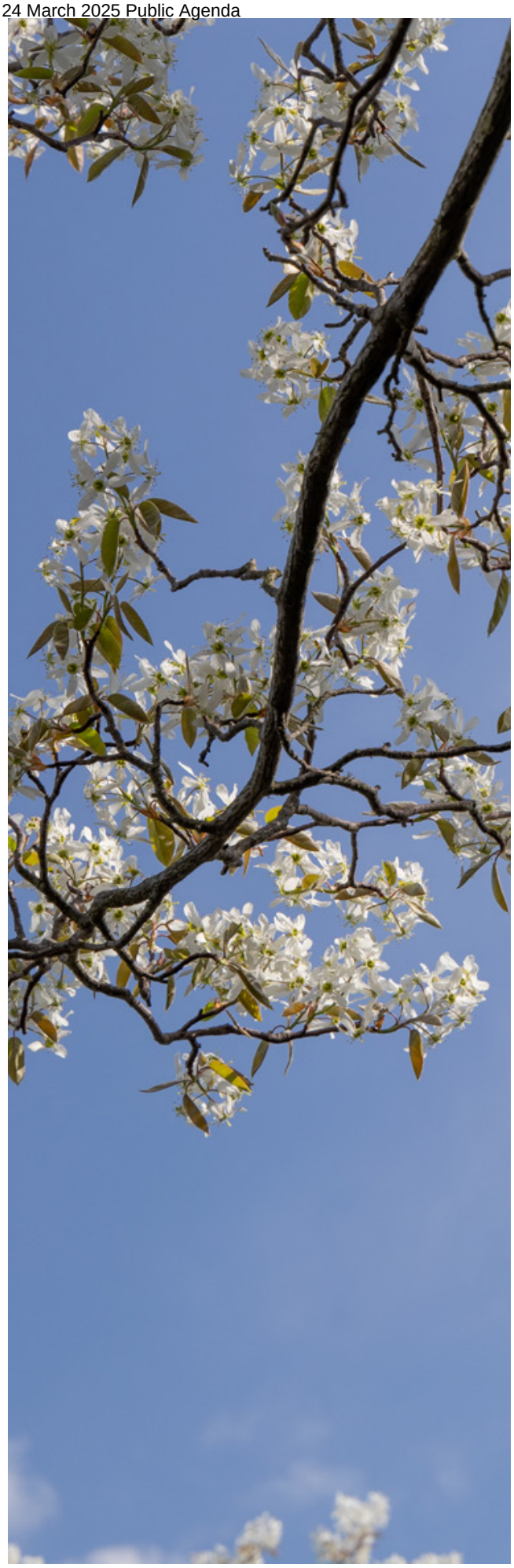
Sam Broughton,
Mayor

Sharon Mason,
Chief Executive





Financials – annual report disclosure statement for year ending 30 June 2024



What is the purpose of this statement?

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

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

For 2023/24 council is reporting against its limits as outlined in the 2021-2031 Long-Term Plan (LTP). The 2024-2034 LTP was adopted by Council 3 July 2024.

Rates affordability benchmark

The council meets the rates affordability benchmark if –

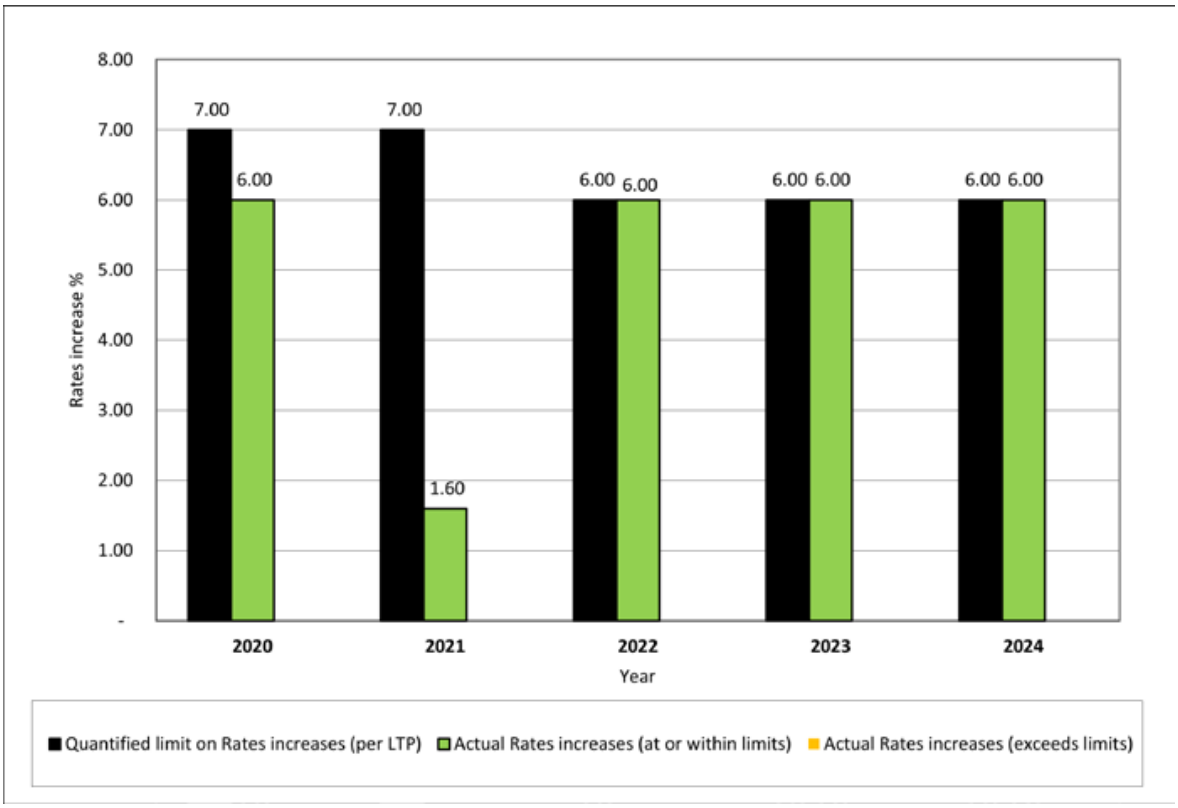
- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates increase equal or are less than each quantified limit on rates increases.

Rates (revenue) affordability

Following an amendment to the Local Government Act 2002 in 2019, the Council has not included a quantified limit on rates (revenue) affordability in the financial strategy for the 10-year Long-Term Plan 2021-2031.

Rates (increases) affordability

The following graph compares the Council's actual average rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long-Term Plan. The quantified limit is 6% per annum for the period of the 2021-31 Long-Term Plan.

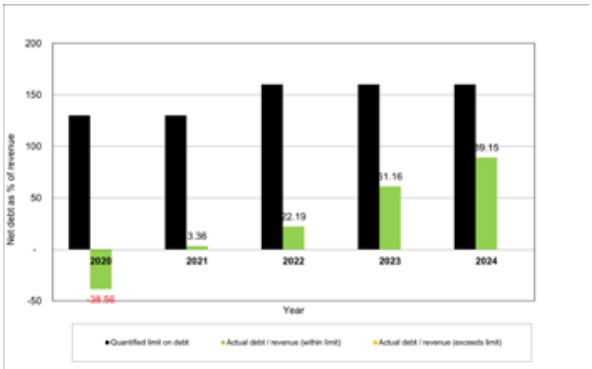


Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

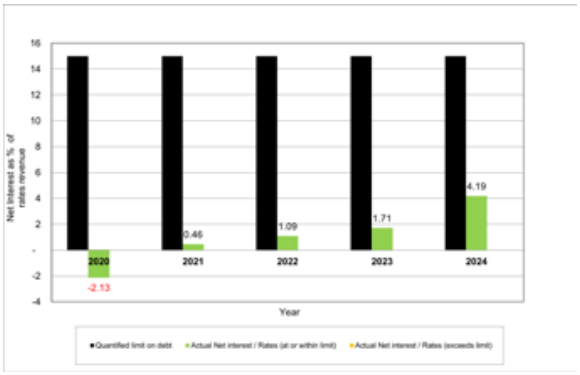
Net borrowing as percentage of revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-Term Plan. The quantified limit is net borrowings as a percentage of revenue will be less than 160%.



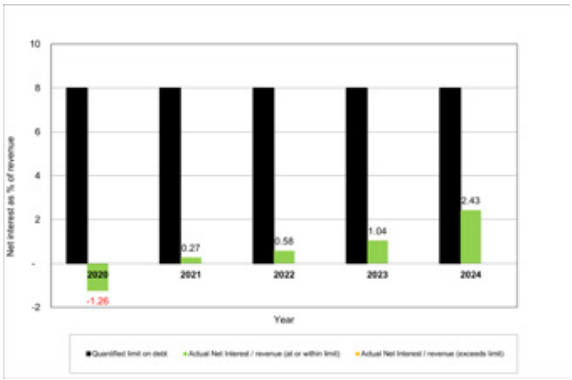
Net interest as percentage of rates revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-Term Plan. The quantified limit is net interest as a percentage of rates revenue will be less than 15%.



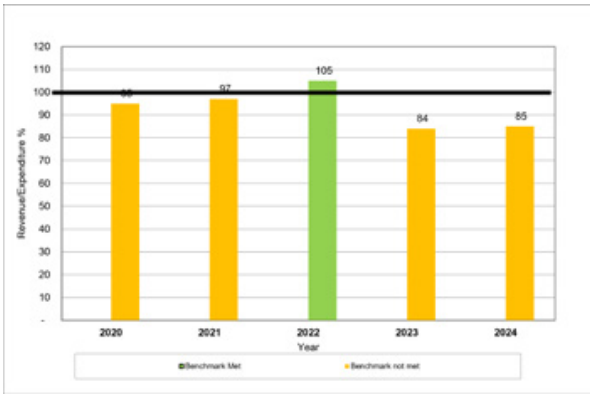
Net interest as percentage of total revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-Term Plan. The quantified limit is net interest as a percentage of revenue will be less than 8%.



Balanced budget benchmark

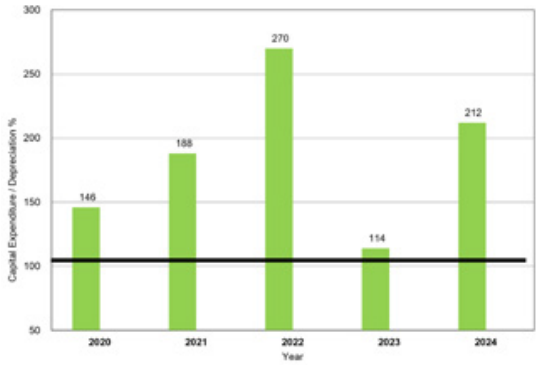
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluation of property, plant or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

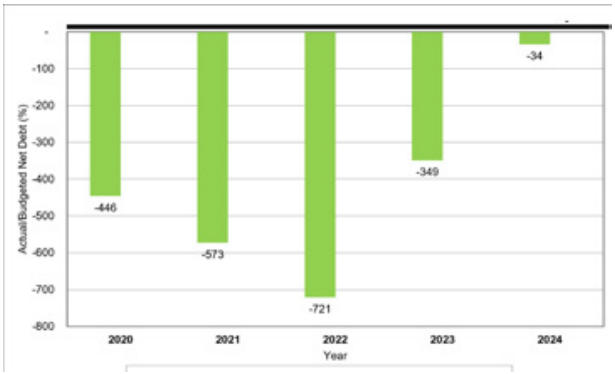
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt control benchmark

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

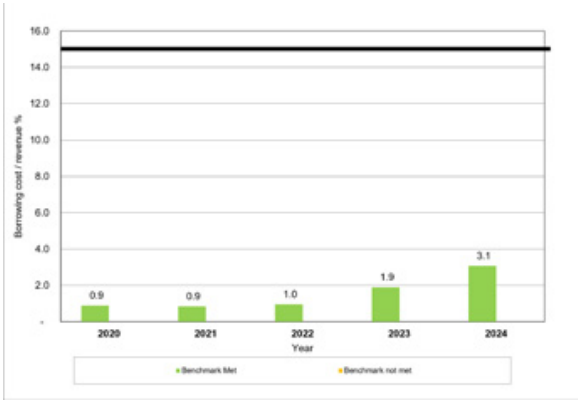
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Debt servicing benchmark

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

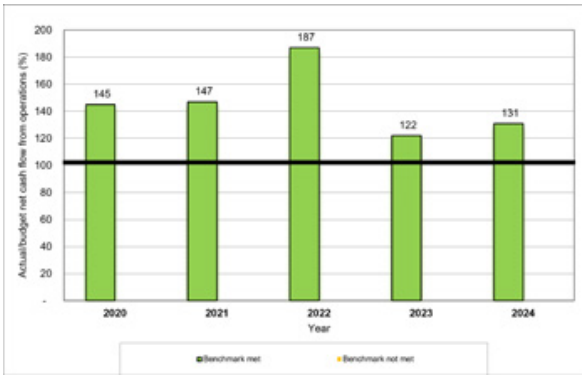
Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it means the debt servicing benchmark is met if it's borrowing costs equal or are less than 15% of its revenue.



Operations control benchmark

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

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




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Statement of Comprehensive Revenue and Expense For the financial year ended 30 June 2024

		Council			Group	
	Note	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Revenue						
Rates revenue	3	96,104	94,074	85,322	96,097	85,315
Subsidies and grants	3	26,981	24,210	13,171	26,981	13,454
Fees and charges	3	27,176	23,912	25,625	27,176	22,118
Dividend revenue		6,450	5,004	6,296	4,450	4,046
Interest revenue		1,075	-	1,181	1,543	1,473
Other revenue	3	7,776	8,323	9,303	49,799	47,082
Development and financial contributions	3	14,914	9,259	20,410	14,914	20,410
Vested assets		18,314	34,390	38,569	18,314	38,569
Other gains/(losses)	3	1,077	355	4,025	383	3,051
Total revenue		***199,867***	***199,527***	***203,902***	***239,657***	***235,518***
Expenses						
Personnel costs	4	42,386	38,428	33,526	71,942	59,524
Finance costs	6	5,100	7,102	2,629	5,100	2,629
Other expenses	5	98,947	88,963	90,156	107,191	89,227
Depreciation and amortisation expense	18	48,368	42,934	44,763	51,611	47,885
Total expenses		***194,801***	***177,427***	***171,074***	***235,844***	***199,265***
Suplus/(deficit) before tax		***5,066***	***22,100***	***32,828***	***3,813***	***36,253***
Income tax credit/(expense)	7	77	-	84	1,565	2,270
Surplus/(deficit) after tax		***4,989***	***22,100***	***32,744***	***2,248***	***33,983***
Surplus / (deficit) attributable to: Selwyn District Council		4,989	22,100	32,744	2,248	33,983
Surplus/(deficit) after tax		***4,989***	***22,100***	***32,744***	***2,248***	***33,983***
Other comprehensive revenue and expense (items that will not be reclassified to surplus/(deficit)						
Financial assets at fair value	12	7,152	-	62,881	8,052	44,981
Gains/(losses) on revaluations of assets	25	87,133	-	27,211	91,208	29,255
Deferred taxation on revaluation	7	-	-	-	-	175
Total other comprehensive revenue and expense		***94,285***	***-***	***90,092***	***99,260***	***74,411***
Total comprehensive revenue and expense		***99,274***	***22,100***	***122,836***	***101,508***	***108,394***
Total comprehensive revenue and expense attributable to: Selwyn District Council		***99,274***	***22,100***	***122,836***	***101,508***	***108,394***
Total comprehensive revenue and expense		***99,274***	***22,100***	***122,836***	***101,508***	***108,394***

The accompanying notes and accounting policies form and integral part of these financial statements. Explanations of major variances against budget are provided in Note 29.

Statement of Financial Position

As at 30 June 2024

		Council			Group	
	Note	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Assets (current)						
Cash and cash equivalents	8	27,399	11,322	20,447	39,231	31,943
Receivables	9	24,646	15,847	14,271	28,655	15,095
Inventories and work in progress	11	1,239	2,327	1,248	4,004	6,942
Assets held for sale	13	-	-	-	532	112
Other financial assets	12	10,000	20,000	10,205	10,000	10,205
Derivative financial instruments	10	3,968	-	3,882	3,968	3,882
Total current assets		***67,252***	***49,496***	***50,053***	***86,390***	***68,181***
Non-current assets						
Property, plant and equipment	16	2,709,692	2,700,140	2,556,824	2,737,011	2,583,100
Inventories and work in progress	11	807	-	807	807	807
Intangible assets	17	980	290	994	1,879	1,908
Forestry assets	19	487	130	125	487	125
Investment property	15	63,292	78,146	61,287	52,702	51,462
Investments in CCOs and similar entities	12	202,757	152,978	195,605	161,657	153,605
Other financial assets	12	3,977	-	2,482	3,977	2,482
Derivative financial instruments	10	12,484	-	11,968	12,484	11,968
Total non-current assets		***2,994,476***	***2,931,684***	***2,830,092***	***2,971,004***	***2,805,457***
Total assets		***3,061,728***	***2,981,180***	***2,880,145***	***3,057,394***	***2,873,638***
Liabilities (current)						
Payables and deferred revenue	20	34,894	31,695	26,012	36,433	27,497
Income tax payable	7	30	-	9	918	1,817
Employee benefit liabilities	21	5,375	-	3,732	8,941	6,261
Provisions	22	11	-	20	572	146
Borrowings	23	40,000	609	10,200	40,000	10,200
Derivative financial instruments	10	1,769	-	1,537	1,769	1,537
Total current liabilities		***82,079***	***32,304***	***41,510***	***88,633***	***47,458***

		Council			Group	
	Note	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Non-current liabilities						
Employee benefit liabilities	21	42	-	127	54	137
Deferred tax liability	7	45	6,253	31	630	1,283
Provisions	22	867	1,173	947	867	947
Borrowings	23	145,000	216,561	105,000	145,000	105,000
Derivative financial instruments	10	9,065	-	7,173	9,065	7,173
Total non-current liabilities		***155,019***	***223,987***	***113,278***	***155,616***	***114,540***
Total liabilities		***237,098***	***256,291***	***154,788***	***244,249***	***161,998***
Net assets		2,824,630	2,724,889	2,725,357	2,813,145	2,711,641
Equity						
Accumulated Funds	25	1,254,463	1,289,173	1,294,779	1,264,352	1,307,409
Fair Value Through Other Comprehensive Revenue	25	156,431	93,684	149,279	124,330	116,278
Restricted Reserves	25	39,150	30,228	(6,155)	39,150	(6,155)
Revaluation Reserves	25	1,374,588	1,311,804	1,287,455	1,385,315	1,294,107
Total equity		***2,824,632***	***2,724,889***	***2,725,358***	***2,813,147***	***2,711,639***

The accompanying notes and accounting policies form and integral part of these financial statements. Explanations of major variances against budget are provided in Note 29.

Statement of Changes in Equity

For the financial year ended 30 June 2024.

	Council			Group	
	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Equity as 1 July	2,725,358	2,702,789	2,602,522	2,711,639	2,603,245
Adjusted balance 1 July	2,725,358	2,702,789	2,602,522	2,711,639	2,603,245
Total comprehensive revenue	99,274	22,100	122,836	101,508	108,394
Equity at 30 June	***2,824,632***	***2,724,889***	***2,725,358***	***2,813,147***	***2,711,639***
Total comprehensive revenue and expense attributable to: Selwyn District Council	99,274	22,100	122,836	101,508	108,394
Total comprehensive revenue and expense	***99,274***	***22,100***	***122,836***	***101,508***	***108,394***

The accompanying notes and accounting policies form and integral part of these financial statements. Explanations of major variances against budget are provided in Note 29.

Statement of Cashflows

For the financial year ended 30 June 2024.

	Council			Group	
	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Cash flows from operating activities					
Receipts from customers	165,536	157,960	152,395	206,886	194,012
Interest received	1,075	1,000	1,195	1,543	1,487
Dividends received	6,450	4,488	6,046	4,450	4,046
Payments to suppliers and employees	(130,980)	(130,391)	(122,850)	(167,550)	(152,788)
Goods and services tax (net)	(2,961)	-	(413)	(2,961)	(663)
Interest paid	(5,100)	(7,102)	(2,354)	(5,100)	(3,866)
Income tax (paid)/received	(42)	-	(62)	(2,821)	(1,324)
Net cashflow from operating activities	***33,978***	***25,955***	***33,957***	***34,447***	***40,904***
Cash flows from investing activities					
Receipts from sale of property, plant, and equipment	-	2,585	22,022	-	22,571
Receipts from sale of assets	242	-	-	595	-
Purchase of property, plant, and equipment	(95,777)	(184,473)	(87,070)	(96,263)	(92,117)
Acquisition (disposal) of investments	(1,291)	-	(10,000)	(1,291)	(10,000)
Net cashflow from investing activities	***(96,826)***	***(181,888)***	***(75,048)***	***(96,959)***	***(79,546)***
Cashflows from financing activities					
Proceeds from borrowings	69,800	148,244	40,000	69,800	40,000
Net cashflow from financing activities	***69,800***	***148,244***	***40,000***	***69,800***	***40,000***
Net increase/(decrease) in cash and cash equivelants	6,952	(7,689)	(1,091)	7,288	1,358
Cash and cash equivelants at the beginning of the year	20,447	19,011	21,538	31,943	30,585
Cash and cash equivelants at the end of the year	27,399	11,322	20,447	39,231	31,943
Represented by					
Cash & cash equivalents (Note 8)	27,399	11,322	20,447	39,231	31,943

The accompanying notes and accounting policies form and integral part of these financial statements. Explanations of major variances against budget are provided in Note 29.

Reconciliation of Net Surplus/(Deficit) After Tax to Net Cash Flow From Operating Activities

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Surplus/(deficit) after tax	4,989	32,744	2,248	33,983
Add/(less) non-cash items:				
Depreciation and amortisation	48,368	44,763	51,611	47,894
Vested assets	(18,314)	(38,569)	(18,314)	(38,569)
(Gains)/losses in fair value of forestry assets	-	5	-	5
(Gains)/losses in fair value of investment property	(2,600)	(1,938)	(1,835)	(878)
(Gains)/losses in fair value of financial instruments	1,523	(1,131)	1,523	(1,131)
Movement in non-current employee entitlements	(85)	(8)	(83)	(8)
Movement in provision for doubtful debts	102	34	102	34
Movement in deferred taxation	15	10	682	(510)
Add/(less) items classified as investing or financing activities:				
(Increase)/decrease - (Gains)/losses on disposal of property, plant and equipment	-	(961)	(71)	(1,046)
Add/(less) movements in working capital items:				
(Increase)/decrease - Accounts receivable	(10,375)	740	(12,971)	(2,522)
(Increase)/decrease - Inventories	9	579	(402)	2,275
Increase/(decrease) - Accounts payable	8,691	(2,289)	9,750	(507)
Increase/(decrease) - Employee Entitlements	1,643	192	2,680	626
Increase/(decrease) - Provisions	(9)	(226)	426	(226)
Increase/(decrease) - Income tax payable	21	12	(899)	1,484
Net cash inflow/(outflow) from operating activities	***33,978***	***33,957***	***34,447***	***40,904***

Reconciliation of Movements in Liabilities Arising From Financing Activities

	Borrowings $000	Derivatives $000	Total $000
Balance at 1 July 2022	75,200	6,009	81,209
Cash inflows	40,000	-	40,000
Cash outflows	-	-	-
Non-cash changes	-	1,131	1,131
Balance at 30 June 2023	***115,200***	***7,140***	***122,340***
Cash inflows	69,800	-	69,800
Cash outflows	-	-	-
Non-cash changes	-	(1,522)	(1,522)
Balance at 30 June 2024	***185,000***	***5,618***	***190,618***

1. Statement of accounting policies

Reporting entity

Selwyn District Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Selwyn District Council, and its subsidiaries CORDE Limited (100% owned), and the Selwyn District Charitable Trust (Trustee and Settlor). The Council's 50% equity share of its associate Central Plains Water Trust is equity accounted into the group financial statements.

The Council and group provide local infrastructure, local public services, and provide regulatory functions to the community. The Council does not operate to make a financial return.

The reporting date of the Council, controlled entities, and the associate is 30 June.

The Council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Council and group are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 26 March 2025.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain property, plant and equipment, investment properties, biological assets, derivative financial instruments, financial instruments classified as available for sale and financial instruments held for trading.

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

In 2024 a new financial template was utilised for the preparation of external financial reporting. At set up a review was completed on the mapping of all accounts. Comparatives have been re-stated to reflect the new mappings. The overall result is unaffected, and the new presentation provides better readability.

Statement of compliance

The financial statements and service performance information of the Council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

PBE IPSAS 23 Revenue from Non-Exchange Transactions requires entities to disclose the amount of revenue from non-exchange transactions in the financial statements. As the separate labelling of revenue as exchange or non-exchange in most cases would not be considered material, we have decided to not label revenue as exchange or non-exchange. We have, however, separately disclosed the major classes of revenue streams in Note 3.

The financial statements and service performance information have been prepared in accordance with and comply with all other PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000), other than the remuneration and the severance payment disclosures in Note 4 and the related party transaction disclosures in Note 26. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Standards issued and not yet effective that have been early adopted

There are no standards and amendments issued but not yet effective that have been early adopted during the financial year.

Other changes in acounting polices

PBE IPSAS 1 Disclosure of Fees for Audit Firms' Services. This standard requires an entity to disclose the fees incurred for services received from the audit firm and a description of each service into specific categories. Note 5 Other Expenses has been expanded to include the additional required information with the adoption of PBE IPSAS 1.

Standards issued and not yet effective, and not early adopted

There are no standards issued and not yet effective, that have been early adopted during the financial year.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and can affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity. For example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, group voting rights, and pre-determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in surplus or deficit.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

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

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

Note 3 (ii) operating leases as a lessor is presented inclusive of GST.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2021-31 LTP. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made 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:

- Estimating the derivative financial instruments - see Note 10
- Estimating the fair value of equity investments - see Note 12
- Estimating the fair value of land, buildings, and infrastructural assets – see Note 16
- Estimating the employee entitlements - see Note 21

- Estimating the landfill aftercare provision - see Note 22.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Classification of property – see Note 16
- Impairment of goodwill (group) – see Note 17
- Brand name and customer list (group) – see Note 17.

2. Summary revenue and expenditure for group of activities

Accounting policy

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

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

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

There have been no changes to the cost allocation methodology during the year.

Summary revenue and expenditure for groups of activities

	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000
Revenue			
Democracy	1,349	1,182	1,300
Community services and facilities	36,729	25,991	35,914
Environmental services	12,090	14,663	10,028
Transportation	27,634	21,894	15,859
Solid waste management	21,036	20,233	15,158
Community water supplies	14,511	15,418	14,593
Community waste water supplies	16,804	15,654	19,247
Stormwater	2,469	2,723	2,423
Water races and land drainage	4,581	4,772	4,360
Total activity revenue	***137,203***	***122,530***	***118,882***
General rates	34,790	33,914	30,415
Rates penalties	495	370	416
Vested assets	18,314	34,390	38,569
Other corporate revenue	9,065	8,323	15,620
Total revenue	***199,867***	***199,527***	***203,902***
Expenditure			
Democracy	5,871	6,446	4,234
Community services and facilities	48,443	46,275	43,324
Environmental services	25,213	27,661	21,914
Transportation	38,567	23,350	35,073
Solid waste management	19,598	20,965	14,360
Community water supplies	22,353	16,813	20,873
Community waste water supplies	15,908	12,880	15,128
Stormwater	3,986	3,368	3,457
Water races and land drainage	5,454	6,142	4,791
Other corporate expenditure	9,408	13,527	7,920
Total expenditure	***194,801***	***177,427***	***171,074***

Each significant activity is stated gross of internal costs and revenues and includes targeted rates attributable to activities (see Note 3). To fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above. Other corporate revenue includes revenue sources, which are not directly attributable to a significant activity, for example dividends, interest and insurance proceeds. Other corporate expenditure includes expenditure sources, which are not directly attributable to a significant activity, for example, interest rate swap valuation movements.

Reconciliation of surplus of operating funding to surplus / (deficit) before taxation

The following reconciliation bridges the difference between the funding impact statement and the statement of comprehensive revenue and expenditure

	Derivatives $000	Total $000
Surplus of operating funding	***4,102***	***7,745***
Operating surplus items not included in operating funding		
Depreciation and amortisation	(48,368)	(44,763)
Vested land and infrastructure from property development	18,314	38,569
Development and financial contributions	***14,914***	***20,410***
Subsidies and grants for capital expenditure	15,167	5,263
Other revenue and expense items	937	5,604
Surplus/(deficit) before taxation	***5,066***	***32,828***

3. Revenue

Accounting policy

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

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

Development and financial 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 as the Council provides, or is able to provide, the service.

NZ Transport Agency Waka Kotahi roading subsidies

The Council receives funding assistance from NZTA, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local facilities, such as, pools. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing of waste at the Council's resource recovery park are recognised upon waste being disposed by users.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Sales of goods

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

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The revenue recognised is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue.

A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

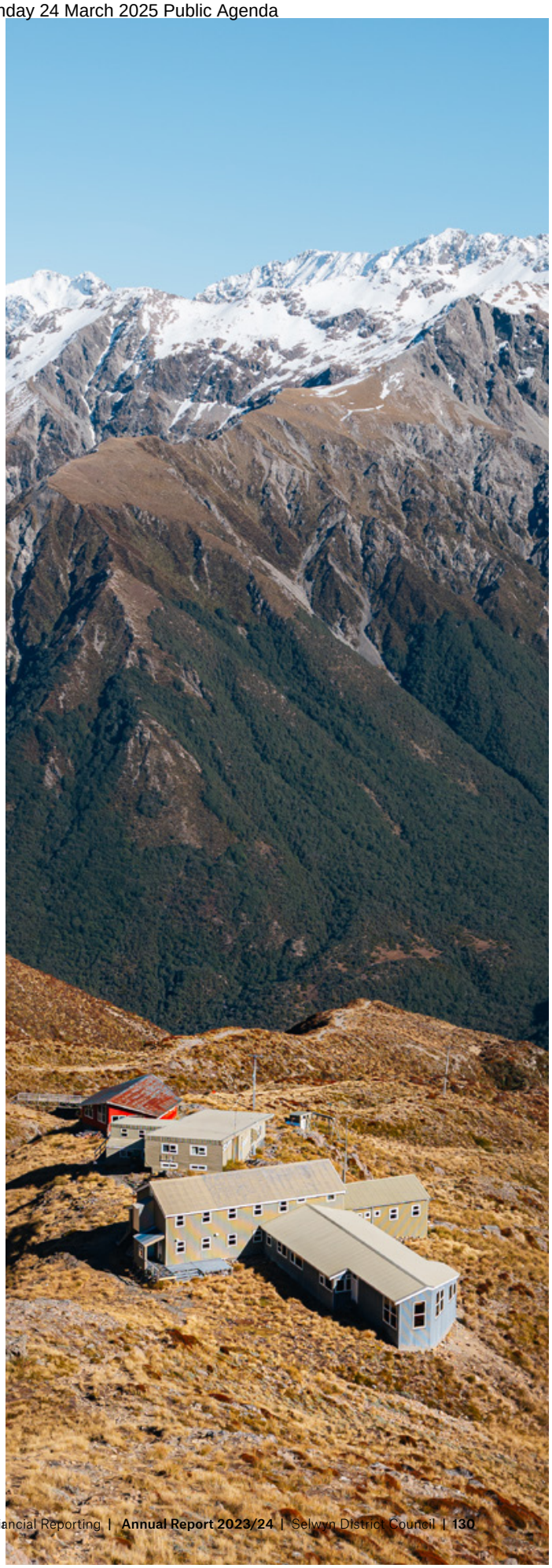
Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.



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3(i). Breakdown of rates and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
General rates	34,934	30,548	34,927	30,701
Rates penalties	495	416	495	416
Targeted rates attributable to activities:				
- metered water supply	3,829	3,115	3,829	3,115
- community services and facilities	17,786	16,400	17,786	13,125
- democracy	1,204	1,100	1,204	1,100
- solid waste management	12,029	10,727	12,029	10,727
- community waste water supplies	10,935	9,705	10,935	9,705
- community water supplies	8,251	7,203	8,251	10,318
- stormwater	2,455	2,122	2,455	2,122
- water races and land drainage	4,329	4,042	4,329	4,042
Rates remissions	(143)	(56)	(143)	(56)
Total rates revenue	***96,104***	***85,322***	***96,097***	***85,315***

The Council is required by the Local Government Funding Agency (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by the Council for which those other local authorities rate.
The annual rates income of the Council for the year ended 30 June 2024 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

Rates remissions

Rates revenue is shown inclusive of rates remissions. The Council's 'Rates Remission Policy' allows for rates remission on condition of a ratepayer's extreme financial hardship and allows for rates remission for:

- community, sporting and other organisations
- sewerage rates for schools
- vacant land
- Plunket branches, scout group halls
- masonic lodges
- properties and open space covenants
- school and service club endowment land
- land protected for natural, historic or cultural conservation.

In accordance with the 'Local Government (Rating) Act 2002' certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under the Council's Rates Remission Policy.

Rating base information

The following rating base information for Selwyn District Council is disclosed based on the rating base information at the end of the preceding financial year:

Ratings base	**Council**	
	Actual 2024	**Actual 2023**
Number of rating units at end of preceding year	35,398	33,511
Total capital value of rating units at end of preceding year	$37.1b	$26.9b
Total land value of rating units at end of preceding year	$21.4b	$13.6b

3 (ii). Breakdown of fees and charges

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Building, Resource Management and policy charge	8,309	8,332	8,309	8,865
Connection and irrigation fees	205	290	205	290
Dog registration fees	642	657	642	657
Gravel reserve royalties	52	65	52	65
Facility hires and charges	1,192	915	1,192	853
Selwyn Aquatic Centre fees and charges	2,746	2,386	2,746	2,367
Solid waste fees and charges	8,927	7,393	8,927	4,421
Land information memorandum fees	497	403	497	403
Other fees and charges	4,606	5,184	4,606	4,197
Total fees, charges and metred water supply	***27,176***	***25,625***	***27,176***	***22,118***

Operating leases as a lessor

Investment property is leased under operating leases. The investment property leases have a non-cancellable term of 12 to 72 months. No contingent rents have been recognised during the year.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Not later than one year	2,279	2,720	1,639	2,104
Later than one year and not later than five years	7,589	6,383	5,030	3,924
Later than five years	7,322	7,538	4,353	4,070
Total operating leases as a lessor	***17,190***	***16,641***	***11,022***	***10,098***

3 (iii). Breakdown of subsidies and grants

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
NZTA roading subsidies	23,830	11,284	23,830	11,323
Affordable water reform grants	1,326	601	1,326	601
Tourism infrastructure funding	297	396	297	396
Other subsidies and grants	1,528	890	1,528	1,134
Total subsidies and grants	***26,981***	***13,171***	***26,981***	***13,454***

There are no unfulfilled conditions and other contingencies attached to government grants recognised.

3 (iv). Breakdown of other revenue

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Lease and rental property revenue	3,477	3,255	2,798	2,740
Commission	632	514	632	-
Petrol tax	273	345	273	345
Land sales	-	2,220	-	2,220
Other revenue – CORDE	-	-	42,702	41,062
Other revenue – Council	3,394	2,969	3,394	715
Total other revenue	***7,776***	***9,303***	***49,799***	***47,082***

3 (v). Breakdown of Gains/(Losses)

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Gain/(loss) disposal of PPE	-	961	71	1,047
Gain/(loss) fair value derivatives	(1,523)	1,131	(1,523)	1,131
Gain/(loss) fair value investment properties	2,600	1,938	1,835	878
Gain/(loss) fair value forestry	-	(5)	-	(5)
Total gains/(losses)	***1,077***	***4,025***	***383***	***3,051***

4. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution superannuation schemes

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Salaries and wages	38,748	31,356	66,031	55,872
Superannuation plan employer contributions	1,088	864	2,065	1,714
Increase/ (decrease) in employee entitlements	1,558	192	2,598	626
Directors' and elected members remuneration	821	778	1,069	976
Other personnel costs	171	336	179	336
Total personnel costs	***42,386***	***33,526***	***71,942***	***59,524***

Employer contributions to defined contributions plans include contributions to Kiwisaver.

Council employee remuneration by band

The number of employees who were employed at 30 June are detailed below. Those receiving remuneration of $60,000 or more are grouped into $20,000 bands. If there are less than five or fewer employees in a band, they are combined upwards with the next banding as stipulated in the Local Government Act 2002.

	Council	
Remuneration for employees by band as at 30 June	**Actual 2024**	**Actual 2023**
Less than $60,000	282	305
$60,001 - $80,000	126	102
$80,001 - $100,000	88	85
$100,001 - $120,000	57	52
$120,001 - $140,000	28	18
$140,001 - $160,000	8	10
$160,001 - $200,000	13	9
$200,001 - $360,000	6	5
	608	***586***

At 30 June	Full time equivalent staff		Number of employees	
	2024	**2023**	**2024**	**2023**
Full time staff	334	309	334	309
Part time staff	87	93	209	221
Casual staff	6	6	65	56
Total employees and full time equivalents	***427***	***408***	***608***	***586***

A full-time employee is determined based on a 37.5 hour working week.

The number of full time equivalent (FTE) employees as at 30 June 2024 was 427 (2023: 408) where 37.5 hours a week is considered full time.

The total employees and full-time equivalent figures included in these tables do not include vacant positions at 30 June.

Severance payments

For the year ended 30 June 2024, Council made 8 severance payments totalling $217,230 (2023: 3 - totalling $15,000).

The value of each of the severance payments was $46,900, $33,450, $30,000, $30,000, $30,000, $30,000, $11,880 and $5,000 (2023: $10,000, $4,000, $1,000).

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was $315,333 (2023: $435,847).

Elected representatives' remuneration

Elected representatives received the following remuneration:

	Council	
Selwyn District Council	**Actual 2024 $**	**Actual 2023 $**
Sam Broughton - Mayor	146,747	144,347
Malcolm Lyall - Councillor	65,344	70,832
Debra Hasson - Councillor	56,592	53,327
Nicole Reid - Councillor	54,453	55,466
Shane Epiha - Councillor	54,453	51,374
Bob Mugford - Councillor	54,453	51,374
Grant Miller - Councillor *	54,453	51,374
Sophie McInnes - Councillor	54,453	51,374
Elizabeth Mundt - Councillor	54,453	38,351
Phil Dean - Councillor	54,453	38,351
Lydia Redmond (formerly Gliddon) - Councillor	54,453	38,351
Megen McKay - Non-elected **	43,562	-
Jeff Bland - Councillor	-	13,022
Jenny Gallagher - Councillor	-	13,022
Mark Alexander - Councillor	-	13,022
Murray Lemon - Councillor	-	13,022
	747,869	***696,609***

* Councillor Grant Miller is a Director of Transwaste (Canterbury) Limited and also received Director fees of $41,091 (2023: $40,089).

** Megen McKay is the Te Taumutu rūnanga appointed representative.

Councillors remuneration does not include travel, mileage or cellphone allowance, but does include hearing fees where applicable of $2,139 (2023: $15,230).

Malvern Community Board remuneration

	Council	
	Actual 2024 $	**Actual 2023 $**
Bruce Russell (Chairperson)	17,782	6,423
Sharn Nu'u	10,538	6,423
Calvin Payne	10,538	6,423
John Very	5,099	-
Phillip Freeman	5,099	-
Ken May	3,161	15,541
Sean Ellis	1,581	6,423
John Morten	-	5,393
Judith Pascoe	-	2,696
Karen Meares	-	2,696
Bill Woods	-	2,696
	53,797	***54,714***

Malvern Community Board remuneration does not include travel, mileage or cellphone allowance, but does include hearing fees where applicable of $nil (2023: $nil).



5. Other expenses

Accounting policy

Grant expenses

The Council's grants awarded have no substantive conditions attached.

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as an expense when approved by the Council and the approval has been communicated to the applicant.

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. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Breakdown of other expenses and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Expenses include:				
Fees to principal auditor				
Audit fees for financial statement audit	246	252	393	397
Audit fee recovery	44	-	44	-
Audit fees for long term plan	110	-	110	-
LTP recovery	123	-	123	-
Audit fees for assurance review of the debenture trust	8	8	8	8
Bad debts written off	152	35	152	35
Consultants Fees	6,687	6,300	6,687	6,300
Electricity	4,000	3,152	4,000	3,152
Expected credit loss allowance for receivables	149	47	149	47
Grants	250	263	250	263
Maintenance	47,381	43,229	47,381	43,229
Operating lease expense	-	173	2,342	466
Property, plant and equipment impairment	-	-	26	10
Valuation Services	338	323	338	323
Cost Of Sales	-	579	-	579
Other operating expenses	39,459	35,795	45,188	34,418
Total other expenses	***98,947***	***90,156***	***107,191***	***89,227***

The auditor of Council, for and on behalf of the Office of the Auditor-General, is Audit New Zealand.

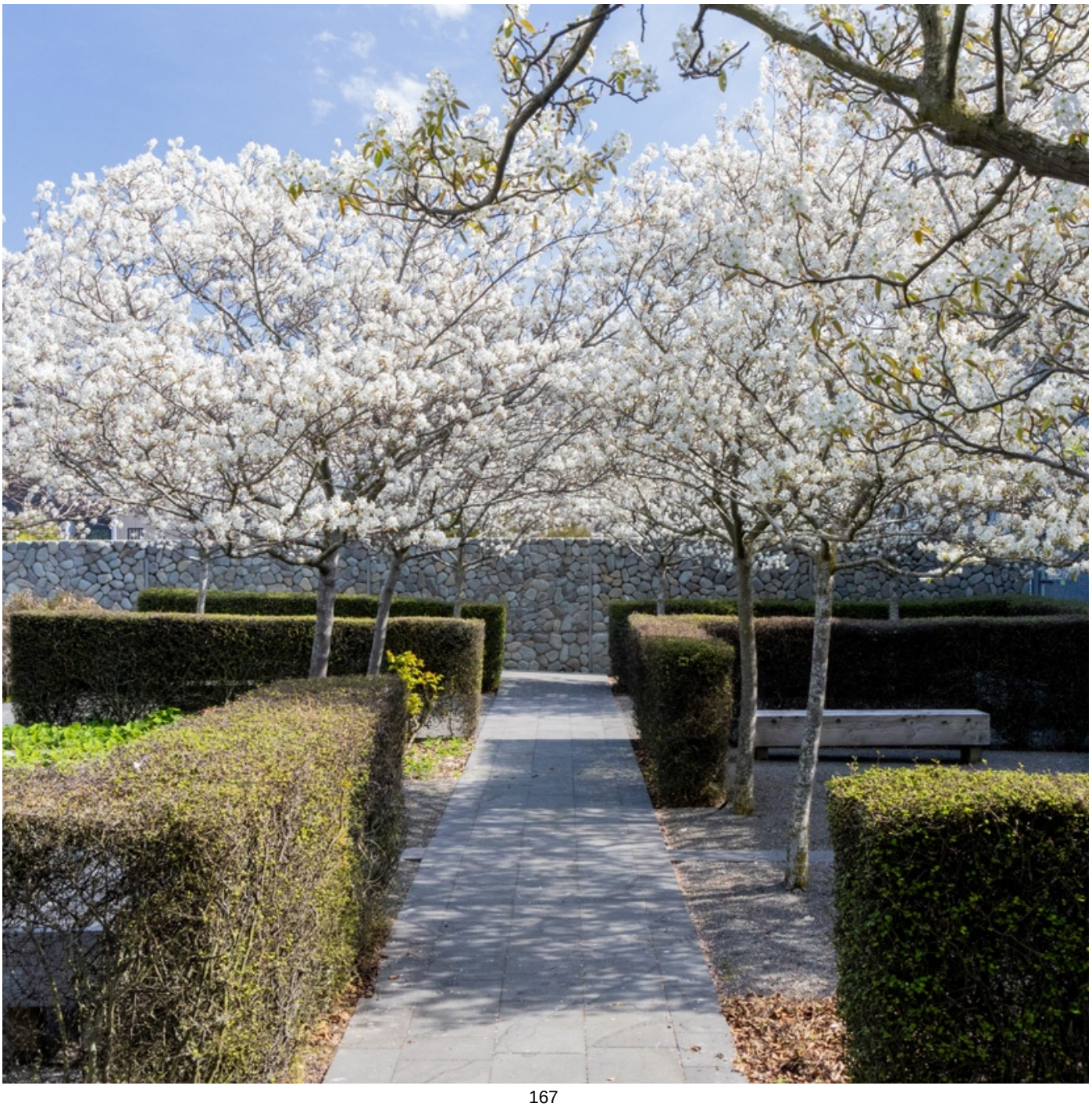
In 2024 a new financial template was utilised for the preparation of external financial reporting. At set up a review was completed on the mapping of all accounts. Comparatives have been re-stated to reflect the new mappings. The overall result is unaffected and the new presentation provides better readability.

Operating leases as a lessee

The Group leases plant and equipment in the normal course of its business. The leases have a non-cancellable term of 48 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $nil (2023: $nil).

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Not later than one year	-	-	191	167
Later than one year and not later than five years	-	-	109	159
Total non-cancellable operating leases	**-**	**-**	***300***	***326***



6. Finance costs

Accounting policy

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

Breakdown of finance costs and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Finance expenses	-	-	-	-
Interest paid on borrowings	5,100	2,629	5,100	2,629
Total finance costs	***5,100***	***2,629***	***5,100***	***2,629***

7. Tax

Accounting policy

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of 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.

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 or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

Breakdown of taxes and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Surplus/(deficit) before tax	5,066	32,828	3,813	36,253
Tax at 28%	1,418	9,192	1,068	10,151
Permanent adjustment	(1,341)	(9,108)	508	(7,824)
Prior period adjustments	-	-	(11)	(57)
Tax expense/(benefit)	***77***	***84***	***1,565***	***2,270***
Comprising of:				
Current tax	65	74	1,934	2,807
Adjustment to current year in prior years	(2)	-	(13)	(57)
Deferred tax	14	10	(356)	(480)
Tax expense/(benefit)	***77***	***84***	***1,565***	***2,270***
Deferred tax benefit/(liability)				
Opening balance	(31)	(20)	(1,283)	(1,644)
Temporary differences				
Investment property	(15)	(11)	(15)	-
Property, plant and equipment	-	-	2	(165)
Accrued revenue	-	-	698	377
Retentions	-	-	(33)	149
Closing balance	***(46)***	***(31)***	***(631)***	***(1,283)***
Future tax benefit/(deferred taxation) is represented by:				
Non-current assets	-	-	1,087	649
Non-current liabilities	(46)	(31)	(1,718)	(1,932)
Total	***(46)***	***(31)***	***(631)***	***(1,283)***

8. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include 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 with borrowings in current liabilities in the statement of financial position.

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Cash at bank and in hand	27,399	20,439	33,231	31,935
Term Deposits with maturities under three months	-	8	6,000	8
Total cash and cash equivalents	***27,399***	***20,447***	***39,231***	***31,943***

The carrying value of short-term deposits with maturity dates of 3 months or less approximates their fair value.

Although cash and cash equivalents at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial.

9. Receivables

Accounting policy

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

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

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

Rates are 'written off':

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

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

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Rates receivable	4,092	3,191	4,092	3,184
Receivables from subsidiaries and associates	210	337	210	(2,650)
Dividend receivable	2,000	2,250	-	-
Other receivable and prepayments	14,049	7,057	20,058	13,125
GST receivable	4,444	1,483	4,444	1,483
Gross receivable	**24,795**	**14,318**	**28,804**	**15,142**
Less: allowance for credit losses	(149)	(47)	(149)	(47)
Net receivable	**24,646**	**14,271**	**28,655**	**15,095**
Total receivables comprise: Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	8,925	5,830	6,925	593
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	15,870	8,488	21,879	14,549
	24,795	***14,318***	***28,804***	***15,142***

Rates receivable

The Council does not provide for ECLs on rates receivables less than six years past due, as it has various powers under Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future repayments.

The Chief Executive approved the write-off of rates receivable during the year under the Local Government Rating Act 2002 as follows:

- Section 90A: $nil (2023: $nil).
- Section 90B: $nil (2023: $nil).

Other receivables

Debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms, therefore their carrying value approximates their fair value.

The ECL rates for other receivables at 30 June 2024 and 1 July 2023 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit exposure, the effects of macroeconomic factors are not considered significant.

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

The allowance for credit losses based on the Council and the group's credit loss matrix is as follows:

	Current	1 to 30	31 to 90	90+	Total
Council – 2024					
Expected credit loss rate	0.00%	0.00%	0.00%	3.52%	
Gross receivable amount ($000)	6,724	630	201	4,235	11,790
Lifetime ECL ($000)	-	-	-	(149)	(149)
Group – 2024					
Expected credit loss rate	0.00%	0.00%	0.00%	3.52%	-
Gross receivable amount ($000)	11,315	699	208	4,235	16,457
Lifetime ECL ($000)	-	-	-	(149)	(149)
Council – 2023					
Expected credit loss rate	0.00%	0.00%	0.00%	1.17%	-
Gross receivable amount ($000)	2,776	601	311	4,009	7,697
Lifetime ECL ($000)	-	-	-	(47)	(47)
Group – 2023					
Expected credit loss rate	0.00%	0.00%	0.00%	1.17%	-
Gross receivable amount ($000)	7,264	1,416	386	4,009	13,075
Lifetime ECL ($000)	-	-	-	(47)	(47)

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

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Balance as at 1 July	47	13	47	13
Additional provisions made during year	131	73	131	73
Amounts written off during year	(29)	(39)	(29)	(39)
Balance at 30 June	***149***	***47***	***149***	***47***

10. Derivative financial instruments

Accounting policy

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. In accordance with its Treasury Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

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

Breakdown of derivative financial instruments and further information

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Current asset portion				
Interest rate swaps – cash flow hedges	3,968	3,882	3,968	3,882
	3,968	***3,882***	***3,968***	***3,882***
Non-current asset portion				
Interest rate swaps - cash flow hedges	12,484	11,968	12,484	11,968
	12,484	***11,968***	***12,484***	***11,968***
Total derivative financial instrument assets	***16,452***	***15,850***	***16,452***	***15,850***
Current liability portion				
Interest rate swaps – cash flow hedges	1,769	1,537	1,769	1,537
	1,769	1,537	1,769	1,537
Non-current liability portion				
Interest rate swaps – cash flow hedges	9,065	7,173	9,065	7,173
	9,065	***7,173***	***9,065***	***7,173***
Total derivative financial instrument liability	***10,834***	***8,710***	***10,834***	***8,710***

Fair value

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

Timing of nominal principal amounts and average fixed rates of interest rate swaps

	Less than 1 year	1-2 years	More than 3 years	Total
Council and Group – 2024				
Nominal amount (in $000)	2,500	8,500	97,000	108,000
Average fixed rate	0.80%	1.21%	3.04%	2.84%
Council and Group – 2023				
Nominal amount (in $000)	5,000	2,500	75,500	83,000
Average fixed rate	0.93%	0.80%	2.38%	2.16%

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2024 were $108 million (2023: $83 million).

At 30 June 2024, the interest rates for interest rate swaps vary from 0.80% to 4.29% (2023: 0.93% to 4.29%).

11. Inventory and work in progress

Accounting policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Non-commercial: measured at cost, adjusted for any loss of service potential.
- Commercial: measured at the lower of cost and net realisable value.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, except for infrastructural asset costs, which are capitalised to property, plant and equipment.

Work in progress is stated at cost and consists of direct materials, direct labour, and plant costs with a proportion of overhead costs. Contract payments (i.e. work invoiced prior to completion) have been deducted. For major contracts the percentage of completion method is used.

Breakdown of inventory, work in progress and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Current inventories				
Held for use in the provision of services	21	30	21	30
Gravel stocks	-	-	357	300
Other direct materials	-	-	780	575
Work in progress	-	-	1,628	4,819
Land being developed for sale	1,218	1,218	1,218	1,218
Total current inventories	***1,239***	***1,248***	***4,004***	***6,942***
Non-current inventories				
Land being developed for sale	807	807	807	807
Property plant & Equipment	-	-	-	-
Total non-current Inventories	***807***	***807***	***807***	***807***
Total inventories	***2,046***	***2,055***	***4,811***	***7,749***

The write-down of inventory during the year was $nil (2023: $nil).

No inventory is pledged as security for liabilities (2023: $nil), there is no inventory subject to retention of title clauses (2023: $nil).

12. Investments in CCOs, other similar entities, and other financial assets

Accounting policy

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

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

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

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

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

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

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

Initial recognition of concessionary loans

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

Subsequent measurement of financial assets at amortised cost

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

Subsequent measurement of financial assets at FVTOCRE

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

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

Subsequent measurement of financial assets at FVTSD

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

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

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

Expected credit loss allowance (ECL)

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

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

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

Shares in subsidiaries (at FVTOCRE)

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

Breakdown of other financial assets and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Current portion				
Short-term deposits	10,000	10,000	10,000	10,000
LFGA borrower notes	-	205	-	205
Total current portion	***10,000***	***10,205***	***10,000***	***10,205***
Non-current portion *(investments in CCOs and similar entities)*				
Unlisted shares in Transwaste (Canterbury) Limited	1,500	1,500	1,500	1,500
Unlisted shares in Orion New Zealand Limited	159,533	151,481	159,533	151,481
Unlisted shares in CORDE Limited	41,100	42,000	-	-
Unlisted shares in Local Government Funding Agency	187	187	187	187
Unlisted shares in Central Plains Water Limited	437	437	437	437
Total investments in CCOs and similar entities	***202,757***	***195,605***	***161,657***	***153,605***
Investments in other entities				
LFGA borrower notes	3,945	2,445	3,945	2,445
Community loans	32	37	32	37
Total investment in other entities	3,977	2,482	3,977	2,482
Total non-current portion	***206,734***	***198,087***	***165,634***	***156,087***
Total Other Financial Assets	***216,734***	***208,292***	***175,634***	***166,292***

Fair value disclosures

Term deposits

The carrying amount of term deposits approximates their fair value.

Unlisted shares

The fair value of unlisted shares in Transwaste (Canterbury) Limited (TCL) has been estimated based on TCL's net asset backing at 30 June 2024. The TCL investment relates to the Council's contribution to the construction of the regional landfill. TCL has issued, but uncalled capital of $4.0 million of which the Council has a 3% shareholding.

The fair value of unlisted shares in Orion New Zealand Limited (ONZL) has been determined using a valuation technique based on a market-based approach.

The independent valuation was completed by Deloitte as at 30 June 2024.

The fair value of unlisted shares in CORDE Limited (CORDE) has been determined using a valuation technique based on maintainable earnings.

The independent valuation was completed by Ernst and Young Corporate Transaction Advisory Services Limited, Auckland as at 30 June 2024.

Due to the immaterial size and nature of the Council's investments in the LGFA and Central Plains Water Limited, the Council has estimated the fair value of the investments based on net asset backing at 30 June 2024.

Community loans

The face value of community loans is $37,000 (2023: $42,000).

The fair value of community loans is $32,000 (2023: $37,000).

The fair value of loans at initial recognition has been determined using cash flows discounted at a rate based on the loan recipient's assessed financial risk factors.

Movements in the carrying value of community loans are as follows:

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
As 1 July	37	22	37	22
Loans repaid during the year (principal and interest)	(5)	(6)	(5)	(6)
Unwind of discount and interest charged	-	21	-	21
At 30 June	***32***	***37***	***32***	***37***

Credit risk, including ECLs

Term deposits

The Council and group consider there has not been a significant increase in credit risk for investments in term deposits because the banks continue to have low credit risk at balance date.

Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments.

Community loans

Council manages credit risk associated with community loans in accordance with its Treasury Management Policy. No ECL has been recognised for community loans as the loss allowance is trivial.

Other financial assets

Expected credit losses measured for other financial assets are trivial. They are low-risk and the Council has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.

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

13. Assets held for sale

Accounting policy

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

Breakdown of assets held for sale and further information

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Opening Balance 1 July	**-**	**-**	**112**	**134**
Transfers to/(from) property, plant and equipment (Note 16)	-	-	451	26
Impairment	-	-	(26)	(10)
Disposals	-	-	(5)	(38)
Total assets held for sale	**-**	**-**	***532***	***112***
Assets held for sale:				
Property, plant and equipment	-	-	514	112
Motor Vehicles	-	-	18	-
Total assets held for sale	**-**	**-**	***532***	***112***

14. Investment in associate

Accounting policy

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

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

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

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

Breakdown of investment in associate and further information

The Council has a 50% interest in the Central Plains Water Trust (the Trust), which is responsible for promoting the development of agriculture in the Central Canterbury Plains area of New Zealand for the benefit of all the inhabitants of the Canterbury region. The Council's interest is recorded in the Council's financial statements at cost of $nil.

The following table summarises the financial information of the Trust in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the Trust.

Summarised financial information presented on a gross basis

	Council	
	Actual 2024 $000	**Actual 2023 $000**
Assets	298	74
Liabilities	276	65
Net Assets	22	9
Group's Interest (50%)	11	5
Revenue	117	87
Expenses	104	87
Total comprehensive Revenue and Expenses	***13***	**-**

15. Investment property

Accounting policy

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 as its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date.

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

Breakdown of investment property and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Balance as at 1 July	61,287	58,218	51,462	50,288
Additions from acquisitions/ improvements	55	1,131	55	296
Disposals	(650)	-	(650)	-
Fair value gains/ (losses) on valuation	2,600	1,938	1,835	878
Balance as at 30 June	***63,292***	***61,287***	***52,702***	***51,462***

The Council's investment properties are valued annually at fair value effective 30 June 2024 for the financial year by Simon Newberry B.Com, (VPM), FPINZ, FNZIV, an independent valuer from Ford Baker Valuation Limited. All investment properties are valued based on open market evidence.

The fair value of investment property has been determined using the capitalisation of net revenue and discounted cashflow methods. These methods are based on assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

The market comparison approach is then used as a cross-check with reference to sales of properties that have similar attributes to the subject property.

Comparisons are drawn between the subject property and the sales evidence. Subjective adjustments are applied where necessary to account for factors that have a direct impact on the sale price and value.

Capitalisation and discount rates range from 5.3% to 9% (2023: 5.3% to 8.5%).

There are no contractual obligations in relation to investment properties at balance date not recognised in the financial statements (2023: $nil).

16. Property, plant, and equipment

Accounting policy

Property, plant, and equipment consist of:

- Operational assets – these include land, farmland, buildings, heritage assets, library books and plant and machinery.
- Infrastructure assets – Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

Land and farmland are measured at fair value. Buildings, library books, and infrastructural assets (except land under roads) are measured at fair value, less accumulated depreciation and impairment losses. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Revaluation

Land, farmland, buildings, library books, 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.

Revaluation movements are accounted for on a class-of-asset basis.

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

Additions

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

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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

The costs of day-to-day servicing of property, plant, and equipment are recognised in surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, 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 class	Useful life	Annual depreciation rate
Buildings	10 – 100 years	1% - 10%
Heritage	85 years	4%
Plant and machinery	10 years	10%
Motor vehicles	5 years	20%
Furniture and fittings	10 years	10%
Library books	7 years	14.3%
Computer equipment	4 years	25%
Roading network		
Formation / sub-grade	-	Not depreciated
Sub-base (sealed roads only)	-	Not depreciated
Base course	40 – 150 years	0.7% - 2.5%
Surface (sealed roads)	7 – 100 years	1% - 14.3%
Surface (unsealed roads)	10 years	10%
Kerb & channelling	50 – 80 years	1.25% - 2%
Footpaths base and surface	10 – 80 years	1.25% – 2%
Culverts	50 – 150 years	0.7% - 2%
Structures	20 – 50 years	2% - 5%
Traffic signs	10 years	10%
Traffic Islands	80 years	1.25%
Streetlights	20 years	5%
Street light poles	40 years	2.5%
Bridges	70 – 150 years	0.7% - 1.4%
Railings	20 – 40 years	2.5% to 5%
Water races		
Structure	2 – 100 years	1% - 50%
Water race	2 – 100 years	1% - 50%
Land drainage and stormwater		
Land drainage (structure)	5 – 100 years	1% - 20%
Land drainage (drain)	5 – 100 years	1% - 20%
Water supplies		
Building	100 years	1%
Hydrant	2 – 50 years	2% - 50%
Lateral	3 – 100 years	1% - 33%
Plant & equipment	5 – 100 years	1% - 20%
Pipes	1 – 100 years	1% - 100%
Supply point	1 – 40 years	3% - 100%
Valves	1 – 50 years	2% - 100%
Sewerage systems		
Building	100 years	1%
Chamber	95 years	1%
Lateral	1 - 100 years	1% - 100%
Manholes	1 – 100 years	1% - 100%
Plant & equipment	5 - 150 years	1% - 20%
Pipes	4 – 100 years	1% - 25%
Valves	20 – 50 years	2% - 5%

Stormwater		
Lateral	30 – 100 years	1% - 3%
Manholes	95 years	1%
Pipes	10 – 100 years	1% - 10%
CORDE Limited		
Portable structures	13 – 25 years	8% - 15%
Improvements	5 – 13 years	15% – 40%
Plant and machinery	3 - 15 years	13% - 67%
Motor vehicles	5 – 15 years	13% - 40%
Furniture and fittings	3 – 20 years	10% - 67%
Computer equipment	3 – 5 years	40% - 67%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as 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 surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Value in use for non-cash-generating assets

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

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach.

The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

Critical accounting estimates and assumptions

Estimating the fair value of land, farmland, buildings, and infrastructure

The most recent valuation of land, farmland and buildings was performed by an independent registered valuer, Simon Newberry B. Com, (VPM), FPINZ, FNZIV, an independent valuer from Ford Baker Valuation Limited. Ford Baker Valuation Limited are experienced valuers with extensive market knowledge in the types and location of land and building assets owned by the Council. The valuation is effective as at 30 June 2024.

Land (operational, farmland, restricted, and infrastructural)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Where there is a designation against the land or the use of the land is restricted because of reserve or

endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Restrictions on the Council's ability to sell land would not normally impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. Where buildings are not considered specialised, these are valued at fair market value using an independent market-based appraisal.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2024 valuation include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of modern equivalent assets and Property Institute of New Zealand cost information.
- There are no significant asbestos issues associated with the buildings.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Infrastructural asset classes: sewerage, water, drainage, and roads

The most recent valuation of roading assets was performed by an independent registered valuer, Jesse Audley who is a valuer with Beca Valuation Limited and was effective as at 30 June 2024. The most recent valuation of water, sewerage, stormwater, land drainage and water race assets were performed by an independent registered valuer, Thrainn Viggosson a valuer at WSP and was effective as at 30 June 2024.

Water, sewerage, stormwater, land drainage, water race, and roading infrastructural assets are valued using the depreciated replacement cost method. There are several estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- The replacement costs where appropriate reflect optimisation due to over-design or surplus capacity.
- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's Capital Goods Price Index (based on the March 2024 quarter index) for civil constructions to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand 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 asset management planning activities, which provide further assurance over useful life estimates.

Critical accounting estimates and assumptions

Classification of property

The Council owns a number of properties held to meet future operational requirements. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for future service delivery objectives. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

Operational Assets – Council

	Council								
	Land $000	Farm Land $000	Buildings $000	Heritage Assets $000	Plant and Machinery $000	Library Books $000	Work in Progress $000	Total $000
Gross carrying amount:								
Balance at 1 July 2022	304,808	2,465	177,709	70	30,037	6,200	3,438	524,727
Additions	13,413	-	6,384	-	4,817	51	3,353	28,018
Disposals	-	-	-	-	(141)	-	-	(141)
Net revaluation increase / (decrease)	-	-	-	-	-	-	-	-
Transfers	1,104	-	(111)	-	33	-	(2,550)	(1,524)
Transfers (to)/from investment property	(72)	-	(2,253)	-	-	-	-	(2,325)
Balance at 30 June 2023	***319,253***	***2,465***	***181,729***	***70***	***34,746***	***6,251***	***4,241***	***548,755***
Additions	2,572	-	4,548	-	4,826	572	4,456	16,974
Disposals	-	-	-	-	-	-	-	-
Net revaluation increase / (decrease)	14,893	275	1,234	(2)	-	-	-	16,400
Transfers	(2,149)	-	-	-	-	-	(2,945)	(5,094)
Transfers (to)/from investment property	650	-	-	-	-	-	-	650
Balance at 30 June 2024	***335,219***	***2,740***	***187,511***	***68***	***39,572***	***6,823***	***5,752***	***577,685***
Accumulated depreciation:								
Balance at 1 July 2022	***-***	***-***	***(4,053)***	***-***	***(22,610)***	***(4,040)***	***-***	***(30,703)***
Disposals	-	-	-	-	120	-	-	120
Net adjustments on asset revaluation	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(5,326)	(3)	(2,785)	(482)	-	(8,596)
Transfers to investment property	-	-	2,029	-	-	-	-	2,029
Balance at 30 June 2023	***-***	***-***	***(7,350)***	***(3)***	***(25,275)***	***(4,522)***	***-***	***(37,150)***
Disposals	-	-	-	-	-	-	-	-
Net adjustments on asset revaluation	-	-	10,412	6	-	-	-	10,418
Depreciation expense	-	-	(6,648)	(3)	(2,992)	(535)	-	(10,178)
Transfers to investment property	-	-	-	-	-	-	-	-
Balance at 30 June 2024	***-***	***-***	***(3,586)***	***-***	***(28,267)***	***(5,057)***	***-***	***(36,910)***
Net carrying amount at 30 June 2023	***319,253***	***2,465***	***174,379***	***67***	***9,471***	***1,729***	***4,241***	***511,605***
Net carrying amount at 30 June 2024	***335,219***	***2,740***	***183,925***	***68***	***11,305***	***1,766***	***5,752***	***540,775***

Operational Assets – Group

Group	Land $000	Farm Land $000	Buildings $000	Heritage Assets $000	Plant and Machinery $000	Library Books $000	Work in Progress $000	Total $000
Gross carrying amount:								
Balance at 1 July 2022	305,583	2,465	185,995	70	66,574	6,198	3,438	570,323
Additions	13,413	-	6,235	-	9,870	51	3,353	32,922
Disposals	-	-	-	-	(1,333)	-	-	(1,333)
Net revaluation increase / (decrease)	-	-	2,044	-	-	-	-	2,044
Transfers	1,104	-	(111)	-	33	-	(2,550)	(1,524)
Transfers (to)/from investment property	(72)	-	(2,253)	-	-	-	-	(2,325)
Transfers (to)/from assets held for sale	-	-	-	-	(112)	-	-	(112)
Balance at 30 June 2023	***320,028***	***2,465***	***191,910***	***70***	***75,032***	***6,249***	***4,241***	***599,995***
Additions	2,572	-	4,548	-	8,887	572	4,456	21,035
Disposals	-	-	-	-	(407)	-	-	(407)
Net revaluation increase / (decrease)	14,893	275	1,999	(2)	-	-	-	17,165
Transfers	(2,149)	-	-	-	-	-	(2,945)	(5,094)
Transfers (to)/from investment property	650	-	-	-	-	-	-	650
Transfers (to)/from assets held for sale	-	-	-	-	(1,508)	-	-	(1,508)
Balance at 30 June 2024	***335,994***	***2,740***	***198,457***	***68***	***82,004***	***6,821***	***5,752***	***631,836***
Accumulated depreciation:								
Balance at 1 July 2022	-	-	***(5,037)***	-	***(44,310)***	***(4,038)***	-	***(53,385)***
Disposals	-	-	-	-	848	-	-	848
Transfers to / (from) assets held for sale	-	-	-	-	86	-	-	86
Net adjustments on asset revaluation	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(5,326)	(3)	(5,881)	(482)	-	(11,692)
Transfers to investment property	-	-	2,029	-	-	-	-	2,029
Balance at 30 June 2023	-	-	***(8,334)***	***(3)***	***(49,257)***	***(4,520)***	-	***(62,114)***
Disposals	-	-	-	-	341	-	-	341
Transfers to / (from) assets held for sale	-	-	-	-	1,057	-	-	1,057
Net adjustments on asset revaluation	-	-	10,412	6	-	-	-	10,418
Depreciation expense	-	-	(6,648)	(3)	(6,221)	(535)	-	(13,407)
Transfers to investment property	-	-	-	-	-	-	-	-
Balance at 30 June 2024	-	-	***(4,570)***	-	***(54,080)***	***(5,055)***	-	***(63,705)***
Net carrying amount at 30 June 2023	***320,028***	***2,465***	***183,576***	***67***	***25,775***	***1,729***	***4,241***	***537,881***
Net carrying amount at 30 June 2024	***335,994***	***2,740***	***193,887***	***68***	***27,924***	***1,766***	***5,752***	***568,131***

Infrastructure Assets – Council

	Council									
	Roading Network $000	Water Supplies $000	Stormwater Systems $000	Sewerage Systems $000	Land Drainage $000	Water Races $000	Refuse Disposal $000	Work in Progress ($000)	Total $000
Gross carrying amount:									
Balance at 1 July 2022	792,939	358,339	125,291	461,278	62,583	151,108	6,971	(108)	1,958,401
Additions	28,842	18,161	6,147	18,558	5	301	111	21,647	93,772
Net revaluation increase/(decrease)	10,083	-	-	-	-	-	-	-	10,083
Transfers	-	219	-	32	-	-	-	1,341	1,592
Balance at 30 June 2023	***831,864***	***376,719***	***131,438***	***479,868***	***62,588***	***151,409***	***7,082***	***22,880***	***2,063,848***
Additions	39,046	32,716	4,001	19,839	40	2,833	3,714	12,475	114,664
Net revaluation increase/(decrease)	(29,434)	(27,314)	(987)	11,735	15,331	34,560	11	-	3,902
Transfers	-	-	-	-	-	-	2,144	(15,218)	(13,074)
Balance at 30 June 2024	***841,476***	***382,121***	***134,452***	***511,442***	***77,959***	***188,802***	***12,951***	***20,137***	***2,169,340***
Accumulated depreciation:									
Balance at 1 July 2022	-	-	-	-	-	-	-	-	-
Net adjustments on asset revaluation	17,128							-	17,128
Depreciation expense	(17,128)	(8,749)	(1,676)	(7,217)	(63)	(707)	(217)	-	(35,757)
Balance at 30 June 2023	-	***(8,749)***	***(1,676)***	***(7,217)***	***(63)***	***(707)***	***(217)***	-	***(18,629)***
Net adjustments on asset revaluation	19,085	17,558	3,329	14,455	126	1,436	62	-	56,051
Depreciation expense	(19,085)	(8,809)	(1,653)	(7,238)	(63)	(729)	(268)		(37,845)
Balance at 30 June 2024	-	-	-	-	-	-	***(423)***	-	***(423)***
Net carrying amount at 30 June 2023	***831,864***	***367,970***	***129,762***	***472,651***	***62,525***	***150,702***	***6,865***	***22,880***	***2,045,219***
Net carrying amount at 30 June 2024	***841,476***	***382,121***	***134,452***	***511,442***	***77,959***	***188,802***	***12,528***	***20,137***	***2,168,917***

Infrastructure Assets – Group

	Group								
	Roading Network $000	Water Supplies $000	Stormwater Systems $000	Sewerage Systems $000	Land Drainage $000	Water Races $000	Refuse Disposal $000	Work in Progress ($000)	Total $000
Gross carrying amount:									
Balance at 1 July 2022	***792,939***	***358,339***	***125,291***	***461,278***	***62,583***	***151,108***	***6,971***	***(108)***	***1,958,401***
Additions	28,842	18,161	6,147	18,558	5	301	111	21,647	93,772
Disposals	-	-	-	-	-	-	-	-	-
Net revaluation increase / (decrease)	10,083	-	-	-	-	-	-	-	10,083
Transfers	-	219	-	32	-	-	-	1,341	1,592
Balance at 30 June 2023	***831,864***	***376,719***	***131,438***	***479,868***	***62,588***	***151,409***	***7,082***	***22,880***	***2,063,848***
Additions	39,046	30,380	3,980	18,985	40	2,707	3,714	12,438	111,290
Disposals	-	-	-	-	-	-	-	-	-
Net revaluation increase / (decrease)	(29,434)	(24,978)	(966)	12,589	15,331	34,686	11	-	7,239
Transfers	-	-	-	-	-	-	2,144	(15,218)	(13,074)
Balance at 30 June 2024	***841,476***	***382,121***	***134,452***	***511,442***	***77,959***	***188,802***	***12,951***	***20,100***	***2,169,303***
Accumulated depreciation:									
Balance at 1 July 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals	-	-	-	-	-	-	-	-	-
Transfers to / (from) assets held for sale	-	-	-	-	-	-	-	-	-
Net adjustments on asset revaluation	17,128							-	17,128
Depreciation expense	(17,128)	(8,749)	(1,676)	(7,217)	(63)	(707)	(217)	-	(35,757)
Transfers to investment property	-	-	-	-	-	-	-	-	-
Balance at 30 June 2023	**-**	**(8,749)**	**(1,676)**	**(7,217)**	**(63)**	**(707)**	**(217)**	**-**	**(18,629)**
Disposals	-	-	-	-	-	-	-	-	-
Transfers to / (from) assets held for sale	-	-	-	-	-	-	-	-	-
Net adjustments on asset revaluation	19,085	17,541	3,329	14,446	126	1,435	62	-	56,024
Depreciation expense	(19,085)	(8,792)	(1,653)	(7,229)	(63)	(728)	(268)		(37,818)
Transfers to investment property	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	**-**	**-**	**-**	**-**	**-**	**-**	***(423)***	**-**	***(423)***
Net carrying amount at 30 June 2023	***831,864***	***367,970***	***129,762***	***472,651***	***62,525***	***150,702***	***6,865***	***22,880***	***2,045,219***
Net carrying amount at 30 June 2024	***841,476***	***382,121***	***134,452***	***511,442***	***77,959***	***188,802***	***12,528***	***20,100***	***2,168,880***

Core Infrastructure Asset Disclosures

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

	Closing Book Value $000	Additions: Constructed by Council $000	Additions: Transferred to Council $000	Most Recent Replacement Cost Estimate for Revaluated Assets* $000
2024				
Water:				
- Treatment plants and facilities	39,521	240	-	59,779
- Other assets (such as reticulation systems)	342,600	30,481	1,994	476,448
Wastewater:				
- Treatment plants and facilities	60,756	3,041	-	91,455
- Other assets (such as reticulation systems)	450,686	12,708	4,089	533,939
Stormwater	134,452	942	3,059	156,552
Roads and footpaths	841,476	31,212	7,834	1,138,055
2023				
Water:				
- Treatment plants and facilities	54,408	3,263	-	75,327
- Other assets (such as reticulation systems)	313,562	11,317	3,800	435,219
Wastewater:				
- Treatment plants and facilities	72,725	2,661	-	116,853
- Other assets (such as reticulation systems)	399,926	8,020	7,909	463,131
Stormwater	129,762	41	6,106	148,959
Roads and footpaths	831,864	13,275	15,567	1,112,441

Land under roads

Land under roads was valued based on fair value of adjacent land determined by the Council's finance staff effective 30 June 2005. On transition to New Zealand equivalents to International Financial Reporting Standards on 1 July 2006, the Council elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

Impairment

Impairment losses of $nil (2023: $nil) were recognised during the period. The recoverable amount of the plant and equipment was based on value in use using the restoration cost approach, which was determined by reference to the depreciated replacement cost of the asset less the costs to repair the damage.

Capital commitments

The amount of contractual commitments for acquisition of property, plant, and equipment is:

	Council		Group	
	June 2024 $000	**June 2023 $000**	**June 2024 $000**	**June 2023 $000**
Community facilities	-	2,173	-	2,173
Property plant and equipment	-	-	484	907
Refuse	-	3,398	-	3,398
Transportation	6,347	1,642	6,263	1,642
Wastewater	32,395	-	392	-
Water Supply	4,642	1,562	495	1,562
Total capital commitments	***43,384***	***8,775***	***7,634***	***9,682***

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Insurance of assets

The following information relates to the insurance of Council assets as at 30 June:

	Council	
	Actual 2024 $000	**Actual 2023 $000**
The maximum amount to which insured assets are insured	719,000	717,000
The total value of all Council assets covered by insurance contracts	1,839,000	1,837,000
The total value of all Council assets covered by financial risk-sharing arrangements	1,170,000	1,170,000
Maximum amount available to the Council under financial risk-sharing arrangements	50,000	50,000
Total value of assets that are self-insured	12,800	12,500
Value of funds maintained for self insurance	12,800	12,500

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and sewerage assets, and provide a subsidy towards the restoration of roads.

The Council's underground insurance policy provides cover up to a maximum of $50 million. This policy has an excess of $12.5 million. 40% of the residual of $37.5 million or $15 million is provided by the insurance policy with the balance of the residual $22.5 million or 60% provided by Central Government.

Council also has two self-insurance funds as follows:

- Earthquake self-insurance reserve as at 30 June 2024 $12.0 million.
- General insurance reserve as at 30 June 2024: $0.8 million.

17. Intangible assets

Accounting policy

Software acquisition and development

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 attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

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

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

Goodwill (group)

Goodwill on acquisition of businesses and subsidiaries is included in "intangible assets". Goodwill on acquisition of an associate is included in the "investment in associate" carrying value in Note 14, with impairment considered as part of the overall investment balance.

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.

Mining Licences (group)

Acquired mining licenses and permits are capitalised on the basis of the costs incurred to acquire and bring to use, the specific licence and permit.

Brand name, customer list and customer contacts (group)

Brand name, customer list and customer contracts are finite life intangible assets recorded at their fair value on acquisition less accumulated amortisation and impairment. They are amortised on a straight-line basis over their estimated useful life.

The fair values have been established by reference to Former Blakely Construction Limited (BCL) revenue, discounted cash flows and contracts on BCL books at time of acquisition.

These valuations use assumptions including future revenue, margins, risk and appropriate discount rates.

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 financial year is recognised in surplus or deficit.

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

Asset class	Useful life	Annual amortisation rate
Computer software	2 - 4 years	25% - 50%
Mining licences (group)	24.04 years	4.16%
Brand name (group)	10 years	10%
Customer Relationships	3 years	33%
Customer Contracts	As profit realised	

Mining licences transferred at acquisition date with a finite life are amortised on a straight-line basis over their useful life.

Amortisation begins from acquisition date and ceases at the date that the licence is derecognised.

The amortisation charge for each period is recognised in the surplus or deficit.

Impairment of intangible assets

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

For further details, refer to the policy for impairment of property, plant, and equipment in Note 16. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

	Council	Group				
	Computer Software $000	Computer Software $000	Goodwill $000	Brand Name $000	Customer List $000	Total $000
Balance as at 1 July 2023						
Cost	3,275	3,499	3,266	1,357	1,234	9,356
Accumulated amortisation and impairment	(2,281)	(2,461)	(2,396)	(1,357)	(1,234)	(7,448)
Opening carrying amount	***994***	***1,038***	***870***	***-***	***-***	***1,908***
Year ended 30 June 2024						
Additions	331	356	-	-	-	356
Amortisation charge	(345)	(385)	-	-	-	(385)
Balance as at 30 June 2024						
Cost	3,606	3,855	3,266	1,357	1,234	9,712
Accumulated amortisation and impairment	(2,626)	(2,846)	(2,396)	(1,357)	(1,234)	(7,833)
Closing carrying amount	***980***	***1,009***	***870***	***-***	***-***	***1,879***
Balance as at 1 July 2022						
Cost	2,161	2,348	3,266	1,357	1,234	8,205
Accumulated amortisation and impairment	(1,871)	(2,025)	(2,396)	(1,357)	(1,234)	(7,012)
Opening carrying amount	***290***	***323***	***870***	***-***	***-***	***1,193***
Year ended 30 June 2023						
Additions	1,114	1,151	-	-	-	1,151
Amortisation charge	(410)	(436)	-	-	-	(436)
Balance as at 30 June 2023						
Cost	3,275	3,499	3,266	1,357	1,234	9,356
Accumulated amortisation and impairment	(2,281)	(2,461)	(2,396)	(1,357)	(1,234)	(7,448)
Closing carrying amount	***994***	***1,038***	***870***	***-***	***-***	***1,908***

Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Capital Commitments

There are no capital commitments at 30 June 2024. (2023: $nil).

Impairment

There is no impairment of intangible assets at 30 June 2024. (2023: $nil).

Critical accounting estimates and assumptions

Goodwill

Goodwill of $870,000 (2023: $870,000) has been allocated to the single cash-generating unit (CGU) of CORDE Limited. The synergies of the business combination in which the goodwill arose are expected to be realised only by the assets of CORDE Limited.

The recoverable amount of the CGU has been determined based on a value in use calculation. This calculation uses cash flow projections based on financial budgets approved by the Board of Directors and cover a five-year period. Cash flows beyond the five-year period have been extrapolated using an estimated growth rate.

Key assumptions used for the goodwill value in use calculation

- weighted average growth rate 5% for the first five years then nil average growth rate
- post-tax discount rate 4.57%.

These assumptions have been used for the analysis of the CGU of CORDE Limited. The Board has determined budgeted gross margin based on past performance and its expectations for the market. The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflects specific risks relevant to the CGU.

The group believes that a reasonable possible change in any of the key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount.

18. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2024 $000	**Actual 2023 $000**
Community services and facilities	8,769	7,397
Environmental services	137	-
Transportation	19,085	17,129
Solid waste management	268	217
Communty water supplies	8,810	8,786
Community waste water supplies	7,238	7,226
Stormwater	1,653	1,676
Water races and land drainage	792	800
Other corporate	1,616	1,532
Total depreciation and amortisation expense	***48,368***	***44,763***

19. Forestry assets

Accounting policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

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

Forestry maintenance costs are recognised in surplus or deficit when incurred.

Critical accounting estimates and assumptions

Independent registered valuer, Laurie Forestry Limited has valued the forestry assets as at 30 June 2024. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 8.0% (2023: 7.0%) has been used in discounting the present value of expected future cash flows;
- notional land rental costs have been included for freehold land;
- the forest has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis;
- costs are current average costs. No allowance has been made for cost improvements in future operations;
- log prices are based on a three-year historical rolling average.

Sensitivity analysis

The net present value method that is used for valuing Selwyn District Council's plantations is particularly sensitive to changes in log prices and discount rate:

- Valuation using set parameters **$486,969**
- Low discount rate (7.0%) **$519,389**
- High discount rate (9.0%) **$457,405**
- Low log prices (less 10%) **$400,516**
- High log prices (up 10%) **$573,421**

Breakdown of forestry assets and other information

The Council owns 95.3 hectares of Pinus radiata forest, comprising trees that are at varying stages of maturity ranging from 6 to 44 years. There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Balance as at 1 July	125	130	125	130
Gains/(losses) arising from changes in fair value	362	(5)	362	(5)
Balance as at 30 June	***487***	***125***	***487***	***125***

Financial risk management strategies

The Council and Group is exposed to financial risks arising from changes in timber prices. The Council and Group is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council and Group reviews its outlook for timber prices regularly in considering the need for active financial risk management.

20. Payables and deferred revenue

Accounting policy

Short-term creditors and other payables are measured at the amount payable.

Payables and deferred revenue

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Trade payables	24,844	12,160	25,902	18,779
Accrued expenses	1,520	-	2,001	-
Deposits and retentions	6,488	4,919	6,488	6,796
Amounts due to subsidiaries and associates	6	7,011	6	-
Payables and deferred revenue under non-exchange transactions:				
Revenue received in advance	820	870	820	870
Rates received in advance	1,216	1,052	1,216	1,052
Total payables and deferred revenue	***34,894***	***26,012***	***36,433***	***27,497***

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

Group

The Construction Contract (Retention Money) Amendment Act (2023) commenced on 5 October 2023 and requires construction companies to hold money for retentions withheld from subcontractors on trust. This is included in the cash and cash equivalents balance in a separate compliant bank account, with a balance of $539k (2023 - $392k), which addresses this Act.

21. Employee benefit liabilities

Accounting policy

Short-term employee entitlements

Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured 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, and sick leave.

A liability for sick leave is recognised 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 it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

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

Presentation of employee entitlements

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

Defined contribution superannuation schemes

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

Defined benefit superannuation schemes

The Council and CORDE Limited belong to a Defined Benefit Plan Contribution Scheme ('the Scheme') which is managed by the Board of Trustees of the National Provident Fund. The Scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the Scheme, the extent to which the surplus/deficit will affect contributions by individual employers, as there is no prescribed basis for allocation. The Scheme is therefore accounted for as a defined contribution scheme.

Breakdown of employee entitlements other information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Accrued salaries and wages	1,296	1,250	2,224	2,052
Annual leave	2,202	2,120	4,662	3,746
Sick leave	27	12	205	113
Holiday remediation pay	1,850	350	1,850	350
Retirement and long service leave	42	127	54	137
Total employee benefits	***5,417***	***3,859***	***8,995***	***6,398***
Comprising:				
Current	5,375	3,732	8,941	6,261
Non-current	42	127	54	137
Total employee benefits	***5,417***	***3,859***	***8,995***	***6,398***

22. Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash flows. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (see Note 6).

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

The Council engaged an independent engineer, Collaborations, to provide information as a basis for estimating a provision for capping the Council's four landfill sites. Collaborations has significant experience in performing such assessments.

The cash outflows for landfill post-closure costs are expected to occur over a period of 10 years (that is, between 2024 and 2034). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash outflows have been estimated considering existing technology and known changes to legal requirements. The gross provision before discounting is $.95 million (2023: $1.2 million).

The following significant assumptions have been made in estimating the provision:

- The estimated period to complete post-closure works is 5 to 10 years, based on the availability of suitable cover material.
- An annual inflation factor of 2.0% has been applied in estimating the future cash outflows.
- Discount rate of 0.65% (2023: 0.65%) has been used to discount the estimated future cash outflows. This rate has been determined using the New Zealand Government Treasury risk free rate and extrapolated beyond the available market data.

The timeframes for completing this work are unknown with the assumption that the sites will be rehabilitated over a period of 10 years.

Landfill aftercare

A provision for future landfill site restoration and aftercare costs is recognised when the activities giving rise to the need for site restoration and aftercare have commenced. The provision is stated at the present value of the future cash outflows expected to be incurred which increases each period due to the passage of time. Any increase in the provision due to the change in present value is recognised in the surplus or deficit as a time value adjustment.

Future landfill site restoration and aftercare costs provided for are initially capitalised in the statement of financial position. Any change in the provision for future landfill site restoration and aftercare costs arising from a change in estimate of those costs is also recognised in non-current assets in the statement of financial position.

Future landfill site restoration and aftercare costs capitalised in the statement of financial position are depreciated at rates that match the pattern of benefits expected to be derived from the landfill including power generation using landfill gas.

Contractual rework (Group) – CORDE Limited

(see note 18 (page 70) of CORDE Limited financial statements)

Provisions are required to settle the obligation to rework certain general construction and sealing contracts. A reliable estimate of the cost is required before the provision is recognised.

Movements for each class of provision are as follows:

Landfill aftercare provision	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Opening balance	947	1,173	947	1,173
Discount unwinding	(79)	(226)	(79)	(226)
Closing balance	***868***	***947***	***868***	***947***

Contractual rework	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Opening balance	-	-	101	101
Additional provisions made during the year	-	-	(12)	-
Amounts used during the year	-	-	(18)	-
Closing balance	***-***	***-***	***71***	***101***

Onerous Contracts	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Opening balance	-	-	-	-
Additional provisions made during the year	-	-	490	-
Closing balance	***-***	***-***	***490***	***-***

Weathertightness and other legal claims	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Opening balance	20	20	20	20
Increase/(decrease) due to discount rate changes and assessment of liability	(9)	-	(9)	-
Closing balance	***11***	***20***	***11***	***20***

Infringement provision	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Opening balance	-	-	25	25
Additional provisions made during the year	-	-	-	-
Amounts used during the year	-	-	(25)	-
Closing balance	***-***	***-***	***-***	***25***

Total Provisions	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Current	11	20	572	146
Non-current	867	947	867	947
Total Provisions	***878***	***967***	***1,439***	***1,093***

23. Borrowings

Accounting policy

Borrowing on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

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

Breakdown of borrowings

	Council		Group	
At amortised cost:	**Actual 2024 $000**	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Current:				
Secured loans	40,000	10,200	40,000	10,200
Non-current:				
Secured loans	145,000	105,000	145,000	105,000
Total borrowings	***185,000***	***115,200***	***185,000***	***115,200***

Interest terms for secured loans

The Council's secured loans are mostly at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank rate plus a margin for credit risk.

Security

The Council's secured loans are secured over rates of the Council. Carrying values are approximately equal to fair value.

Bank overdraft and flexible credit facilities (Group)

The overdraft facility is secured by debenture. The maximum amount that can be drawn down against the overdraft facility is $300,000 (2023: $300,000). There are no restrictions on the use of this facility.

The commercial flexi facility is secured by debenture. The maximum amount that can be drawn down against the overdraft facility is $3.0 million (2023: $3.0 million). There are no restrictions on the use of this facility.

Internal borrowings

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair values

Long term borrowings are at market rates, therefore carrying amounts approximate their fair values.


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24. Contingencies

Selwyn District Council

Contingent liabilities

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done. At the date of these financial statements, two matters under that Act indicating potential liabilities had been brought to the Council's attention. The Council's initial legal advice considers this claim to be probable and has therefore made a provision for claims where a reliable estimate of the potential cost to the Council can be made.

Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. In February 2024, S&P Global Ratings affirmed their long-term ratings on New Zealand Local Government Funding Agency ("LGFA") at 'AA+' foreign-currency and 'AAA' local-currency. All credit ratings have a stable outlook.

As at 30 June 2024, the Council is one of 30 local authority shareholders and 72 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of $1.0 million. When aggregated with the uncalled capital of other shareholders, $20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings.

NZLGFA shareholders consist of the New Zealand Government (20%) and local authority shareholders (80%). The New Zealand Government shareholding is fully paid. The uncalled capital of local authority shareholders is $20m and this is available in the event that an imminent default is identified. Also, together with the shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2024, NZLGFA had borrowings totalling $23.030 billion (2023 : $17.684 billion).

- Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:
- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable council to levy a rate to recover sufficient funds to meet any debt obligations.

Landfills

The Council does not operate any landfills in the District. The Council has recognised the costs of closing and rehabilitating the Cox, Killinchy, Hawkins and Springston landfills as per Note 22.

The cost of closing other landfills and on-going monitoring after-care of all landfills is not fully known at this time. The costs will be recognised, and funding provided, as the costs become known.

CORDE Limited (Group)

From time-to-time CORDE has performance bonds and bonds in lieu of retentions to third parties. Bonds to the value of $1,332,306 (2023: $337,946) are committed as at 30 June 2024.

CORDE does not list these bonds as contingent liabilities because it does not consider that it is probable that any such bonds will be exercised. If any performance issues are raised CORDE has a policy of promptly returning to the site and fixing the customers concerns.

Contingent assets

The Council is not aware of any contingent assets at 30 June 2024. (2023: nil).

CORDE Limited (Group)

Contingent assets

From time-to-time CORDE has performance bonds and bonds in lieu of retentions from third parties.

Bonds to the value of $235,433 (2023: $nil) are held at 30 June 2024.

CORDE does not list these bonds as assets because it does not consider that it is probable that any such bonds will be exercised. If any performance issues are raised CORDE expects subcontractors will return to the site and resolve any issues.

Other than the above CORDE has no contingent assets at 30 June 2024 (2023: $nil).

25. Equity

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- accumulated funds;
- restricted reserves;
- property revaluation reserve; and
- fair value through other comprehensive revenue and expense reserve.

Restricted reserves

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

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

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

Property revaluation reserve

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value though other comprehensive revenue and expense.

Breakdown of equity and further information

	Council		Group	
	Actual 2024 $000	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Accumulated funds				
Opening balance as at 1 July	1,294,779	1,210,938	1,307,409	1,222,329
Surplus/(deficit) for the year	4,989	32,744	2,248	33,983
Reserve Transfers				
transfer to restricted reserves	(151,778)	(39,808)	(151,778)	(39,808)
transfer from restricted reserves	106,473	90,492	106,473	90,492
transfer from revaluation reserves on disposal	-	413	-	413
Closing balance as at 30 June	***1,254,463***	***1,294,779***	***1,264,352***	***1,307,409***
Restricted reserves				
Opening balance as at 1 July	(6,155)	44,529	(6,155)	44,529
Transfers from Accumulated funds	151,778	39,808	151,778	39,808
Transfers to Accumulated funds	(106,473)	(90,492)	(106,473)	(90,492)
Closing balance as at 30 June	***39,150***	***(6,155)***	***39,150***	***(6,155)***
Asset revaluation reserves				
Opening balance as at 1 July	1,287,455	1,260,657	1,294,107	1,265,090
Net Revaluation gains/(losses)	87,133	27,211	91,208	29,430
Net Revaluation reserve gains/(losses)	-	(413)	-	(413)
Closing balance as at 30 June	***1,374,588***	***1,287,455***	***1,385,315***	***1,294,107***
Asset revaluation reserves consist of:				
Land and buildings	212,320	185,705	219,737	192,357
Farm land	4,651	4,376	4,651	4,376
Roading	358,083	368,432	358,083	368,432
Water supplies	234,773	244,528	237,092	244,528
Stormwater	56,842	54,499	56,863	54,499
Sewerage	280,640	254,450	281,485	254,450
Land drainage	57,190	41,733	57,190	41,733
Water races	169,727	133,732	169,852	133,732
Forestry	362	-	362	-
Total	***1,374,588***	***1,287,455***	***1,385,315***	***1,294,107***

	Council		Group	
	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Fair value through other comprehensive revenue and expense reserve				
Opening balance as at 1 July	149,279	86,398	116,278	71,297
Valuation gains/(losses) taken to equity	7,152	62,881	8,052	44,981
Closing balance as at 30 June	***156,431***	***149,279***	***124,330***	***116,278***
Total Equity	**2,824,632**	**2,725,358**	**2,813,146**	**2,711,639**

Purpose of each reserve fund

A General reserve:

The purpose of a general reserve fund is to provide funding for new capital items arising from increased levels of service or growth.

B Renewal reserve:

The purpose of a renewal reserve is to provide funding for the renewal of existing capital items.

C Specific reserve:

The purpose of these reserves is to provide funding for the maintenance of specific assets or to generate funds for future specific assets.

D Special reserve:

The purpose of these reserves is for specific purposes as indicated by the reserve name.

E Internal borrowing reserve:

The purpose of these reserves is to separate out internal borrowings.

Information about reserve funds held for a specific purpose is provided below:

	Purpose of reserve fund	Opening balance $000	Deposits $000	Withdrawals $000	Closing balance $000
Water supply					
Darfield Water Supply Capital Rate Reserve	A	(1,445)	2,384	(938)	-
Darfield Water Supply Water Quality Upgrade	C	2,055	476	(2,531)	-
Kirwee Water Supply Equipment Reserve	A	532	427	(960)	-
Leeston Water Supply Reserve	A	(991)	2,355	(1,365)	-
Lincoln Water Supply Reserve	A	(561)	1,324	(763)	-
Malvern Hills Rural Water Supply Reserve	A	69	980	(1,049)	-
Prebbleton Water Supply Reserve	A	1,702	482	(2,183)	-
Rolleston Water Supply Reserve	A	2,016	1,182	(3,199)	-
Southbridge Water Supply Reserve	A	343	7	(349)	-
Water Supplies Renewal Reserves	A	(6,635)	11,281	(4,646)	-
West Melton Water Supply Reserve	A	451	915	(1,366)	-
Total water supply reserves		***(2,464)***	***21,813***	***(19,349)***	**-**
Wastewater					
Darfield Wastewater Grant Existing Reserve Fund	A	3,473	-	(3,473)	-
Darfield Wastewater Capital Reserve Fund	A	(9,965)	9,965	-	-
Ellesmere Sewerage Renewal Reserve	B	(276)	2,917	(2,641)	-
Rolleston Sewerage Reserve	A	(17)	241	(224)	-
Sewerage Renewal Reserve	B	1,679	2,369	(4,047)	-
Springston/Aberdeen Special Fund Reserve	D	79	-	(79)	-
Tai Tapu Sewerage Reserve	A	237	1	(238)	-
West Melton Sewerage Reserve	A	(109)	109	-	-
Total wastewater reserves		***(4,899)***	***15,602***	***(10,702)***	**-**
Stormwater					
Leeston Stormwater Reserve	A	178	-	(178)	-
Stormwater District Renewal Reserve	A	1,108	172	(1,280)	-
Total stormwater reserves		***1,286***	***172***	***(1,458)***	**-**
Water races and land drainage					
Bealey River River Protection Reserve	D	27	1	-	28
Greenpark Land Drainage Reserve	A	25	1	-	26
Hororata River Land Drainage Reserve	A	20	1	-	20
Irwell Land Drainage Reserve	A	2	-	-	2
L2 River Land Drainage Reserve	A	53	2	-	55

	Purpose of reserve fund	Opening balance $000	Deposits $000	Withdrawals $000	Closing balance $000
L2 River Land Drainage De-silting Reserve	C	126	6	-	132
L2 River Land Drainage Machinery Reserve	C	192	9	-	201
Leeston Land Drainage Reserve	C	46	2	-	48
Osbourne Land Drainage Renewal Reserve	B	(412)	-	(19)	(431)
Taumutu Culverts Land Drainage Reserve	A	56	3	-	59
Wairiri Valley Land Drainage Reserve	A	5	-	-	5
Water Race Renewal Reserve	A	1,376	274	(1,650)	-
Total land drainage and water race reserves		***1,516***	***299***	***(1,669)***	***145***
Community services and facilities					
Albert Anderson Fund	D	7	-	-	7
Art Acquisition Reserve	D	51	2	-	53
Broadfield Loan Loan Reserve	E	(7)	7	-	-
Darfield Medical Centre Loan	E	(325)	525	(200)	-
Darfield Township Reserve	A	559	20	(238)	341
District Community Centre Reserve	A	108	5	-	113
District Reserve Contributions Reserve	A	121	5	(37)	89
District Township Reseve	A	81	4	-	85
Dunsandel Community Centre Loan	E	(624)	624	-	-
Ellesmere Reserve Board Reserve	A	176	52	-	228
Ex Ellesmere - Ellesmere Clay Loan Reserve	A	3	-	(3)	-
Foster Park Loan	E	(1,765)	1,765	-	-
Halkett Community Centre 25 Year Loan Reserve	E	(6)	6	-	-
Health Hub - Internal Loan	E	(16,918)	16,918	-	-
Hororata Reserve CPW Shares Hororata Reserve	D	(98)	98	-	-
Insurance Reserve Fund Reserve	A	736	33	-	770
Izone Special Fund	A	13,756	613	(399)	13,971
Lakeside Community Centre Loan Repayment Fund	A	(178)	178	-	-
Leeston Community Centre Loan Repayment Fund	A	(1,091)	1,091	-	-
Leeston Park Special Fund Reserve	A	25	1	-	26
Leeston Township Est NA Osbourne Reserve	D	81	4	(5)	79
Lincoln Events Centre Loan	E	(1,451)	1,451	-	-
Lincoln Library Loan	E	(3,521)	3,521	-	-
McHughs Plantation Loan Reserve	E	(925)	925	-	-
Metal Pits Reserve	D	63	-	(276)	(213)
Reserve Contrib.Southwest Selwyn Area	A	429	754	(1,183)	-

Reserve Contrib.Northwest Selwyn Area	A	1,916	984	(2,900)	-
Reserve Contrib.Eastern Selwyn Area	A	40,879	8,652	(49,531)	-
Rhodes Park Community Centre Loan	E	(981)	981	-	-
Rolleston Com Centre Capital Fund	A	180	8	-	188
Rolleston Community Fund	D	167	6	(57)	116
Rolleston Headquarters Building Renewal Reserve	C	5,045	503	-	5,548
Sinking Fund	D	-	22	-	22
Selwyn Aquatic Centre Loan	E	(21,524)	21,524	-	-
Selwyn District Education Fund Reserve	D	153	7	-	160
Selwyn District Park Loan	E	(2,116)	2,116	-	-
Selwyn Sports Centre Loan	E	(14,606)	14,606	-	-
Southbridge Advisory Committee Reserve	A	31	1	-	32
Tai Tapu ex Paparua Library Reserve	D	15	1	-	16
Te Ara Atea - Loan	E	(15,819)	15,819	-	-
Weedons Reserve Loan Repayment Reserve	A	(97)	97	-	-
West Melton Community Centre Ex Paparua Reserve	A	3	-	-	3
West Melton Community Centre Scholarship Reserve	C	46	2	(2)	46
West Melton Community Centre Loan	E	(2,350)	2,350	-	-
Total community services and facilities reserves		***(19,771)***	***96,281***	***(54,831)***	***21,680***
Environmental services					
Dog Pound Loan	E	(305)	305	-	-
Weather Tightness Insurance Reserve	D	(49)	180	-	131
Total environmental services reserves		***(354)***	***485***	***-***	***131***
Internal council services					
MAB Discretionary Fund Reserve	D	38	17	-	55
Commercial Building Loan	E	(741)	741	-	-
Investment Farming Property Loan	E	(1,276)	1,276	-	-
Earthquake Self Insurance Reserve	D	11,866	84	-	11,950
Earthquake Self Insurance - Earmarked Funds	D		-	-	-
Pre 1989 Contributions Reserve	D	76	3	-	80
Zone 5 Special Fund	D	1	-	-	1
Total internal services reserves		***9,964***	***2,121***	***-***	***12,086***
Transportation					
Roading Contributions Reserve	A	11,861	2,760	(14,621)	-
Undergrounding Reserve	A	3,471	154	(109)	3,517
Total transportation		***15,332***	***2,914***	***(14,730)***	***3,517***

Solid waste					
Operational Assets Replacement Fund Reserve	B	(7,423)	10,974	(3,553)	-
Waste Mangement Grant	D	-	10	-	10
Waste Minimisation Fund Reserve	D	658	1,103	(181)	1,580
Total solid waste		***(6,765)***	***12,087***	***(3,734)***	***1,590***
Total restricted reserves		***(6,155)***	***151,774***	***(106,473)***	***39,149***

Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

26. Related party transactions

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Further, no disclosure has been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transactions required to be disclosed

The Council is the ultimate parent of the group and controls its subsidiaries, CORDE Limited and the Selwyn District Charitable Trust. The Council also exerts significant influence over Orion New Zealand Limited, the Central Plains Water Trust and the Tramway Reserve Trust.

Selwyn District Charitable Trust

The Council provided accounting services to the Trust at no charge and meets the audit fee of the Trust totalling $nil (2023: $nil) and met other operating costs of the trust totalling $50 (2023: $50).

CORDE Limited

The Council entered into transactions with CORDE during the year.

Corde transactions with Key Management Personnel

	2024 $000	2023 $000
Rates, royalties, interest and lease revenue received	877	626
Dividend revenue	2,000	2,250
Contract services received from CORDE	63,276	58,100
Accounts receivable	17	93
Accounts payable and accrused expenses	9,638	6,593
Retentions payable	547	418

Central Plains Water Trust

	2024 $000	2023 $000
Payments to suppliers on behalf of the Trust	175	214
Accounts Receivable	210	251

In addition to the above transactions, the Council has provided accounting services to the Trust at no charge.

Key management personnel compensation

	2024 $000	2023 $000
Councillors		
Full-time equivalent members	12	11
Remuneration	748	697
Senior management team, including the Chief Executive		
Full-time equivalent members	7	6
Remuneration	1,824	1,521
Total full-time equivalent personnel	***19***	***17***
Total key management personnel remuneration	***2,572***	***2,218***

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on the Chief Executive remuneration is provided in Note 4.

27. Events after balance date

Disclosures – Local Water Done Well

In response to the Local Government (Water Services Preliminary Arrangement) Act 2024 (the Act) and Local Water Done Well reforms currently underway, the Council has been required to prepare, consult on, and adopt a Water Service Delivery Plan (WSDP), detailing how the Council plans to fund, manage and deliver water services in future. This initiative represents a significant shift in the governance and management of water services across New Zealand, focusing on improving the quality, safety, and sustainability of water delivery for communities.

Council decided in November 2024 to explore the option of a Water Services Council Controlled Organisation (WSCCO) for the delivery of drinking and wastewater, and to keep stormwater in-house. Noting that if water services were to remain within the Council, there is no guarantee that the costs or service would not change from what had been forecast in the Long-Term Plan 2024-2034.

Consultation on the proposal was with our community between 20 February 2025 and 12 March 2025. Decision making is anticipated to be completed by 2nd April 2025. If a Water Services Council Controlled Organisation is decided on, then it would be stood up by 1 July 2025.

28a. Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Council		Group	
Financial Assets	**Actual 2024 $000**	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Fair value through surplus or deficit FVTSD				
Derivative financial instruments	16,452	15,850	16,452	15,850
Borrower Note	3,945	2,650	3,945	2,650
Total financial assets at FVTSD	***20,397***	***18,500***	***20,397***	***18,500***
Amortised Costs				
Cash and cash equivalents	27,399	20,447	39,231	31,943
Trade and other receivables	20,703	11,127	24,712	11,958
Term deposits	10,000	10,000	10,000	10,000
Community loans	32	37	32	37
Total financial assets at cost	***58,134***	***41,611***	***73,975***	***53,938***
Fair value through CRE FVTCRE				
Unlisted shares	202,757	195,605	161,657	153,605
Total financial assets FVTCRE	***202,757***	***195,605***	***161,657***	***153,605***
Financial Liabilities				
Fair value through surplus or deficit FVTSD				
Derivative financial instrument liabilities – not hedge accounted	9,065	7,173	9,065	7,173
Financial liabilities at amortised cost				
Trade and other payables	32,858	24,090	34,397	25,575
Borrowings: - Secured loans	185,000	115,200	185,000	115,200
Other financial liabilities ***- Total financial liabilities at amortised cost***	***217,858***	***139,290***	***219,397***	***140,775***

28b. Fair value hierarchy

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

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

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

		Council		Group	
Financial assets	**Level**	**Actual 2024 $000**	**Actual 2023 $000**	**Actual 2024 $000**	**Actual 2023 $000**
Derivative financial assets	2	16,452	15,850	16,452	15,850
Borrower Notes	2	3,945	2,650	3,945	2,650
Unlisted Shares	3	202,757	195,605	161,657	153,605
Financial liabilities					
Derivatives financial liabilities	2	9,065	7,173	9,065	7,173

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

Valuation techniques with significant non-observable inputs (level 3)

	Council		Group	
	Actual 2024 $0	**Actual 2023 $0**	**Actual 2024 $0**	**Actual 2023 $0**
Balance as at 1 July	198,255	134,329	156,255	92,329
Gain and losses recognised in other comprehensive revenue	4,502	63,926	5,402	63,926
Balance as at 30 June	202,757	198,255	161,657	156,255

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

28c. Financial instrument risks

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council 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 because of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This price risk arises due to market movements in listed shares. Equity securities price risk is not managed as the Council holds no listed shares.

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.

The Council purchases plant and equipment associated with the construction of certain infrastructural assets from overseas, which require it to enter transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is the Council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above $100,000 by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. This means that the Council can fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

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. Borrowings and investments issued at fixed rates expose the Council to fair value interest rate risk. Council's Liability Management policy outlines the level of borrowing that is to be sourced using fixed rate instruments.

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 Council to cash flow interest rate risk.

Council 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 Council borrowed at fixed rates directly. Under the interest rate swaps. Council 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 national principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council and group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk. The Council also provides financial guarantees, which gives rise to credit risk.

Receivables arise mainly from the Council's statutory functions. There are no procedures in place to monitor or report the credit quality of receivables. The Council has no significant concentrations of credit risk in relation to receivables as it has many credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding rates from ratepayers.

Counterparties and limits can only be approved on the basis of long-term Standard & Poor's, (S&P) credit ratings (or equivalent Fitch or Moody's rating) being A and above and/or short-term rating of A-1 or above.

Council has no other collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

		Council		Group	
	S&P Credit Rating	Actual 2024 $000	Actual 2023 $000	Actual 2024 $000	Actual 2023 $000
Cash at bank and term deposits	AA-	37,399	30,447	49,231	41,943
Receivables	Not measured	16,259	9,644	20,268	10,475
Community loans	Not measured	32	37	32	37
Borrower notes	AAA	3,945	2,650	3,945	2,650
Derivative financial instrument assets	AA-	16,452	15,850	16,452	15,850
Total credit risk		***74,087***	***58,628***	***89,928***	***70,955***

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, the Council maintains a target level of investments that must mature within the next 12 months and ensure all investments are readily tradable.

Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Council's Long-Term Plan.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount $000	Contractual cashflows $000	Less than 1 year $000	1-5 years $000	More than 5 years $000
Council 2024					
Trade and other payables	34,894	34,894	34,894	-	-
Secured loans	185,000	222,359	40,758	133,389	48,212
Total	***219,894***	***257,253***	***75,652***	***133,389***	***48,212***
Group 2024					
Trade and other payables	36,433	36,433	36,433	-	-
Secured loans	185,000	222,359	40,758	133,389	48,212
Total	***221,433***	***258,792***	***77,191***	***133,389***	***48,212***
Council 2023					
Trade and other payables	24,089	24,089	24,089	-	-
Secured loans	115,200	138,172	16,474	103,070	18,628
Total	***139,289***	***162,261***	***40,563***	***103,070***	***18,628***
Group 2023					
Trade and other payables	25,574	25,574	25,574	-	-
Secured loans	115,200	138,172	16,474	103,070	18,628
Total	***140,774***	***163,746***	***42,048***	***103,070***	***18,628***

The Council is exposed to liquidity risk as a guarantor of all the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due.

Contractual maturity analysis of derivative financial instruments

The table below analyses Council's maturity dates for interest rate derivative financial instruments.

	Carrying amount $000	Contractual cashflows $000	Less than 1 year $000	1-5 years $000	More than 5 years $000
Council 2024	5,618	5,891	2,259	3,580	52
Group 2024	5,618	5,891	2,259	3,580	52
Council 2023	7,140	7,904	2,415	5,123	366
Group 2023	7,140	7,904	2,415	5,123	366

Contractual maturity analysis of financial assets

The table below analyses the Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount $000	Contractual cashflows $000	Less than 1 year $000	1–5 years $000	More than 5 years $000
Council 2024					
Cash and cash equivalents	**27,399**	**27,399**	**27,399**	**-**	**-**
Trade and other receivables	20,703	20,703	20,703	-	-
Loans to related parties	-	-	-	-	-
Net settled derivative asset (interest rate swap)	5,437	5,891	2,259	3,580	52
Other financial assets:					-
- term deposits	10,000	10,000	10,000	-	-
- community loans	-	-	-	-	-
- borrower notes	4,831	4,831	628	3,267	936
Total	***68,370***	***68,824***	***60,989***	***6,847***	***988***
Group 2024					
Cash and cash equivalents	39,231	39,231	39,231	-	-
Trade and other receivables	25,510	28,655	28,655	-	-
Loans to related parties	-	-	-	-	-
Net settled derivative asset (interest rate swap)	5,437	5,891	2,259	3,580	52
Other financial assets:					
- term deposits	10,000	10,000	10,000	-	-
- community loans	-	-	-	-	-
- borrower notes	4,831	4,831	628	3,267	936
Total	***85,009***	***88,608***	***80,773***	***6,847***	***988***
Council 2023					
Cash and cash equivalents	20,447	20,447	20,447	-	-
Trade and other receivables	9,644	9,644	9,644	-	-
Loans to related parties	-	-	-	-	-
Net settled derivative asset (interest rate swap)	7,140	7,904	2,415	5,123	366
Other financial assets:					
- term deposits	10,000	10,000	10,000	-	-
- community loans	37	37	37	-	-
- borrower notes	2,650	3,185	351	2,371	463
Total	***49,918***	***51,217***	***42,894***	***7,494***	***829***
Group 2023					
Cash and cash equivalents	31,943	31,943	31,943	-	-
Trade and other receivables	10,475	10,475	10,475	-	-
Loans to related parties	-	-	-	-	-
Net settled derivative asset (interest rate swap)	7,140	7,904	2,415	5,123	366
Other financial assets:					
- term deposits	10,000	10,000	10,000	-	-
- community loans	37	37	37	-	-
- borrower notes	2,650	3,185	351	2,371	463
Total	***62,245***	***63,544***	***55,221***	***7,494***	***829***

Sensitivity analysis

The Council is exposed to interest rate risk arising from borrowing funds at floating interest rates and investing cash in short-term deposits at fixed interest rates.

The Council believes there is no material sensitivity to interest rate movements in relation to at the year-end due to the following:

- The majority of interest rate related exposures relate to borrowings.
- The majority of floating rate borrowings are economically hedged with interest rate swap contracts.
- Any adverse/positive impact arising from the sensitivity to interest rate risk on floating rate borrowings will be offset by an equal and opposite movement in the fair value of the interest rate swap contracts.

The sensitivity analysis below illustrates the potential effect on the surplus or deficit of reasonable market movements with all other variables held constant.

	Council		Group	
2024	**- 100 bps**	**+100 bps**	**- 100 bps**	**+100 bps**
Financial Assets				
Cash and cash equivalents	(274)	274	(392)	392
Term deposits	(100)	100	(100)	100
Derivative financial assets	(327)	308	(327)	308
Total financial assets interest rate risk sensitivity	***(701)***	***682***	***(820)***	***800***
Financial Liabilities				
Secured loans	1,267	(1,267)	1,267	(1,267)
Total financial liabilities interest rate risk sensitivity	***1,267***	***(1,267)***	***1,267***	***(1,267)***
Total interest rate risk sensitivity	***566***	***(585)***	***447***	***(467)***

	Council		Group	
2023	**-50 bps**	**+100 bps**	**-50 bps**	**+100 bps**
Financial Assets				
Cash and cash equivalents	(102)	(204)	(160)	319
Term deposits	(50)	(100)	(50)	100
Derivative financial assets	(1,496)	(3,062)	(1,496)	(3,062)
Total financial assets interest rate risk sensitivity	***(1,648)***	***(3,366)***	***(1,706)***	***(2,643)***
Financial Liabilities				
Secured loans	161	322	161	322
Total financial liabilities interest rate risk sensitivity	***161***	***322***	***161***	***322***
Total interest rate risk sensitivity	***(1,487)***	***(3,044)***	***(1,545)***	***(2,321)***

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2023: -50bps/+100bps).

29. Explanations of major variances against budget

Statement of comprehensive revenue and expense
For the year ended 30 June 2024

Total revenue

2024 revenue is largely on budget, with major variances resulting from:		
Fees and charges	Actual result $3.3m favourable to budget	This Fees and Charges line includes income from building and resource consents, solid waste charges and aquatic centre fees. All areas have seen a steady increase in revenue compared to their budgets, with no one fee being responsible for the overall increase compared to budget.
Development and financial contributions	Actual result $5.7m favourable to budget	Development Contributions are favourable to budget due to an increase in funds received from developments connecting to Selwyn's existing infrastructure such as roading and water servicess.
Vested assets	Actual result $16.1m unfavourable to budget	The 2024 budget doesn't accurately reflect the slowdown in completed housing developments in Selwyn, which has resulted in less income from vested assets than originallly budgeted.

Total expenses

2024 expenses are unfavourable to budget by $17.4m, with major variances resulting from:		
Personnel Costs	Actual result $4.0m unfavourable to budget	With the increase in growth of the Selwyn District, there has simultaneously been a need to increase in the staffing requirements of Council to facilitate this growth. This has resulted in an increase in the personnel expenses when compared with budget.
Other Expenses	Actual result $10.0m unfavourable to budget	As Selwyn grows, so too does it's need for the facilities and infrastructure to be maintained. The maintenance expense alone has seen the biggest increase from budget, with other expenses including spend such as building levies, insurance and software licencing.
Depreciation and Amortisation expense	Actual result $5.4m unfavourable to budget	The increase in spend against budget for depreciation reflects an increase in assets and asset value, and the resouces needed to service a growing district.

Other comprehensive revenue and expense

2024 other comprehensive revenue and expenses are $94.3m favourable to budget, with major variances resulting from:		
Fair value movement of unlisted shares	Actual result $7.2m favourable to budget	This favourable result is due to a $0 budget set for the 2024 year.
Gains/(losses) on revaluations of assets	Actual result $87.1m favourable to budget	This favourable result is due to a $0 budget set for the 2024 year.

Statement of financial position
For the year ended 30 June 2024

Total assets

2024 assets are $80.5m higher than budget, with major variances resulting from:		
Cash and cash equivalents	Actual result $16.1m higher than budget	The major driver in this result is a $10.0m Term Deposit that matured during the year and was not re-invested, resulting in an increase in cash balances.
Investment in CCOs and similar entities	Actual result $49.8m higher than budget	The 2024 result represents the Council's investments in companies such as Transwaste, Orion and CORDE. The budget set has not accurately captured these total shareholdings.

Total liabilities

2024 liabilities are $19.2m less than budget, with major variances resulting from:		
Borrowings	Actual result $32.2m less than budget	The budget has not been split to accurately reflect the current and non-current borrowings, but cumulatively the result of $185.0m of actual borrowings compared to a budgeted $217.2m shows a reduction in the need for external borrowings by Council in 2024.

30. Statutory Deadlines

The 2023/24 Annual Report of Selwyn District Council was not completed by 31 December 2024, as required by section 47 of Schedule 1AA of the Local Government Act 2002 due to resource constraints.

31. Reconciliation of Financial Statement lines reclassified

	Audited 2023 $000		Note	Restated 2023 $000	Explanation:
Revenue					
Rates revenue	85,322	Rates revenue	3	85,322	
Subsidies and grants	13,338	Subsidies and grants	3	13,171	
		Other expenses	5	167	i
Fees and charges	25,477	Fees and charges	3	25,625	
		Other expenses	5	(148)	i
Interest revenue	1,181	Interest revenue		1,181	
Other revenue	48,145	Other revenue	3	9,303	
		Vested Assets		38,569	ii
		Other Expenses	5	(6,023)	i
	-	Dividend revenue		6,296	ii
Development and financial contributions	20,410	Development and financial contributions	3	20,410	
Other gains/(losses)	4,815	Other gains/(losses)	3	4,025	
		Other expenses	5	790	i
Total revenue	***198,688***				
Restated total revenue	***-***			***203,902***	
Expenses					
Personnel costs	32,748			33,526	
		Other expenses		(778)	i
Finance costs	2,629			2,629	
Other expenses	85,720			90,156	
		Subsidies and grants		167	ii
		Fees and Charges		(148)	ii
		Other revenue		(6,023)	iii
		Other gains/(losses)		790	iii
		Personnel Cost		778	ii
Depreciation and amortisation expense	44,763			44,763	
Total expenses	***165,860***				
Restated total expenses	***-***			***171,074***	
Equity					
Accumulated Funds	1,262,042			1,294,779	
		Restricted Reserves		(32,737)	iv
Fair Value Through Other Comprehensive Revenue	149,279			149,279	
Restricted Reserves	26,582			(6,155)	
		Accumulated Funds		32,737	iv
Revaluation Reserves	1,287,455			1,287,455	
Total equity	***2,725,358***			***2,725,358***	

i). Reclassification of Expenses: Certain revenue items have been reclassified from revenue into other expense category, due to changes or updates in the mapping process. This adjustment ensures that the financial data accurately reflects the current accounting structure and has no impact on the surplus/(loss) for the period.
ii). Separate Disclosure: Some items are now disclosed separately on the face of the financial statement to provide better visibility and understanding of specific key financial information.
iii). Reclassification of Revenue: Certain expense items have been reclassified from other expenses into their correct corresponding revenue category, due to changes or updates in the mapping process. This adjustment ensures that the financial data accurately reflects the current accounting structure and has no impact on the surplus/(loss) for the period.
iv). Reclassification of Equity: Accumulated funds and restricted reserves have been reclassified due to changes or updates in the mapping process. This adjustment ensures that the financial data accurately reflects the current accounting structure.

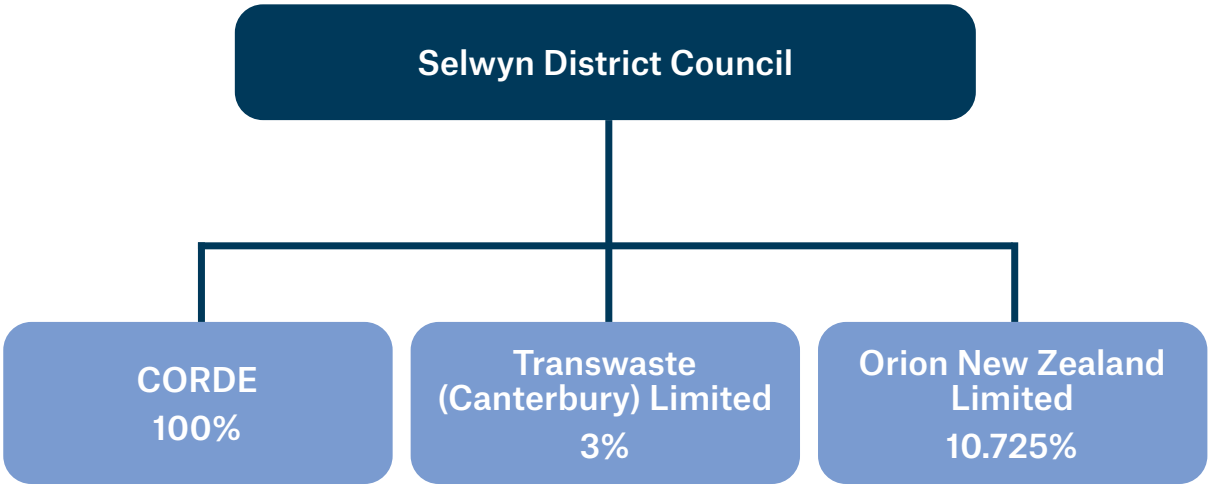
Appendix 1: Other legislative disclosures

Funding impact statement for whole of Council

Selwyn District Council Funding Impact Statement for the year ended 30 June 2024 (whole of Council).

Operating funding	2022/23 Annual Plan $000	2022/23 Annual Report $000	2023/24 Annual Plan $000	2023/24 Actual $000
Sources of operating funding				
General Rates, Uniform annual general charges, rates penalties	30,421	30,908	34,284	35,286
Targeted Rates	52,822	54,414	59,790	60,898
Subsidies and grants for operating purposes	3,209	7,908	3,643	11,815
Fees and charges	25,671	34,593	27,072	34,715
Interest and dividends from investments	5,862	7,477	5,487	7,525
Local authorities fuel tax, fines, infringement fees and other receipts	387	345	476	273
Total Operating Funding (A)	***118,372***	***135,645***	***130,752***	***150,512***
Applications of operating funding				
Payments to staff and suppliers	107,535	123,560	126,931	140,667
Finance costs	2,757	2,629	7,103	5,100
Other operating funding applications	460	493	461	563
Total applications of operating funding (B)	***110,752***	***126,682***	***134,495***	***146,330***
Surplus/(Deficit) of operating funding (A - B)	***7,620***	***8,963***	***(3,743)***	***4,182***
Sources of capital funding				
Subsidies and grants for capital expenditure	9,485	5,263	20,567	15,167
Development and financial contributions	10,790	20,410	9,259	14,914
Increase/(decrease) in debt	70,036	40,000	148,244	69,800
Gross proceeds from the sale of assets	2,585	1,985	2,585	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	***92,896***	***67,658***	***180,655***	***99,881***
Applications of capital funding				
Capital expenditure				
- to meet additional demand	59,926	47,703	120,417	50,971
- to improve the level of service	29,471	16,326	29,698	18,124
- to replace existing assets	23,141	21,205	34,378	26,508
Increase/(decrease) in reserves	(14,345)	(17,947)	(5,078)	45,301
Increase/(decrease) of investments	2,323	9,334	(2,503)	(36,841)
Total applications of capital funding (D)	***100,516***	***76,621***	***176,912***	***104,063***
Surplus/(deficit) of capital funding (C - D)	***(7,620)***	***(8,963)***	***3,743***	***(4,182)***
Funding balance ((a - b) + (c - d))	***-***	***-***	***-***	***-***

Financial interests



Community Trusts Administered by the Council:

- Central Plains Water Trust.
- Tramway Reserve Trust.
- Selwyn District Charitable Trust.

Financial interests – CORDE Limited

Relationship to the Council

The Council exercises influence on the Board through approval of its annual Statement on Intent.

The shareholders exercise influence on the Company through the negotiation of the annual Statement of Intent.

Nature and scope of the company

CORDE Limited is a supplier of asset management, maintenance and construction services. Consistent with its objective, the Company will pursue activities designed to ensure the efficient and prudent utilisation of its capital assets and human resources.

Objective

To operate as a successful, growth focused contracting business and follow these key principles which are central to its business strategy:

- Commitment to quality
- Commitment to its shareholders
- Commitment to Selwyn district
- Commitment to its people
- Commitment to health and safety
- Commitment to the environment
- Commitment to future growth.

Key performance targets

The Company's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2024 is set out below:

	Status	Actual 2024 $'000	Target 2024 $'000
Financial performance targets:			
Revenue	Achieved	$106,721	$79,480
Net profit before tax	Not achieved	$4,791	$5,887
Return on equity	Not achieved	11.5%	15.0%
Ratio of equity to total assets	Not achieved	54%	59.9%
Total equity	Achieved	$29,423	$28,350
Liquidity	Achieved	1.6:1	1.6:1
Dividend paid	Achieved	$2m	≥$1.2m
Key performance targets:			
Return after tax to opening equity	Achieved	11.8%	≥8%
To maintain ISO 9001:2015 Quality Standard Certification	Achieved	Maintained	Maintain
ISO 45001:2018 Health & Safety standard certificate	Achieved	Maintained	Maintain
ISO 14001:2015 Environmental Performance standard certificate	Achieved	Maintained	Maintain
Staff Retention	Achieved	78.2%	70%
Training & development as a % of payroll costs	Achieved	4.2%	≥1.5%

Summary of financial performance

	Actual 2024 $'000	Actual 2023 $'000
Revenue	106,721	99,867
Expenditure	101,930	92,036
Surplus / (deficit) before taxation	4,791	7,831
Surplus / (deficit) after taxation	3,305	5,620
Dividend	2,000	2,250

Financial interests – Orion New Zealand Limited

Relationship to the Council

Selwyn District Council has a 10.725% shareholding in Orion New Zealand Limited.

The shareholders exercise influence on the Company through the negotiation of the annual Statement of Intent.

Nature and scope of the company

Orion's activities are to:

- Construct and maintain a reliable and secure electricity distribution network in the Christchurch and Central Canterbury region.
- Provide efficient processes that support competition amongst electricity retailers and generators.
- Seek investment/acquisition opportunities in the infrastructure and energy sectors.
- Manage, grow and if appropriate, realise other subsidiary and associate company interests.

Objective

To operate as a successful business and provide shareholders with appropriate returns on their investments and pursue strategies that aim to ensure Orion's long-term success as a business.

Key performance targets

The Company's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 31 March 2024 is set out below:

Financial performance targets

	Actual 2024	Target 2024	Actual 2023
Profitability			
Electricity delivery revenue ($m)	238	239	230
Other revenue ($m)	96	102	93
Earnings before interest, tax, depreciation & amortisation ($m)	109	119	103
Earnings before interest and tax ($m)	46.4	47.2	46.1
Interest expense ($m)	23.7	18.5	16.4
Profit after tax ($m)	11.6	19.1	21.6
Dividends ($m)	25	25	32.0
Debt (including Transpower finance leases) ($m)	584	597	498
Equity ($m)	876	676	842
Equity to total assets (%)	0.49	45%	51%
Profit after tax to average equity (%)	1.5%	2.8%	2.6%
Dividend yield (%)	2.9%	3.7%	3.9%
Return on invested capital (%)	3.3%	3.9%	3.6%
Operating margin (%)	7.8%	9.8%	8.1%
Debt to EBITDA (times)	4.0	4.4	4.4
Net gearing (%)	40%	47%	37%
Interest cover (times)	2.0x	2.0x	2.8
Revenue growth (%)	3.6%	4.0%	3.9%
EBITDA growth (%)	5.8%	6.2%	-6.6%

	Actual 2024	Target 2024	Actual 2023
Network Reliability			
SAIDI - planned	24.09	39.68	25.93
SAIDI - unplanned	60.86	84.71	43.37
SAIDI - total minutes per customer	84.95	124.39	69.30
SAIFI -planned	0.0775	0.1496	0.0731
SAIDI - unplanned	0.6306	1.0336	0.5059
SAIDI - total number of interruptions per customer	0.7078	1.832	0.5790
Health and Safety			
Events that did or could have resulted in serious injury to Orion Group Employees	5	≤4	4
Events that did or could have resulted in serious injury to Orion service providers	1	≤4	2
Events that did or could have resulted in serious injury to the public, excluding car versus pole incidents	2	nil	1
Cusomer Inspired			
Net Promoter Score	Measure disestablished by Orion as it fails to predict behavior.	>40	35

Approximate number of connections at 31 March 2024 was 225,331 (2023: 220,800)

Notes:

1. The SAIDI and SAIFI network reliability targets are regulated limits. Natural disasters and other major events can cause significant numbers and/or durations of network supply interruptions. The future occurrence and/or severity of these events cannot be predicted.
2. SAIDI and SAIFI are standard industry measures of network reliability performance. They include planned and unplanned interruptions but exclude interruptions that are caused by electricity generators or Transpower or are caused by the low voltage (400V) network, or last for less than one minute.

Summary of financial performance	Actual 2024	Actual 2023
Revenue	334,365	322,617
Expenditure	225,124	219,356
Surplus/(deficit) before taxation	22,829	27,669
Surplus/(deficit) after taxation	11,595	21,618
Ordinary dividend	25,000	32,000

Financial interests – Selwyn District Charitable Trust

Relationship to the Council

On 22 June 2022, the Council exempted the Selwyn District Charitable Trust from being a Council Controlled Organisation under Section 7 (3) of the Local Government Act.

Nature and scope of activities

The Trust receives funds in the form of charitable donations and makes them available for the charitable activities of the Council.

Key performance targets

The Trust's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2024 is set out below:

- *The Trust aims to distribute all the funds it receives in the year of receipt.*
  - During the period the Trust received a total of $nil (2023: $nil) in donation revenue. The Trust has distributed $nil (2023: $nil) to the Selwyn District Council during the year.
  - At year end there was $nil (2023: $nil) payable to Selwyn District Council.
- *The Trust aims to achieve investment returns in line with those achieved by the Council.*
  - The Trust earns interest on donations received at the prevailing interest rates in the Trust's current accounts. Funds are distributed to the Council on a regular basis to ensure that appropriate investment returns are received on balances held prior to being used for their intended purpose.

Summary of financial performance	Actual 2024	Actual 2023
Revenue	-	-
Expenditure	-	-
Surplus/(deficit) before taxation	-	-

Financial interests – Central Plains Water Trust

Relationship to the Council

Central Plains Water Trust is a Council Controlled Organisation (CCO), jointly controlled by the Selwyn District Council (50%) and the Christchurch City Council (50%). The Council exercises significant influence over the activities of the Trust through its ability to appoint the trustees.

Nature and scope of activities

Central Plains Water Trust is a trust for the benefit of present and future generations of Christchurch City and Selwyn District residents.

The Trust holds all necessary resource consents for the Central Plains Water Scheme.

Objective

The Council recognises a major regional economic benefit in managing the water resource in the Central Canterbury Plains, including significant employment creation. The Council also wishes to be involved to ensure its own infrastructure will not be adversely affected by any proposed scheme.

Key performance targets

The Trust's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2024 is set out below.

Reporting to the public on the performance of the Scheme	
Continue use of Liquid Earth (Brydon Hughes) to obtain data from CPWL and prepare the Annual Sustainability Report	The Annual Sustainability Report has been prepared for the 2023-24 year drawing together data, information, analysis and monitoring that is available to report on from the 2023-24 season
Continue to publish 'a user-friendly' Annual Sustainability Report on our website	This report has been published for 2024.

Environmental leadership	
Instigate informal talks with water users	Our informal discussions with users occur as a result of the roles our Chairman and Trustees have within the local community and business sectors here in Selwyn. These informal conversations have happened organically over the course of the year and have supported the broader environmental leadership focus.
Develop a financial plan to support our education initiatives including CPWL funding (based on surplus funds from our operations), use of the EMF, and possible other external sources	This area will continue to be reviewed as funding in all areas has been reduced so there are fewer avenues to fund this particular project.

Community engagement and Education	
Improve the website to make it more effective and accessible	The Trust has been working with CPWL to make the website more informative and intends to use the website more to interact with the community. This piece of work is estimated to be completed before the end of the 2024-25 financial year.
Education and engagement of youth and other generations within the Selwyn District	The Trust has a strong relationship with Hororata and Glentunnel schools and has engaged with them to tell the "Story of Water" which the Trust considers an important connection in educating the community on the vital life force that Water Well Used provides. The Trust will continue to reach out to additional schools but is mindful of the challenges the schools have in fitting into their often full curriculum of study and recognise that for some they have little to no available time to spare.
Company, Trust, Council and Ecosystem strategic alignment	The Trust has aligned itself to CPWL's strategic vision by drawing out key parts of their strategy to report on in the Sustainability Report which will continue into the future.
External opportunities, e.g. partnerships, innovation, and intergenerational learning.	This area will continue to be worked on with the appointment of two new Trustees.

Engagement with Selwyn District Council and Christchurch City Council	
Continue six-monthly briefings by CPWT with additional briefings by exception	The Trust achieved this target by meeting with and reporting to the Settlors (Christchurch City Council and Selwyn District Council) of the Trust on more than 2 occasions. In addition, the Trust and CPWL attended Christchurch City Council in September 2023 to engage and present to Councillors about how the Scheme was operating and the environmental outcomes.

Education Targets	
Undertake an ecosystem Bus tour	Bus tours were run by CPWL for interested parties.
Visits to four schools within the Selwyn District	The Trust directly engaged with Hororata and Glentunnel schools over the year. Due to crowded curriculums at other District Schools the Trust was not able to present to any other schools but will continue to develop this area through Trustee relationships.
Dissemination of video programmes	This was achieved by the Trust putting together several tools and activities to tell the "Story of Water" of which the Trust considers an important connection in educating the community on the vital life force that Water Well Used provides.

Environmental Targets	
To ensure compliance of resource consents	CPWL has maintained it's primary duty of providing oversight over the Trust's operations and performance. CPWL has also assured the Trust that all resource consent, water rights and statutory requirements have been met.
To ensure compliance of water rights	
To report on any non-compliance	
Commitment to meeting all legal, statutory and regulatory requirements	

Relationship Targets	
Stakeholder engagement and advice	The Trust achieved this target by meeting with and reporting to the Settlors (Christchurch City Council and Selwyn District Council) of the Trust on more than 2 occasions. The Trust and CPWL also attended Christchurch City Council (September 2023) to engage and present to Councillors about how the Scheme was operating and the environmental outcomes.
Trust meetings with the Joint Working Committee	During the 2023-24 year the Trust liaised with Chairperson Cr Lydia Gilddon to keep the Settlor councils informed of any issues with the scheme that might arise and any possible non conformance's.

Summary of financial performance	Actual 2024	Actual 2023
Revenue	117	87
Expenditure	104	87
Surplus/(deficit) before taxation	13	-

Financial interests – Tramway Reserve Trust

Relationship to the Council

On 18 June 2020, the Council exempted the Tramway Reserve Trust from being a Council Controlled Organisation under Section 7 (3) of the Local Government Act

Nature and scope of activities

Tramway Reserve, at the end of Tramway Reserve Road, will be subject to restoration and enhancement to be led by the Tramway Reserve Trust. The restoration project was agreed as mitigation for the past and on-going use of Tramway Reserve Drain for wastewater management. The Trust was established as part of that agreement between Ngai Tahu and the Council as a condition of the upgraded Leeston (Ellesmere) Sewerage Treatment site.

Key performance targets

The Trust's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2024 is set out below:

- *The Trust will continue work towards returning the Tramway Reserve waterway to its natural state and facilitating public access.*
    - The Trust continued with its monitoring role to ensure the Tramway Reserve Waterway is maintained in its natural state and that public access was available.

Summary of financial performance	Actual 2024	Actual 2023
Revenue	-	-
Expenditure	-	-
Surplus/(deficit) before taxation	-	-

AUDIT NZ

AUDIT NZ

AUDIT NZ

AUDIT NZ

Council Information (as at 30 June 2024)

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Deputy Mayor

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Malvern Ward

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Elizabeth Mundt
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John Verry (Deputy Chair)
022 087 3463
john.verry@selwyn.govt.nz

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Sharn Nu'u
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Calvin Payne
021 608 2030
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Where to go for more information

The annual plan is also available at www.selwyn.govt.nz or you can get a copy at any Selwyn District library or service centre (see list below).

Customer Services

For general enquiries, assistance and information, telephone 0800 SELWYN (735996)

Website

selwyn.govt.nz

Selwyn District Council Offices

2 Norman Kirk Drive
PO Box 90
ROLLESTON 7643

Service Centres

Leeston Library Service Centre
19 Messines Street
Private Bag 1
LEESTON
Phone: (03) 347 2871

Darfield Library Service Centre
1 South Terrace
DARFIELD 7510
Phone: (03) 318 7780

Lincoln Library Service Centre
Gerald Street
LINCOLN 7608
Phone: (03) 347 2876

Te Ara Ātea
26 Tennyson Street
ROLLESTON 7614
Phone (03) 347 2880

Auditors

Audit New Zealand
PO Box 2
CHRISTCHURCH 8140
On behalf of the Auditor-General

Bankers

Westpac
PO Box 2721
CHRISTCHURCH 8140

Solicitors

Buddle Findlay
PO Box 322
CHRISTCHURCH 8140

Sister Districts/Cities

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Yubetsu, Northern Hokkaido
Japan Toraja Utara, South Sulawesi, Indonesia Coventry
Rhode Island, USA Shandan, Gansu Province, China

CORDE

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ROLLESTON 7675
Phone: (03) 318 8320
Email: corde@corde.co.nz
Website: www.corde.co.nz

Board

Steve Grave (Chair)
Murray Harrington
Pat McEvedy
Ben Kepes
Chris Hall

Central Plains Water Trust

Phone: 027 430 3818 or
(03) 982 4267

Trustees

Pat McEvedy (Chairman)
Elle Archer
Les Wanhalla
Olive Webb (stepped down April 2024)
Rob Lawrence
Richard McDowell (appointed April 2024)
Murray Doak (appointed April 2024)


Selwyn
DISTRICT COUNCIL

REPORT

TO: Sharon Mason, Chief Executive Officer

FOR: Audit and Risk Committee

FROM: Steve Gibling, Executive Director People, Capability and Culture

DATE: 17 March 2025

SUBJECT: **Executive Directors Report**

RECOMMENDATIONS

'That the Risk and Audit Committee:

1. *Receive the report 'Executive Directors Joint Report to February 2025.'*
2. *Note the updated memo from Deloitte regarding their provision of Internal Audit services.'*

1. PURPOSE

The purpose of this report is to provide the Risk and Audit Subcommittee with a general overview of the actions and delivery of services relating to this Subcommittee's Terms of Reference.

The summary here, within this report, and within the substantive agenda, contribute towards meeting the Audit and Risk Committees requirements of due diligence as stated in the Terms of Reference.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's Significance and Engagement Policy.

3. UPDATE TO FEBRUARY

- **Local Water Done Well**

  Council have been undertaking a significant consultation with its community over the past month around the future options for water delivery (drinking, waste) and stormwater. The attached consultation document provides an overview of the options and the Establishment Chair Murray Strong and Executive Director Infrastructure and Property Tim Mason will provide a verbal briefing on key risks associated with the delivery options.

- **Annual Audit**

  The Annual Report has been finalised and Audit New Zealand have completed their work on the audit of the Annual Report which is presented today for endorsement.

- **Internal Audit Programme**

  Work has commenced on the internal audit work programme and there is a separate report on progress made to date. The Internal Audit Programme is in alignment with Council's strategic goal to 'prepare key accountability documents in accordance with good practice that allow for easy input from ratepayers and meet statutory requirements' and ensure that the Annual Report, Annual Plan and Long-Term Plan meet good practice standards.

  Following a robust procurement process, Deloitte was appointed the Internal Audit provider for Council and their work programme commenced in July 2024.

  a) Revenue and Financing Policy review

  Deloitte has concluded work on the Revenue and Financing Policy Internal Audit review. This work was scheduled to completed in October however, due to the large scope of this, this was concluded with Management comments earlier this month. This report is in the agenda for this meeting

  b) Open actions

  The Cash Handling review was reported to the Audit & Risk Subcommittee in May 2024, with nine observations requiring improvements in processes and controls. A working group with representatives from Community Services and Facilities, Digital, Finance and Legal & Risk is in place to address the observations. Progress to date includes:

  - A draft Cash Handling Policy has been developed and is currently being reviewed by the working group.
  - A draft Refund Policy is also being developed, with the assistance of the Business Analyst Lead.
  - Processes and controls being development are being aligned with the replacement booking system, which is due to go live in November 2024.

  c) Scoping for the next review

  The Head of Legal & Risk, the Risk Manager and Deloitte, will meet in November to discuss the scoping process for the next Internal Audit Review. The proposed review is Sensitive Expenditure, with Procurement and Counter Fraud and Corruption Initiatives to follow. As part of the scoping process, we will consider the current activities and resources within the business to agree the appropriateness and timing of each upcoming review. Any proposed changes to the scheduled reviews, will come back to the Audit and Risk Subcommittee for confirmation.

- **Implementation of the Health, Safety and Wellbeing Maturity Assessment**

Work has commenced on the implementation of the recommendations contained within the Health, Safety and Wellbeing Maturity Assessment from 2024. Progress will be recorded in the Health, Safety and Wellbeing section of this meeting.

One of the key findings from the report was to address the capability and capacity issues noted in the leadership space. I am pleased to announce that we have appointed John Knight to the new role of Head of Health, Safety and Wellbeing. The Health, Safety and Wellbeing report will cover in more detail the current progress on implementation against the findings.

- **Delegations review and update project**

  The period has seen the completion of the first stage of the review of Council's current financial delegations manual with Council's adoption in September 2024. The financial delegations are now available on our online platform enabling ready access to these for staff and the public.

  The formal delegations of authority, including the management of the processes and records pertaining to it, will help mitigate and reduce reputational, compliance and legal risk under the Local Government Act 2002 and other Acts. Clear and comprehensive records of delegated authority enable efficient and effective decision-making across all levels of council and offer a degree of protection from challenges to council's decision-making process. A more comprehensive update is provided later in the agenda today from the Head of Legal and Risk.

- **Organisation Policy review project**

  The Organisation Policy Review project has continued against the programme of work. As noted last meeting, the project is also taking a staged approach.

  - Stage one: Review and scheduling for outdated HR and People Policies (completed)
  - Stage two – Review and scheduling for all remaining policies (substantially complete)
  - Stage three – Creation of a policy review and development framework (parts of which will occur concurrently with stage 1 and 2 (substantially complete).

  This piece of work, combined with the delegations review project, both serve to meet the Audit and Risk Committee requirements to ensure compliance with Legislation, Standards and Best Practice Guidelines. A more comprehensive update is provided later in the agenda today from the Head of Legal and Risk.

- **Risk Management programme**

  The purpose of the risk function is aligned with Council's strategic goal stated in the Long-term Plan to 'prepare key accountability documents in accordance with good practice that allow for easy input from ratepayers and meet statutory requirements' and ensure that the Annual Report, Annual Plan and Long-Term Plan meet good practice standards.

In November 2024 Audit and Risk approved a new Risk Management Policy and Risk Management Framework for Council. A work plan for implementation the framework and policy was also received at the November meeting. Work has been underway since the adoption of the plan and there is an update on progress and challenges within this agenda.

- **People Dashboard**

  The People team update is provided as an attachment to this report and will be presented by our new Head of People Kylie Hansen.



Steve Gibling
Executive Director People, Capability and Culture



Your Water Done Well

Consultation Document

Selwyn DISTRICT COUNCIL



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Setting the Scene

In September 2024, the first substantive piece of legislation supporting the Government's Local Water Done Well policy was enacted. The Local Water Done Well policy is aimed at addressing New Zealand's water infrastructure challenges and places emphasis on achieving financial sustainability, appropriate regulation of water services, and ensuring flexibility for communities and councils in determining how their water services will be delivered.

The **Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act)** sets out several transitional provisions, including a requirement for Selwyn District Council (Council) and all other territorial authorities to prepare and submit a Water Services Delivery Plan (WSDP) to the Government.

A WSDP is required to describe the current state of Council's water assets and services, and also describe the future arrangements for delivery of water services. A further piece of legislation, the Local Government (Water Services) Bill is currently before parliament, and will (once enacted) provide a structured framework for managing and delivering water services in New Zealand.

The Bill is progressing on a separate timeline, and will apply to Council's future water arrangements in time.

The Act requires all councils to consult on their arrangements for the future delivery of three of the water services that Council currently manages.

These are:



1. **Drinking Water:** Ensuring the provision of safe and reliable drinking water to communities.

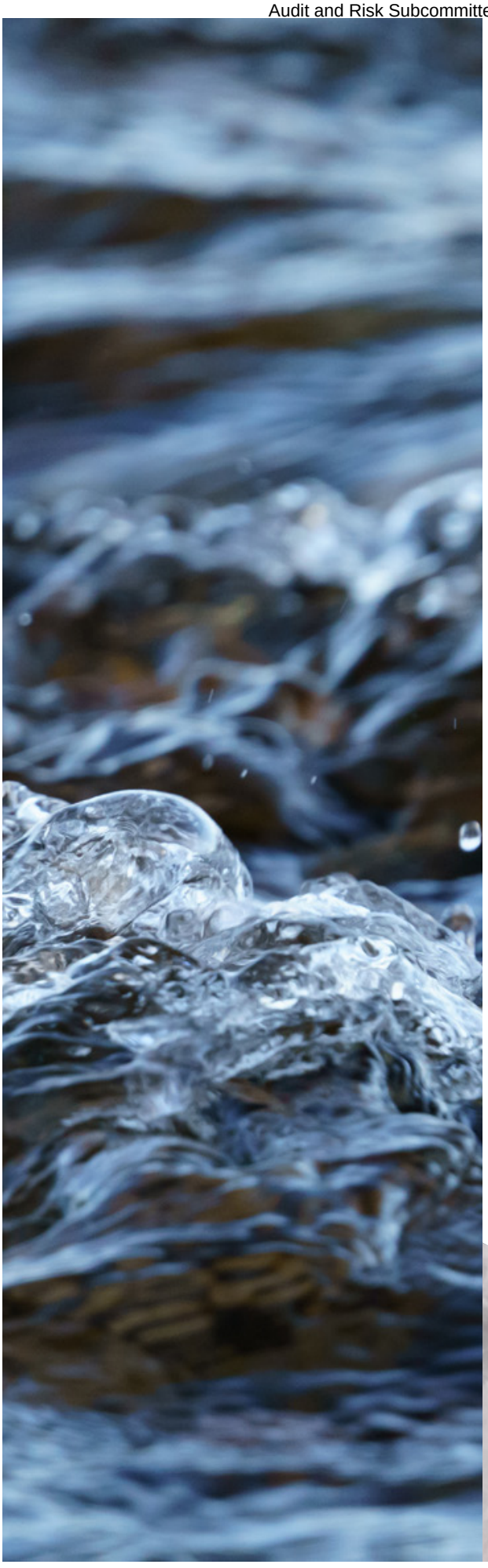


2. **Wastewater:** Managing the collection, treatment, and disposal of wastewater to protect public health and the environment.



3. **Stormwater:** Handling stormwater drainage to reduce flood risk and manage runoff in urban areas.





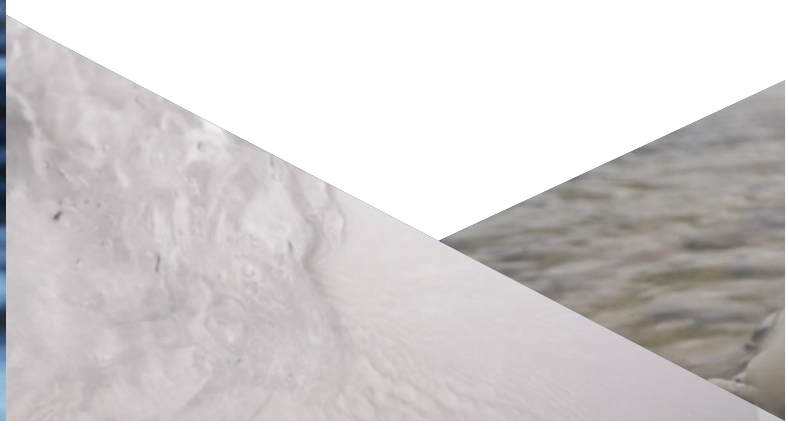
Following the introduction of the Act, and the requirement to consult on future delivery arrangements, Councillors decided, in November 2024, to start investigations into setting up a new Water Services Council Controlled Organisation (WSCCO).

This document addresses the arrangements for stormwater, drinking water, and wastewater services within the Selwyn District Council.

By requiring WSDPs, and consultation on water service delivery arrangements, the Act provides an opportunity to revisit Council's current arrangements and provides an opportunity to consider whether a WSCCO will be preferable as a means of providing sustainable and efficient water service delivery, addressing current challenges and laying the foundation for future improvements.

Stormwater is included in the Act for consideration, however, Council has decided not to consult on changes to its delivery. Many stormwater assets deliver multiple outcomes for the community including water quality and quantity, recreation amenity, ecology and cultural values; so keeping the ability to take a multi-values approach is critical. Further to this there are a lot of benefits of interconnections of stormwater management with other Council activities including roading, meaning we can take a catchment based approach to managing surface water. For these reasons the Council's proposal is that stormwater management and delivery is kept in-house.

The Act and this proposal do not discuss arrangements for water races or land drainage. These services will continue to be delivered by Council, but could be reconsidered in the future.



The Act requires us to consult the community on maintaining services in-house, and at least one other model including a CCO, or a joint local government arrangement.

Council is asking you to give your thoughts on whether you support this proposal to establish a WSCCO for the management and delivery of drinking and wastewater, and to keep stormwater in house.

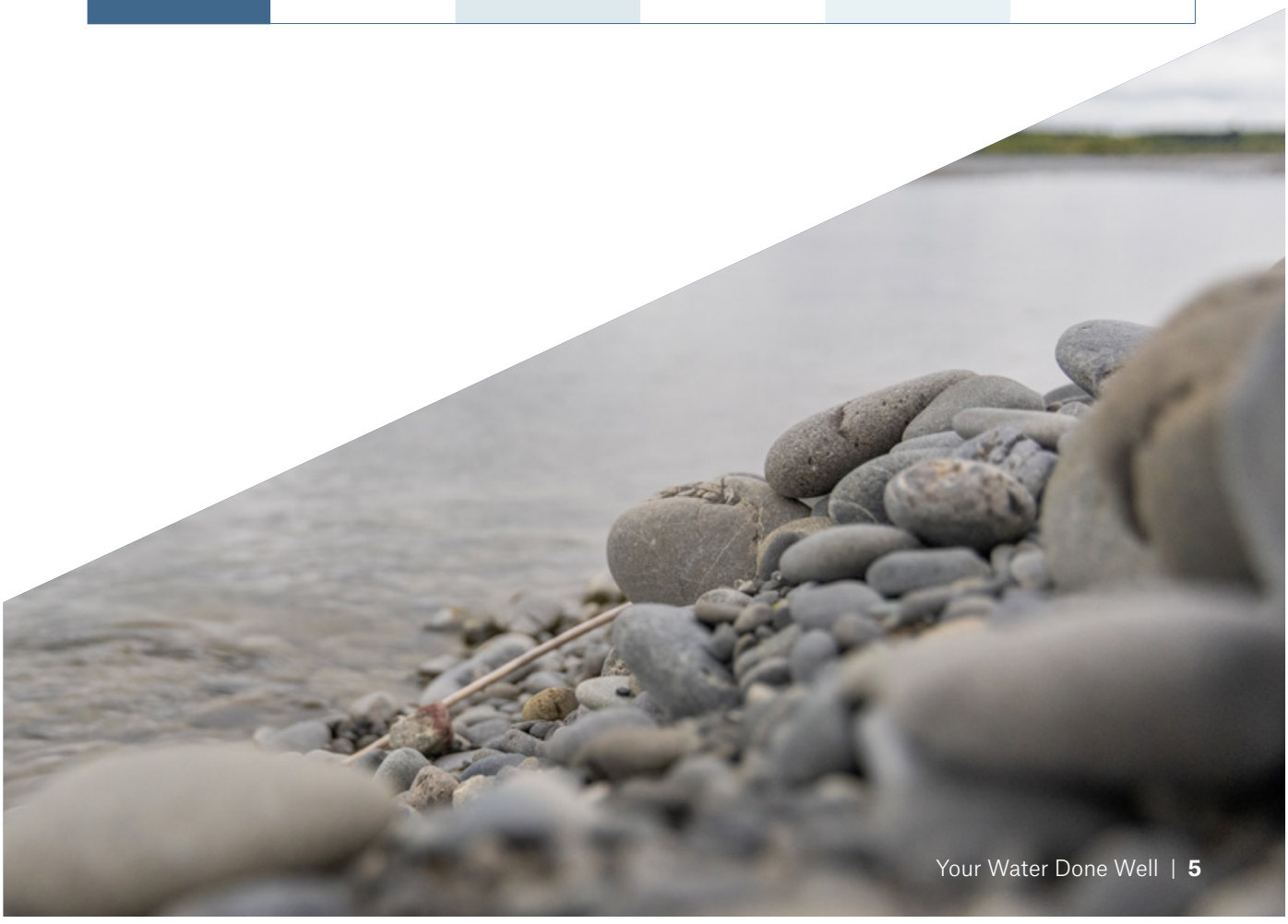
Maintaining current in-house delivery for delivering water services is not an option due to new legislation and increased compliance. A future in-house water delivery model would still require increased investment, but that model would have limited access to additional funding for vital infrastructure.

Lack of funding could create significant risks around compliance and providing reliable and safe water supply.

If the decision is made by Council to set up a WSCCO then information will be worked through to establish an operating model to support operations from 1 July 2025.

The Council believes this proposal will build on the great work already done by the Selwyn District Council to create strong, resilient, sustainable and reliable water services and provide certainty for our communities on the provision of water services. The proposal also creates an inter-generational framework in line with **Waikirikiri Ki Tua Future Selwyn**.

	Drinking Water	Wastewater	Stormwater	Water Race	Land Drainage
Existing arrangements	In-house, by Council	In-house, by Council	In-house, by Council	In-house, by Council	In-house, by Council
Our Proposal	Transfer to new WSCCO	Transfer to new WSCCO	No change, in-house by Council	No change, not subject to consultation	No change, not subject to consultation



Water in Waikirikiri Selwyn

In the year to 30 June 2024, Selwyn District Council:



Provided drinking water to

81%

of residential properties

Supplied **9.31**

million cubic metres of water to households

THAT'S



3,124

Olympic size pools

Provided wastewater to

68%

of residential properties



Treated

4.34

million cubic metres of wastewater

THAT'S



1,736

Olympic size pools

The Council also maintained...

1,549 km

of water network

693 km

of wastewater network

128 km

of stormwater pipes

1,572 km

of water race channels

372 km

of land drainage drains

Drinking Water Infrastructure

26
Drinking water schemes

- 36 Treatment plants
- 93 Reservoirs
- 17 Groundwater Supplies
- 9 Surface Water Supplies
- 27 Years (average age of asset)

Wastewater Infrastructure

16
Wastewater Schemes

- 7 Treatment Plants
- 63 Pump Stations
- 14 Years (average age of asset)

The Council currently manages water services through a combination of in-house teams and external contractors. It is responsible for delivering safe, reliable, and accessible infrastructure and services for our communities.

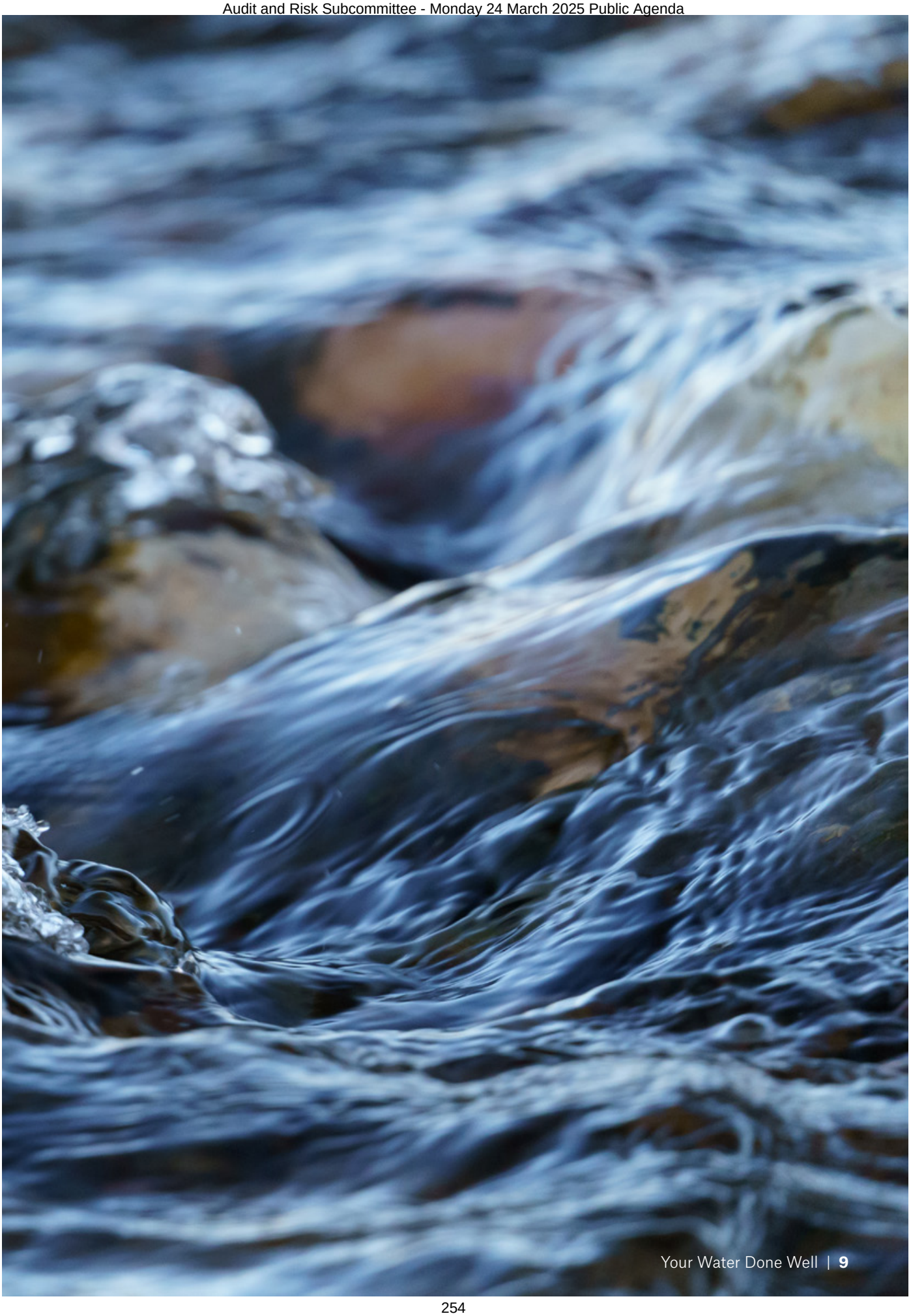
81% of residential properties in Waikirikiri Selwyn are serviced with water across 26 water supply schemes, and 68% of residential properties are serviced by the Council's wastewater systems. Selwyn residents are high users of water, using an average of 335 litres of water per person a day in the 2023/24 year.

The Council spends approximately $95 million annually on water services. Over the course of the Long-Term Plan, 82% of the Council's capital spending is budgeted for infrastructure, including water.

All Council supplies are metered and properties pay by use. This is funded through charging a targeted rate for water services, depending on the type of property and its need. Residential, commercial, rural and urban properties are charged differently. Wastewater carries an annual charge for residential users, and industry users have a separate rate. High users operate under individual trade waste agreements. Drinking water is charged at a base rate, with a volumetric metered charge for urban supply and a per unit rate for rural properties. Stormwater is charged at an annual rate for properties within Waikirikiri Selwyn townships.

The projected costs for maintaining the current water services model for drinking and wastewater are $857 million over years 2-10 of the Long-Term Plan 2024-2034. The existing local government rating system and financial/lending constraints applying to Council means that there is limited ability to access borrowing to invest in new infrastructure. In particular, the Council is limited to borrowing up to 280% of its revenue.




Your Water Done Well | 9



Delivery Model Options

The Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) allows Territorial Authorities (TAs) to explore and establish new delivery models. The options for this include:

- Joint Local Government arrangements
- A Water Services Council Controlled Organisation (WSCCO)
- Consumer Trusts
- Continue to deliver water services in-house.

Our **Waiora One Water Strategy** has agreed to uphold the mana and mauri of all water in its decision making and to work in partnership to sustainably manage water now and into the future.

This partnership approach will remain in both delivery options being considered.

Council is consulting on the following two options:

1. Set up a WSCCO to deliver wastewater and drinking water. Continue to deliver stormwater in-house.

2. Deliver water services through a future in-house water delivery model.

Council has decided to consult on a Selwyn District Council only owned WSCCO, as at this time, there is no viable option to join with other Councils for a Joint WSCCO. If the establishment of a Selwyn WSCCO proceeds and other Councils express an interest in integrating at a later time, this would be considered and worked through.

A New Council Controlled Organisation - Proposal Model

After careful consideration, Council is proposing a new Water Services Council Controlled Organisation (WSCCO) as our delivery model for drinking water and wastewater services, with stormwater services to be delivered by an internal business unit of Council.

A WSCCO is a Council-controlled organisation specifically established to manage and deliver water services. This model will allow Council to leverage more specialised governance, enhancing the efficiency and effectiveness of water service delivery.

The WSCCO would be owned locally but would operate independently from Council with its own specialist board structure and management. Council would be the only shareholder, and its board would include members appointed based on competencies consistent with the needs of the new organisation, and specific to water governance.

The WSCCO would be responsible for planning, funding, building and maintaining drinking and wastewater infrastructure, as well as running the day-to-day customer-facing services for those water services. Ownership of drinking water and wastewater assets (and all associated debt and liabilities) would transfer to the WSCCO. As these assets are strategic assets of Council, the transfer will need to be provided for in the Council's Long-Term Plan. The transfer of these strategic water assets would be provided for in a Long-Term Plan amendment. In accordance with The Act, this consultation will cover this requirement.

It is anticipated that the WSCCO will be eligible to raise finance from the Local Government Funding Agency (LGFA) under the Local Water Done Well policy. LGFA offers finance to the local government sector, including the Council, and has recently started financing council-controlled organisations (CCOs) as well. As part of LGFA's financing arrangements for CCOs, there is a requirement for credit support from shareholding councils that is sufficient to cover the amount of LGFA borrowings by the CCO. This credit support takes the form of uncalled capital security, which is an arrangement that requires the shareholding council to subscribe for capital in the CCO (not less than the CCO's borrowings), but which leaves that capital uncalled and unpaid. The right to call on that capital is assigned in favour of LGFA, who could exercise that right in the event (and only in the event) of a default under the CCO's financing arrangements.

Given this requirement, and to ensure that the WSCCO can access the benefits of LGFA finance under the Local Water Done Well policy, it is proposed that Council would subscribe for uncalled capital in an amount of no less than $450m. This amount is expected to cover initial and future borrowings of the WSCOO for at least a five year period.

The WSCCO would start from a strong platform to enhance the comprehensive investment, construction and future planning by Council's water services team over recent years for strong, resilient, sustainable and reliable infrastructure and water service delivery. If this option is chosen then information will be worked through to establish an operating model to support operations from 1 July 2025.

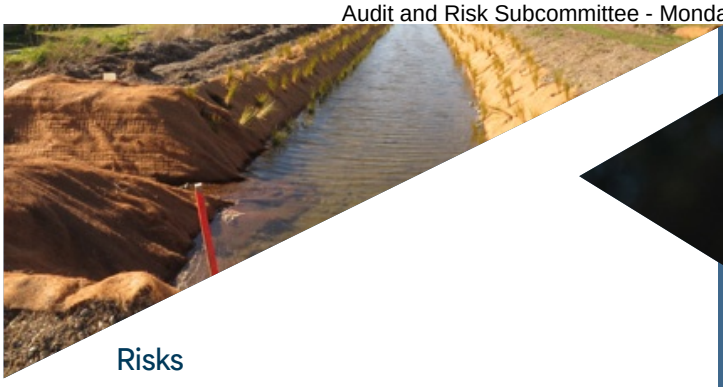
The Council believes that the proposal will provide certainty for our communities as well as create an inter-generational framework in line with **Waikirikiri Ki Tua Future Selwyn**.



Benefits

A WSCCO offers benefits such as:

- **Enhanced Service Delivery:**
  A WSCCO will have a sole focus on improving water quality and service reliability, which would deliver better customer service.
- **Dedicated Water Governance:**
  A WSCCO streamlines operations and over time will improve costs through specialised drinking and wastewater governance and management, leading to better resource allocation and improved service delivery. It also offers a specific focus on water services.
- **Improved Access to Funding:**
  A WSCCO has greater borrowing capacity and access to funding specific to water, supporting necessary infrastructure upgrades and expansions, ensuring long-term financial stability. Improved access to funding ensures that the WSCCO can upgrade water and wastewater systems to meet increasing levels of service.
- **Resilience and Adaptability:**
  A WSCCO is adaptable and scalable, effectively responding to changing demands and future challenges specific to the delivery of water services, such as rapid population growth and evolving regulatory requirements. This would help ensure our water infrastructure can manage increased growth.
- **Community Benefits:**
  A WSCCO maintains local control and accountability, ensuring that local needs and priorities are addressed while maintaining transparency in operations, through the establishment of a dedicated board and accountability back through Council.



Risks

As well as the benefits noted, there are several risks associated with this model, including:

- **Initial Setup:** Establishing a WSCCO requires significant initial effort and coordination, including legal, financial, and operational setup. This process can be complex and involves increased investment at setup.
- **Uncalled Capital:** From Council's perspective, there would be some contingent risk that the uncalled capital could be called on in the event of WSCCO financial distress. However, it is expected that this would be a last resort, and that LGFA would work with the WSCCO to address any issues before seeking to have recourse to Council. The uncalled capital structure is also expected to be a precondition for any WSCCO seeking to obtain financing from LGFA, and gaining the benefits of LGFA financing.

Setup considerations

In setting up a WSCCO there are some requirements outlined by the Act, which include ensuring the following requirements are met:

- **Governance Structure:** Under this option the Council and the community would agree the high-level expectations on strategy and performance of the new organisation through a Statement of Expectations. These expectations would include the Council's commitment to the ongoing partnership with mana whenua in the delivery of water and wastewater services.
- **Accountability Mechanisms:** When setting up the WSCCO, the Council would develop accountability standards and monitoring arrangements for performance of the assets it transfers to the WSCCO. These will be set out across the Statement of Expectations, the Constitution and Water Strategy. The WSCCO's Annual Report will be a key document for monitoring performance. If adopted, the WSCCO would be established and included in the Council's WSDP, which is due to be adopted in early September 2025.



What is the impact on rates and council debt?

You would no longer pay for drinking water and wastewater through your rates. Those connected to services would pay these charges directly to the WSCCO.

Water infrastructure can last 50 years or more so it makes sense to use debt to share this cost over the lives of those who are here now and those still to come. Councils are currently constrained and can only borrow up to 280% of their revenue. This limits investment options.

The new Local Water Done Well policy allows Council to borrow up to 500% of their total revenue, excluding development contributions and vested assets, to fund their water infrastructure investment.

Borrowing up to 500% of the WSCCO's revenue including the additional operating cost is modelled to have an approximate increase of 12% on top of the 2024/2034 Long-Term Plan. There will be a partial offset saving, in general rates charges.

You will still have to pay to receive water services through a water charge as you currently do, but this would be determined by the WSCCO.

**These projected costs are based on the information available at the current time. Future costs may change as the rate of population growth, actual contract rates and other costs are known.*

Council Delivered Services

Under the Act, Territorial Authorities (TAs) can continue managing and delivering water services directly. This involves preparing and adopting a Water Services Delivery Plan (WSDP) that outlines how they will sustain their existing water services infrastructure and operations.

Under the Council delivered model, Council would continue to partner with mana whenua on the direction and delivery of water services on behalf of the community.

Benefits

Maintaining water services in-house offers benefits such as:

- **Political Influence and Control:** Enables the Council to maintain full control over decision-making processes, ensuring decisions are made with an understanding of local needs and priorities. Residents can engage with their elected representatives about water service issues.
- **Familiarity and Continuity:** The Council can continue using existing systems and processes, which staff and management are already familiar with, reducing the need for extensive training and transition periods.



Risks

In addition to the benefits noted above, there are several risks associated with this model, including:

- **Limited Funding Capacity:** The Council may struggle to secure sufficient funding for necessary infrastructure upgrades and maintenance, leading to deferred projects and potential service degradation. Limited borrowing capacity can restrict the Council's ability to finance large-scale improvements, resulting in higher long-term costs. To date, Council has funded the required upgrades for water and wastewater. In the future, funding priorities may change with department capacity allocated to other activities like transportation or facilities, rather than drinking water or wastewater.
- **Operational Costs:** Any deferred investment in our assets to manage debt levels could increase operational costs. Unexpected repairs or emergencies can strain the Council's financial resources, leading to budget reallocations or increased rates.
- **Regulatory Compliance:** Ensuring compliance with evolving regulatory standards can be challenging, but Council currently has a good level of compliance. Maintaining rigorous monitoring and reporting systems to meet regulatory requirements can be resource-intensive and complex and is set to increase.
- **Infrastructure and Service Delivery:** In recent years the Council has made significant investment in water infrastructure, but it is critical to continue maintenance and further investment to manage our growing population. Ageing infrastructure increases the risk of service failures, including water outages and quality issues. Taking a long-term view, there is a risk the in-house model may struggle to scale effectively to meet the ever-increasing demand on our district's assets, impacting service reliability and quality.
- **Political interference leading to leaky pipes:** The country has a $200 billion deficit in water funding in the next 30 years. Much of this is because of political leaders delaying investment over the past 30 years.
- **Lack of clear strategy:** Minor projects have time and resource allocated that would otherwise be spent on strategic investment.
- **Competing funding:** Water is only one factor in the Council decision making and investment. Water priorities can lose out to transport or solid waste investment.



Comparing the Two Options

Impacts on Services

Performance requirements are set by national regulations. The Council does not foresee an immediate difference in service delivery between the two models. Impacts on service delivery when comparing the two models come down to the expertise and focus of having a dedicated WSCCO and associated water specific governance, compared to priorities being set by elected members across a broader scope of activity.

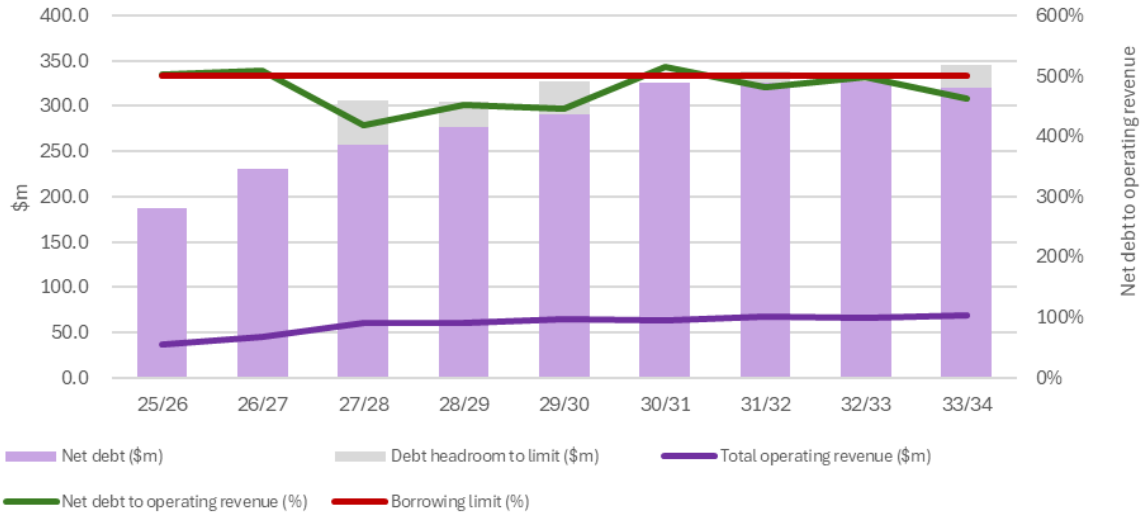
Impacts on Charges

If water services were to remain within the Council, there is no guarantee that the costs or service would not change. Whatever model is considered there will be baseline costs changes related to a more highly regulated environment. This will impact both models, meaning the current delivery costs are unlikely to remain as stated in the Long-Term Plan 2024-2034: The operating model for the WSCCO will be developed within the establishment process, and this will change the level of costs associated as we learn more. While there would be additional cost due to establishment setup, the WSCCO would have access to higher debt limits (500%) under the Act, which would be scalable over time. This isn't an option for the in-house model.

The average increase in Targeted Rates in the current Long-Term Plan 2024-2034 over the 10-year period is 11%, moving to a Council Controlled Organisation would mean you no longer pay anything to Council for drinking or wastewater. Your rates bill will reduce by those water charges. We estimate that the new WSCCO will charge you the same costs as today and rise 23% over the next 10 years. The General Rate will be lower than predicted in the Long-Term Plan, due to the Council receiving overhead revenue from the proposed changes in the WSCCO.

The chart below shows our net debt to operating revenue over the lifespan of the Long-Term Plan.

Projected WSCCO net debt to operating revenue



This graph represents the WSCCO operating with a 500% debt limit which includes the Long-Term Plan programme-related work programme and the expected operating costs of the WSCCO.

Modelling is based on assumptions drawn from Council's current Long-Term Plan accounting for additional regulatory and operating costs of a new entity. Once the WSCCO is established and has set its own capital plan and operating model, the costs may be higher or lower than those modelled above.

Impact on Rates and Council Debt?

A WSCCO would have a dedicated board made up of members who have specific expertise in water, focused on the delivery of drinking and wastewater services for Waikirikiri Selwyn, which should result in better service delivery and resource allocation.

The following information demonstrates potential rating impacts across different scenarios in Waikirikiri Selwyn. This modelling only considers drinking and wastewater, as stormwater delivery will be maintained by Council for both options.

The increase shown is the difference between the current Long-Term Plan modelling, and the preliminary WSCCO calculations. The in-house model would likely see increased rating compared to the Long-Term Plan modelling given the Local Government Water Services Bill is expected to increase regulation and therefore compliance cost.

This modelling shows that there is a rates increase with moving to the proposed WSCCO in the first three years. From year 10 the drinking and wastewater rates are predicted to be lower than what is in the published Long-Term Plan 2024-2034.

This is broken down into the following funding impact statement below.

Stormwater Funding Impact Statement (Excluding Water supply and Sewerage)*

	2025/2026 LTP $'000	2026/2027 LTP $'000	2027/2028 LTP $'000	2033/2034 LTP $'000
Total operating funding (A)	3,437	3,960	4,438	6,864
Total application of operating funding (B)	3,268	3,514	3,655	5,076
Surplus / (deficit) of operating funding (A-B)	**169**	**446**	**783**	**1,788**
Total sources of capital funding (C)	1,401	3,345	2,483	1,878
Total applications of capital funding (D)	1,570	3,791	3,266	3,666
Surplus / (deficit) of capital funding (C-D)	**(169)**	**(446)**	**(783)**	**(1,788)**

*Retained by Council

The above table reflects our current Long-Term Plan position for the services noted. Based on the changes in legislation our current position does require Council to change how water is delivered to the community.

Drinking Water and Sewerage Funding Impact Statement (excluding Stormwater)

	2025/2026 LTP $'000	2026/2027 LTP $'000	2027/2028 LTP $'000	2033/2034 LTP $'000
Total operating funding (A)	34,010	40,007	45,577	74,929
Total application of operating funding (B)	31,586	34,187	36,857	51,462
Surplus / (deficit) of operating funding (A-B)	**2,424**	**5,820**	**8,720**	**23,467**
Total sources of capital funding (C)	67,893	59,998	54,576	495
Total applications of capital funding (D)	70,317	65,818	63,296	23,962
Surplus / (deficit) of capital funding (C-D)	**(2,424)**	**(5,820)**	**(8,720)**	**(23,467)**

The above table outlines the projected costs for the delivery of water through a WSCCO. Years 1-3 show an increase in charging, over time this cost reduces as we reflect the efficiences in service.

Drinking Water and Sewerage Funding Impact Statement (excluding Stormwater) CCO Modelling

	2025/2026 LTP $'000	2026/2027 LTP $'000	2027/2028 LTP $'000	2033/2034 LTP $'000
Total operating funding (A)	37,233	45,452	61,286	69,060
Total application of operating funding (B)	33,355	36,581	39,309	49,137
Surplus / (deficit) of operating funding (A-B)	**3,878**	**8,871**	**21,977**	**19,923**
Total sources of capital funding (C)	66,316	57,001	41,613	4,095
Total applications of capital funding (D)	70,194	65,872	63,591	24,017
Surplus / (deficit) of capital funding (C-D)	**(3,878)**	**(8,871)**	**(21,977)**	**(19,923)**

Based on the anticipated changes in legislation.

Rating Examples

Summary Rates	2025/2026	2026/2027	2027/2028	2033/2034
Example: Urban Residential Property with Sewerage				
LTP Water Bill under future in-house model[1]	$1,552	$1,769	$1,948	$2,730
WSCCO Water Bill[2]	$1,700	$2,018	$2,635	$2,668
Comparison	$148	$248	$687	-$62
% Increase LTP to WSCCO	10%	14%	35%	-2%
Example: Urban Residential Property without Sewerage				
LTP Water Bill under future in-house model[1]	$745	$841	$955	$1,392
WSCCO Water Bill	$808	$965	$1,287	$1,307
Comparison	$63	$123	$332	-$85
% Increase LTP to WSCCO	9%	15%	35%	-6%
Example: A Property on Restricted Water Supply with Sewerage				
LTP Water Bill under future in-house model[1]	$1,579	$1,805	$1,993	$2,808
WSCCO Water Bill	$1,729	$2,056	$2,689	$2,722
Comparison	$150	$251	$696	-$86
% Increase LTP to WSCCO	9%	14%	35%	-3%
Example: A Property on Restricted Water Supply without Sewerage				
LTP Water Bill under future in-house model[1]	$772	$877	$1,000	$1,470
WSCCO Rates Bill	$837	$1,003	$1,341	$1,361
Comparison	$65	$126	$341	-$109
% Increase LTP to WSCCO	8%	14%	34%	-7%

Overall, the Council anticipates a partial offset reduction in the General Rates charges.

- Stormwater has not been allowed for in these figures, as it will remain in-house at Council.
- These figures related to the WSCCO are higher due to anticipated setup costs, but as demonstrated here over the Long-Term Plan period, the modelling shows improved charges.

[1] This figure represents a future in-house model based on Long-Term Plan water bill (what you are expected to pay for water from 2025), allowing for 10% anticipated compliance cost increase due to new legislation.

[2] Estimated cost you would pay under the WSCCO over the Long-Term Plan period to 2034.

Have Your Say

Let us know:

- If you support the Council's proposal to transition our drinking water and wastewater assets and services to a new WSCCO, with stormwater remaining with Council.
- Or, if you prefer that the Council continues with a future in-house water delivery model, noting the new legislation will require some changes.
- If you have any comments on the WSCCO model or anything else contained in this consultation document.



How do I provide feedback?

You can provide your feedback on this consultation by:

- Visiting **selwyn.govt.nz/yourwater** on your computer or mobile device and answering the questions on the submission form.
- Completing the submission form on the back of this document and dropping it off with our Customer Service Teams at:
  - Council Rolleston Offices, 2 Norman Kirk Drive, Rolleston
  - Te Ara Ātea, 56 Tennyson Street, Rolleston
  - Darfield Library, 1 South Terrace, Darfield
  - Leeston Library, 19 Messines Street, Leeston
  - Lincoln Library, 22 Gerald Street, Lincoln

Or, posting to:

- Freepost 104 653
  PO Box 90
  Rolleston 7643

All posted submissions must be received by the Council by 5pm, 12 March 2025. Please allow time for your submission to be delivered by this deadline.

Or, scanning and emailing it to:

- yourwater@selwyn.govt.nz

For more information, visit **selwyn.govt.nz/yourwater**

Timeline

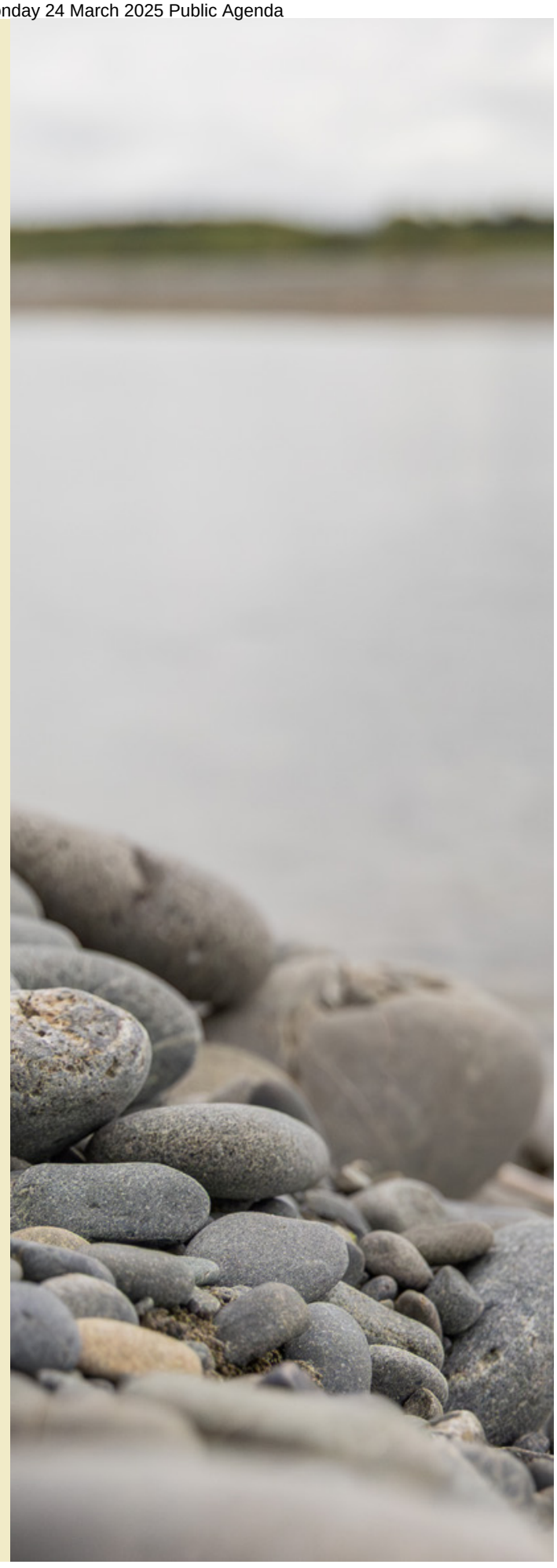
20 February 2025
Public consultation period starts

12 March 2025
Consultation closes

20 March 2025
Council hearing of submissions

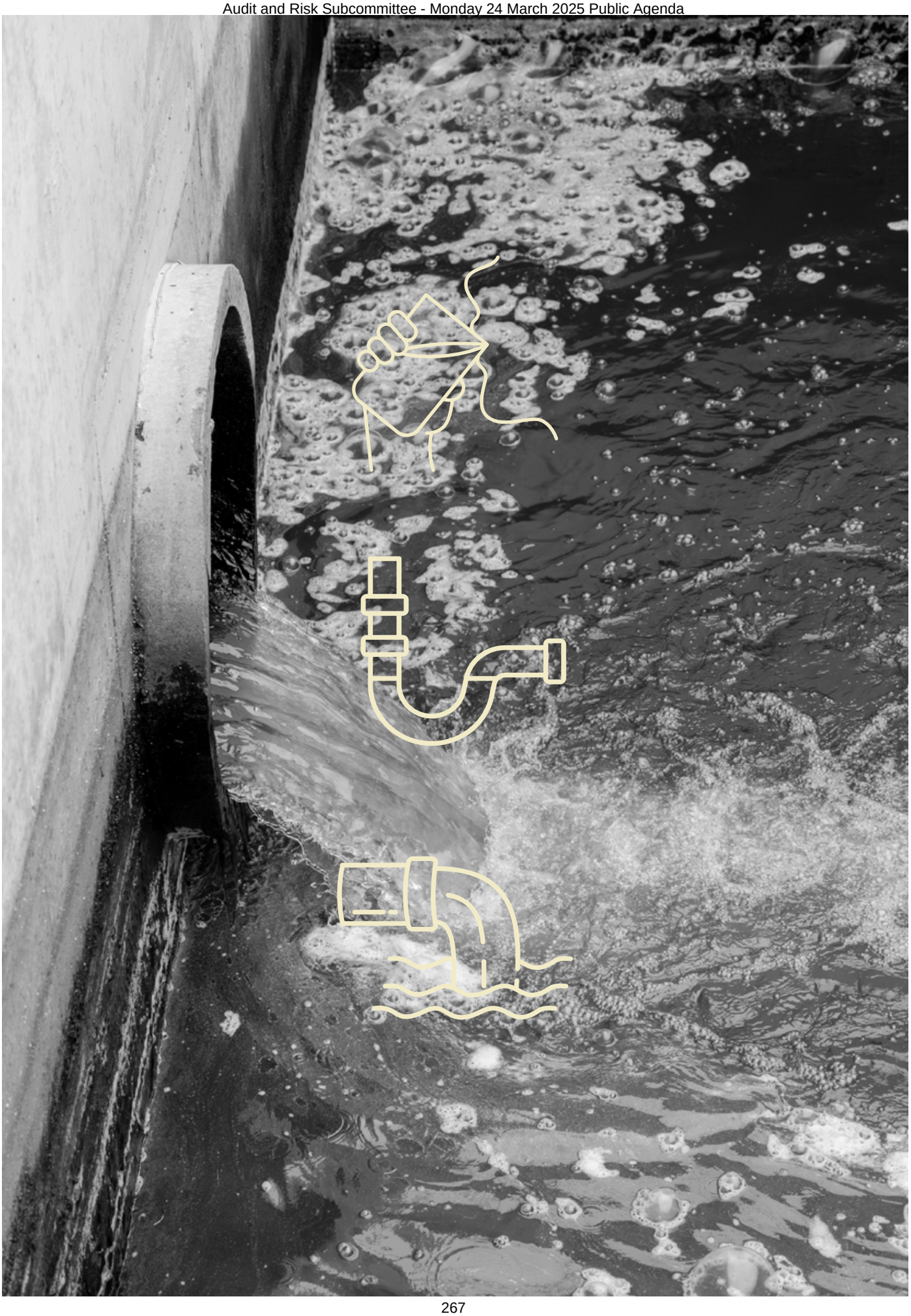
26 March 2025
Deliberations to amend proposal amendments based on feedback

2 April 2025
Council meeting to make a final decision





Our **Waiora One Water Strategy** has agreed to uphold the mana and mauri of all water in its decision making and to work in partnership to sustainably manage water now and into the future.



Submission Form

Selwyn District Council is conducting a public consultation in response to The Local Government (Water Services Preliminary Arrangements) Act 2024 in relation to the arrangements for its delivery of water services into the future.

The Council's proposal is:
To transition Selwyn District Council drinking and wastewater assets and services into a new publicly owned Water Services Council Controlled Organisation (WSCCO) with stormwater services to remain within the Council.

Please read the consultation document and information available online at **selwyn.govt.nz/yourwater**

You can make a submission using this form, or by completing the online submission form at **selwyn.govt.nz/yourwater**

If you need extra space for your submission, use additional paper and attach it to this form. Please include your first and last name on the additional paper.

Submitter details

Please note: all fields marked with an asterisk (*) are compulsory. These details will be used for the purpose of contacting you about this consultation.

First name*

Last name*

Address*

Town*

Postcode*

Contact number*

Email address*

Are you submitting on behalf of an organisation?*

☐ Yes ☐ No

*If yes, please state the name of the organisation**

Do you wish to attend a hearing to present your submission in person?*

☐ Yes ☐ No

If yes, someone will be in contact with you to arrange the date and time.

Anyone can make a submission. Submissions will only be used for the purpose of this consultation process. All submissions will be considered by Council before making a decision.

Privacy statement

Submissions are part of the public consultation process and are a public record. Anonymous submissions will not be accepted. Submissions including names are published on our website and in official documents so please do not include any personal information in the content of your submission you would prefer to be kept private.

While contact details (address, phone number and email address) are provided to elected members along with your feedback to be considered when making their decisions, contact details will not be made publicly available on the Council's website or official documentation.

If someone requests a copy of submissions through the Local Government Official Information and Meetings Act 1987, name and contact details must be supplied. If you have good reason as to why your personal details and/or feedback should be kept confidential please contact **yourwater@selwyn.govt.nz** outlining your reasons.

Questions

1. Do you support the proposed transition of the Selwyn District Council drinking and wastewater assets and services into a new Water Services Council Controlled Organisation (WSCCO) with stormwater services to remain within Council?

☐ Yes ☐ No

Please add your comments

2. Do you prefer that the Selwyn District Council continues with a future in-house water delivery model?

☐ Yes ☐ No

Please add your comments

3. Do you have any comments on the WSCCO model?

☐ Yes ☐ No

Please add your comments

_____

_____

_____

_____

_____

_____

Return this submission form by:

- Dropping it off with our Customer Service Teams at:
  - **Council Rolleston Offices,** 2 Norman Kirk Drive, Rolleston
  - **Te Ara Ātea,** 56 Tennyson Street, Rolleston
  - **Darfield Library,** 1 South Terrace, Darfield
  - **Leeston Library,** 19 Messines Street, Leeston
  - **Lincoln Library,** 22 Gerald Street, Lincoln
- Posting it to:
  - Freepost 104 653
    PO Box 90
    Rolleston 7643

All posted submissions must be received by Council by 5pm, 12 March 2025. Please allow time for your submission to be delivered by this deadline.

- Scanning and emailing it to **yourwater@selwyn.govt.nz**

Audit and Risk Committee People report

October – February 2025

Key information:

Flexible Working Arrangements:
Team members who want to request a formal flexible working arrangement will be invited to do this (aiming for week commencing 24 March). Form is currently beining developed with associated approval process (endorsed by Head of Department) and final approval at Executive level. Comms are being developed. As of Monday 28 April 2025, all staff working flexibly must have completed and agreed arrangement in place (allowing for any transition for new arrangement and to coinside with new school term).

Bargaining/Annual Remuneration:
The Collective Agreement with the PSA expires 30 June 2025. Claims are due to be exchanged 5 June with bargaining planned to take place on 18 and 19 June. Seeking your input into the development of SDC claims and representation on the bargaining team. Planning for the Annual Remuneration review taking place but will take place following the completion of bargaining.

Proposed Employment Law changes - A swing in favour of the employer.
A number of amendments to the Employment Relations Act are under review, and predicted to be enacted in 2025 or before the end of this government's term. This month we look at changes to Personal Grievance Claims and the Contractor vs Employee proposed gate-way tests . Also under consideration that will be covered in future reports is partial pay reductions for partial strikes, Employment Relations (Termination of Employment by Agreement) Amendment Bill, Employment Relations (Employee Remuneration Disclosure) Amendment Bill, the Holidays Act 2003 and the Health and Safety at Work Act 2015.

Polices:
The following policies have been reviewed and updated as required - Flexible Working, Recruitment and Leave polices. Feedback has been sought from the PSA and communication is now being planned of the finalised policies.

Headcount vs FTE
Approved FTE – 535 Actual FTE – 447.6 Headcount – 655

Proposed Employment Law Changes 2025-2026

Changes to the personal grievance claims

Ending unjustified dismissal claims for high income earners

- This law change will prevent an employee who earns over $180,000 per annum from bringing an unjustified dismissal claim, they will continue to be able to raise other type of grievances.
- Once the law is passed this will apply to all new employment agreements, for existing employees there will be a 12-month grace period, to renegotiate agreements
- High income earners expected to negotiate terms such as long notice period and 'no fault termination' clauses

Changes to remedies

- The proposed changes will mean the courts would be required to take an employee's contributing behaviour into account when considering personal grievance claims
- An employee whose behaviour was found to amount to serious misconduct would not be eligible for any remedies;
- Removal of reinstatement and compensation for hurt and humiliation claims when the employees behaviour has contributed to the issue
- Raising the threshold for procedural error when the employer actions have been fair and reasonable in all circumstances.

Considerations

You won't necessarily need to go through a lengthy termination process – (redundancy, performance or disciplinary). Our high earners may want to renegotiate protections into their agreements to mitigate the impact of an abrupt dismissal. And be mindful when offering employment to senior roles.

Contractor v Employee

Proposed gateway test- This test aims to further clarify the distinction between employees and contractors. There are four clear criteria, and if a working arrangement meets all of them, the worker is considered a contractor. These criteria are:

- A written agreement specifying the worker as an independent contractor.
- No restrictions preventing the worker from working for another business, including competitors.
- The worker is not required to be available at specific times or for a minimum number of hours. Alternatively, the worker can subcontract the work.
- The business cannot terminate the contract if the worker declines an additional task or engagement.

Considerations

Reviewing independent contractor templates against the proposed 'gateway test' criteria, and assessing if these templates meet all four criteria, and if not whether it may be commercially desirable to amend them, to satisfy the four criteria and provide clarity for all parties.

People data

- **Total headcount – 655 (increase of 22 since September 2024)**
- **Approved FTE – 535 (increase of 28.5 FTE since September 2024)**
- **Actual FTE – 478 (*increase of 57 FTE since September 2024)***

Variances in the Full-Time Equivalent (FTE) calculations arise from timing issues related to recording changes and the classification of workforce roles. We are continuing to understand these factors to achieve accurate FTE reporting and effective workforce management.

Mitigating Variances:
To minimize variances and enhance the accuracy of FTE reporting we are:

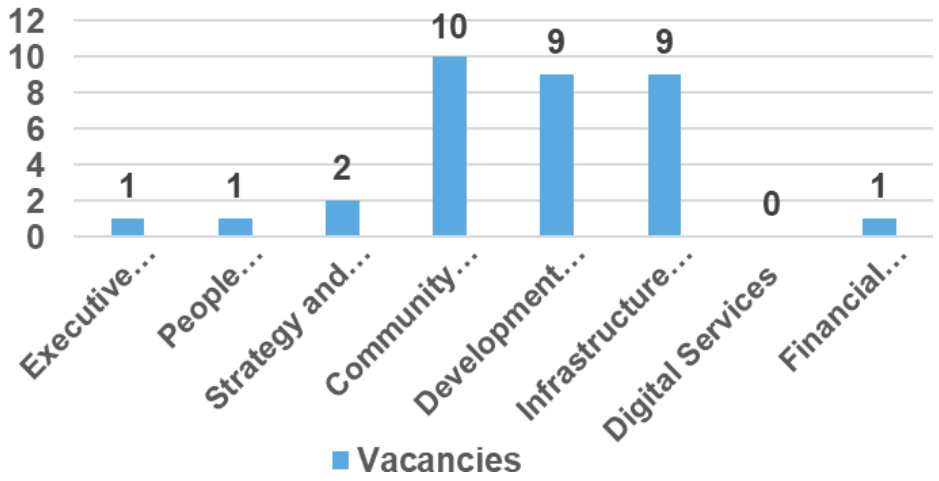
1. Implementing Robust HR Processes: without HR software that allows for real-time updates and accurate tracking of employment status changes, we are implementing processes for recruitment, movements, repurposing and reclassification of roles to ensure FTE calculations reflect the current workforce.

2. Regular Audits: conducting monthly audits with department heads to confirm, current state and classifications and employment records to validate changes and correct any discrepancies.

3. Clear Classification Policies: We are establishing clear policies and guidelines regarding the classification of contractors, fixed-term employees, and project-based roles to all relevant stakeholders.

Active Vacancies

Total Active Vacancies = 33 roles (29.6435 FTE) as of 7 March (details in the final slide)



Hard to fill roles (open 40+ days or roles readvertised): Governance Coordinator readvertised (PD updated and resized).

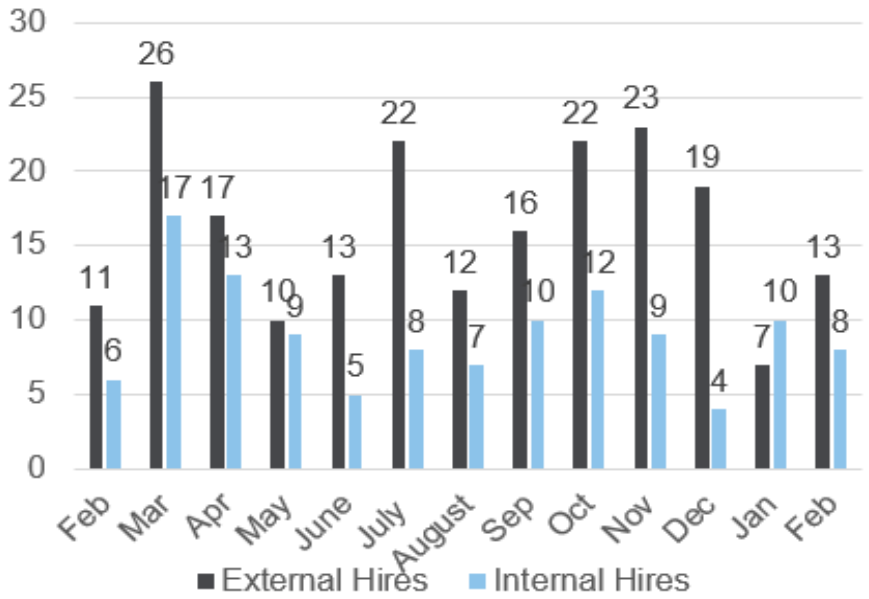
Delays: Nil

Applications: Direct traffic to our SDC Jobs Page, highest volume of applications, followed closely from Seek then LinkedIn.

NZ Labour Market: Job ads rose 4%, the strongest growth in six months. Applications rose 2%. Public and Consumer Services sectors recorded the greatest increase in ad volumes.

Recruitment

Total Hires FY 24/25 – 202 (FY 23/24 – 307)
External Hires – 134 (FY 23/24 – 187)
Internal Transfers – 68 (FY 23/24 – 120)



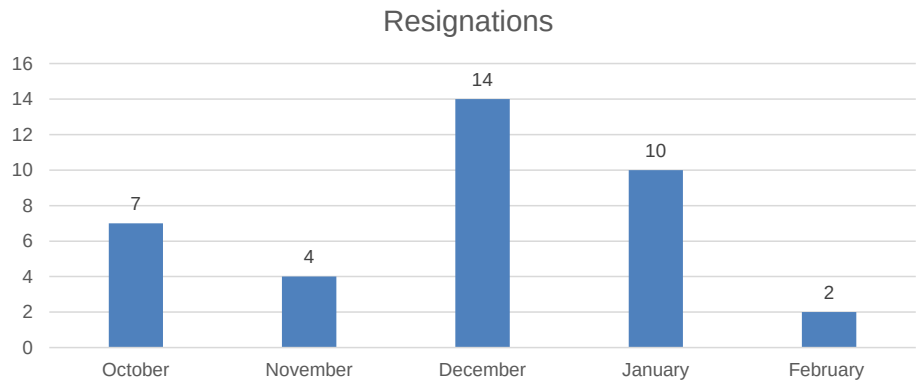
*Internal Hires includes transfers to new positions, casual to perm, fixed term to perm, additional/dual roles and secondments.

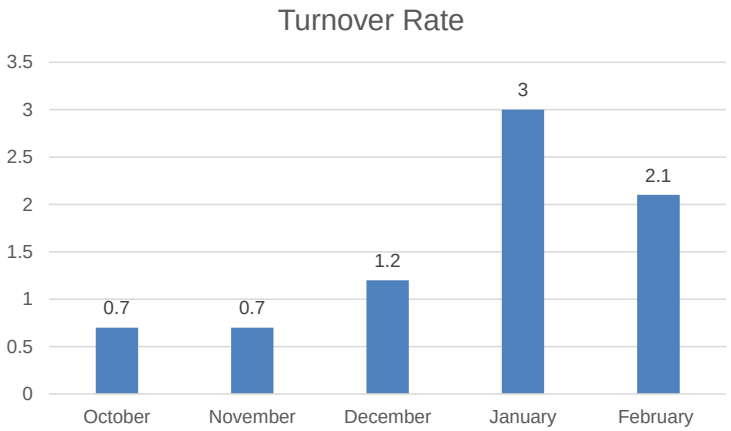
New appointments:
There were 127 new appointment made between September 2024 and February 2025.
84 to external candidates, 43 to internal employees. This shows SDC's commitment to creating opportunity and growing internal talent.

Time to Hire:
From advert open to offer accepted: 29 days (Industry average is 50 days) .

Employee Referrals:
11 successful in total since established (Aug 23).
This demonstrates our teams are promoting SDC as an Employer of choice.

Resignations and turnover





- **Resignations -** Resignations have fluctuated over the quarter with a spike in December. The increase in December is due to natural change such as locations change, family commitments and career shifts.

Turnover Rate – Turnover covers all leavers, including fixed term end dates and actual exits.

- SDC low turnover rate has been impacted by a high rate of recruitment throughout the organisation during a period of significant growth balanced against a relatively low number of leavers.

Annual leave

Total Leave Liability Cost	
Month	**Total Leave Liability Cost**
October	$2,650,678
November	$2,622.309
December	$2,604.309

Annual Leave Liability Total Cost – Reduced in February			
Team	**January**	**February**	**Total Cost**
D&G	$492,961	$448,255.31	
S & E	$286,765	$269,750.14	
I&P	$487,329	$455,236.65	
CSF	$570,026	$558,621.88	
Digital	$186,730	$198,174.48	
Finance	$111,842	$103,510.49	
Exec	$50,860	$47,406	
PCC	$109,731	$95,180.82	
Total	**$2,290,246**	**$2,183.084**	

- Total leave liability cost has decreased over the quarter.
- Decrease result of organisational effort and targeted interventions to reduce leave balances by:

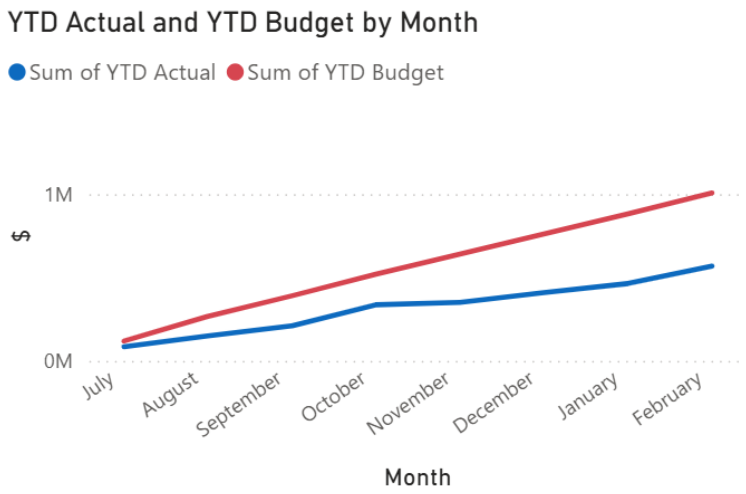
1. Enhanced visibility for leaders of high leave balances using traffic light system and support from People Team to address and reduce
2. Promoting Leave cash ups (Over 20 processed in the quarter)
3. Focus on employee wellbeing and planned support; ensuring team members work during leave is reallocated.

High Annual Leave Liability- individuals 6 weeks plus		
Team	**February**	**Cost**
D&G	2	$24,769.59
S & E	4	$102,109.54
I&P	6	$63,075.38
CSF	10	$124,411.42
Digital	0	$0
Finance	1	$6,992.84
Exec	1	$12,892.54
PCC	0	$0
Total	**24**	**$334,251**

Employee Development

Training and Employee Development Spend

	Spend	Year to Date Budget	Year to Date Var	Full Year Budget	Budget Remaining
Total	569,492	1,007,004	437,512	1,507,076	937,584



Financial Figures at as **28 February 2025**

Training is an investment in Council capability and capacity to ensure organisational performance.

Training spend year to date is behind budget. Spending reduces during the months of December and January, and will increase in the remaining two Quarters.

Work is underway delivering leadership capability development through training aimed at all levels, with delivery beginning at Senior Leaders.

Organisation Training Update:

- DiSC Workshops have been provided for 245 employees
- Prevention of Bullying and Harassment Training completed in September by 31 leaders
- Leadership Development Framework endorsed by ELT and delivery proceeding
- Caring Customer Interaction workshops have commenced
- Supporting business with Exceptional Hosting training development

Exit Survey Summary

Key themes from Exit Surveys:

- Positive feedback on team spirit
- Lack of role clarity including responsibilities not aligning with Position Description
- Frustration with systems / processes
- Concerns with leadership / team dynamics

Reasons for leaving:

- Dissatisfaction with job
- Relocation
- Family commitments
- Better Opportunity / Career Change
- Improved salary / benefits
- Personal circumstances: travel, study



HR Employment Relations & Projects

Employment Relations	
Formal on-going	1 x Performance Improvement Plan (Digital) 1st review meeting set 1 x Performance Improvement Plans (Development and Growth) end of second review complete, disciplinary meeting set –confirmed outcome 2nd written warning 1 x Personal Grievance raised (S & E) unjustified disadvantage during recent change process, SDC has responded- awaiting response/further action from employee 1 x Personal Grievance raised (D & G) unjustified disadvantage (removal of on call resulting in loss of income) –Mediation scheduled 20 March. 1 x Formal Complaint, Bullying and Harassment (I &P). Investigation underway by independent/external investigator. Witness interviews are now complete (took longer than expected). Ttranscript of 75 pages review completed by impacted party 11/03. Draft report estimated to be released within 2 weeks
Investigations	1. Privacy Breach (PCC) - Accessing personal information for personal reasons. Commenced 13 March. 2. Sensitive Information released to External media (I&P) - Investigation meetings commenced w/c 10 March.

PUBLIC REPORT

TO: Audit and Risk Subcommittee

FROM: John Knight – Head of Health, Safety Wellbeing
Wayne Stack – Health and Safety Lead
Tracy Copping – Wellbeing Lead

DATE: 24 March 2025

SUBJECT: **HEALTH, SAFETY AND WELLBEING UPDATE**

RECOMMENDATION

'That the Audit and Risk Subcommittee receives the Health, Safety and Wellbeing Update Report'.

1. PURPOSE

The purpose of this report is to provide the Audit and Risk Subcommittee with an update in relation to health, safety, and wellbeing activity and sets out planned activities for the coming three-month period.

The attached Dashboard provides a breakdown of these activities and presents an overall view of both the lag and lead indicators.

2. HSW OVERVIEW

HS&W – Update on External Review Recommendations

Work has progressed on several foundational pieces of work following recommendations outlined in the HSE Global external review. A draft work plan has been developed that serves to implement the recommendations made through the HSE Global review of the Health and Safety maturity of Selwyn District Council (refer to attachment one: Draft Action Plan). This plan is shared for feedback today for Audit and Risk Subcommittee and will be driven by the new Head of Department.

Recruitment update for Head of Department - Health, Safety, and Wellbeing:

- Recruitment commenced in December 2024 and interviews took place in early January. There were 77 applications in total and 6 interviews conducted and following that process we are pleased to welcome John Knight into this role.

Health, Safety, and Wellbeing Training Framework:

- Selwyn District Council is developing a four-tier health safety and wellbeing (HSW) training framework to build and/or enhance capability in HSW

governance, leadership, delivery and technical skills across all levels of the organisation. The training framework will support creation of SDC HSW culture led by Governance and ELT, support effective systems developed by people leaders and build competency of relevant skills across all four tiers.

Clarifying roles and responsibilities of overlapping HSW functions:

- A draft framework, using a RASCI approach, is in development to clarify roles and responsibilities.

Investigation Procedure and Policy:

- Our investigation policy and procedure has been reviewed and updated; this will be presented to the ELT for endorsement by the end of this quarter. An update will be shared with the Audit and Risk Committee once it has been finalised for information.

H&S Leadership:

Ports of Auckland prosecution

We have paid careful attention to, and considered our current culture, in light of the Ports of Auckland prosecution. In response we will be focusing on promoting five key actions for Officers of the PCBU to ensure they are fulfilling their responsibilities under the Act. These are:

a) **To personally and proactively acquire and maintain knowledge:** Officers are not expected to subject matter experts but should understand key operations and be able to describe critical risks and controls.
b) **Understand work as done verses work as imagined:** being proactive and seek out real-world practices (beyond policy and procedures).
c) **Ensure there is sufficient investment in critical control management:** ensure adequate systems and investment for critical risk controls.
d) **Verify the competence of people who have health and safety critical control responsibilities:** you can rely on the expertise of others (technical and safety professionals), but you must verify their competence.
e) **Carry out effective monitoring and review:** use of credible methodology to independently monitor health and safety performance. When you receive a report ensure it is fully actioned.

To address these areas, we will utilise our training framework and complete an assessment of Health and Safety training and additional intervention requirements. A particular focus will be placed on incident investigation processes, response and industry standard best practices.

Walkaround worksite visits

We are continuing with the schedule of ‘walkaround worksite visits’ by ELT members and senior managers, with elected members now being invited to attend. This programme is promoting greater awareness of officer due diligence requirements at executive and governance level. We are receiving positive

feedback from those conducting the visits and staff from worksites, with observations being recorded in Vault.

Critical Risk Management Programme:

Three of our Critical Risk teams (Psychological Safety, Driving, and Working in and around Water) have now presented their Bowtie and Management Standard documents for review and endorsement by the Safety Leadership Team (Ropu Marutau). For the remaining three teams (Aggressive Customers, Lone Workers, and Active Construction and Maintenance) work is focusing on finalising documents for review and endorsement.

Once completed, all Critical Risk teams will be assessing and reviewing current risk controls and areas where improvements can be made. Each team will provide quarterly reports with full status updates to the Safety Leadership Team.

As part of our work in meeting our obligations for Officers under s.44 of the Health and Safety at Work Act, we have recently conducted a series of Governance Critical Risk workshops (Psychological Safety, Driving, and Working in and around Water). These workshops have been provided to ensure greater awareness and understanding of the work being conducted by the Critical Risk management teams, as well as outlining the duties and responsibilities of officers of the PCBU under the Act. These were led by the Critical Risk team co-leaders and ELT sponsors with the support of the Health & Safety and Wellbeing teams.

Focus was on the Bowtie safety risk analysis framework, how it works, along with the development of Management Standards. The purpose of these workshops is to provide greater assurance and understanding of how Council's critical risks are being managed and reviewed, whilst ensuring Councillors are fulfilling their responsibilities and obligations as officers of Council under the Act. Workshops for the remaining three Critical Risks will be conducted in early 2025.

GIS Location of Interest Layer

The growing need for improved staff safety and risk management has led to the development of a GIS Location of Interest Safety Layer system. This new system ensures the accurate identification, monitoring, and analysis of hazardous or high-risk locations, supporting proactive safety measures and informed response strategies for staff working in the field. It also promotes standardised, efficient, and secure collection, management, and use of geographic information, enhancing decision-making concerning safety of staff.

The success of this initiative will come about through a change in culture, through educating staff of the personal safety benefits of checking the system prior to travelling to locations. Locations of interest will be identified through a coloured flag system and text, which identifies the risk and what level, along with precautions to take prior to visiting the site. The system will be launched once a policy and procedure has been endorsed by ELT.

Risk Register Reviews:

The Health & Safety team are working with the Risk Manager in conducting an organisation-wide review of Risk Registers. Our focus will be on assisting Heads of Departments in completing reviews of their Health & Safety Risk Registers, using the new template created by the Risk Manager. This will ensure consistency across Council, and a fully updated risk profile for the organisation.

A series of workshops will be conducted in March and April to assist leaders in understanding requirements of the programme, while identifying where we can provide the greatest value in assisting in the completion of the register reviews.

4. H&S MANAGEMENT SYSTEM:

Key Incidents:

Critical Risk – Psychological Safety
In November two members of the Parks and Reserves team attended a 'sudden death' situation at the Glentunnel Motor Camp, which is owned and administered by Selwyn District Council. The staff members were visiting the camp and were asked to check on a resident where they discovered the elderly male resident deceased. The police were notified and attended. The resident had a history of mental illness and there were no suspicious circumstances. Both staff members were offered counselling support by their manager, and the Health & Safety and Wellbeing teams.

Critical Risk – Lone Worker
On Monday 3 March our sole parking warden was assaulted while issuing a parking infringement at an isolated building subdivision in Rolleston. While the assault was minor, resulting from her being struck with wet builder's plaster, Police attended, and a warning was issued. This highlights the potential for our lone workers to be exposed to aggressive behaviour while conducting their work. Refresher situational safety and de-escalation training has been arranged specifically for our Regulatory, Building, and Parks & Reserves teams who are at the greatest risk with dealing with the public while working alone in the field.

A similar workshop has been arranged for councillors and ELT members in May to provide personal safety advice and guidance leading up to the Local Body election this year.

5. CONTRACTOR ASSURANCE:

In mid-2024, the Capital Works Team reported the service strike of three live overhead electric cables on work sites operated by one of our roading contractors, HEB Construction. These incidents were reported to WorkSafe, Orion and SDC, resulting in internal investigations being conducted. Investigation reports were requested from HEB while awaiting confirmation of initial corrective actions, which included updating their site induction processes to improve communications and visual checks.

Since these incidents occurred, ELT members have conducted a site visit to HEB Construction observing and discussing their health & safety. A summary report of the investigation and improvements made following these events is included with

this report, with HEB's South Island Operations Manager, Lee Hautler, presenting it at this meeting.

6. WELLBEING

Wellbeing Strategy:

Following recommendations from HSE Global we have begun the process of redesigning the current wellbeing strategy to be centered on psychosocial risk management. This approach ensures that our approach builds upon the work completed to date by our Critical Risk team focusing on psychosocial harm and will also serve to align our framework ensures with WorkSafe and ISO standards.

We will continue to build on this structure with the when the new Head of HS&W is appointed ensuring we connect this strategy with that of Health and Safety, bringing our shared work plans in-line with each other. The results of this work will be presented in draft to the May meeting of the Audit and Risk Committee for feedback and potential endorsement to Council.

Employee Assistance Programme

We are excited to be partnering with Telus Health, our new employee assistance providers. As we transition from EAP Services Ltd, we will be ensuring there is continued support available for our people.

Towards the end of 2024 we saw an increase in the use of employee assistance through EAP Services, Talk it Out and our private counselling services. (51 engagements last quarter compared to 83 this quarter). Most topics raised were work related, specifically related to careers, manager relationships, workload and change. Most personal issues raised related to anxiety, stress and relationships. We expect to see an increase at this time of year with the pressures of end of year work schedules and people's energy levels dropping, it is reassuring to know that people are reaching out for support.

Caring Customer Interactions (CCI)

This year we will recommence our CCI workshops. 18 events recorded in Vault indicates a need to continue this training; 3 child welfare concerns, 2 psychological welfare concerns and 13 incidents of aggression, all of which have the potential to cause psychological harm.

The CCI programme ensures we meet our obligations in looking after our team member's psychological wellbeing, backing up the work detailed in our Critical Risk programmes.

Good Yarn Programme

5 members of the People Team successfully completed the GoodYarn facilitator training in February. This programme was specifically chosen to meet the increase in mental health issues being experienced by both our teams and customers. The issues facing customers and our ability to meaningfully respond

has become more visible during the preparation and facilitation of the CCI project. We also saw a need for the programme due to an increase in EAP and Talk it Out engagement.

The 5 facilitators are now qualified to deliver 3-hour GoodYarn workshops across the organisation which will increase our mental health awareness and literacy, ensuring we can adequately recognise and support people when needed.

We have chosen this model as we know that a peer delivered support programme works well at Council, following the success of our Talk it Out programme and Caring Customer Interactions. Te Hiringa Mahara, the Mental Health and Wellbeing Commission suggests employees learn better from in-house training delivered by their colleagues; common situations and scenarios resonate better, making the training more relatable, meaningful and relevant.

Appendix:

- Attachment One A: Draft Health Safety and Wellbeing workplan
- Appendix B: Draft Training Framework
- Appendix C: Roles and Responsibilities Framework

John Knight
HEAD OF HEALTH SAFETY AND WELLBEING

Wayne Stack
HEALTH AND SAFETY LEAD

Tracy Copping
WELLBEING LEAD

ENDORSED FOR AGENDA

Steve Gibling
Executive Director People Culture and Capability

HSW Action Plan: 2025 focus - *Building strength*

Plan owner: Executive Director People Culture and Capability

This one-year HSW Action Plan sets out a pathway to meet the key requirements for the first year of the 2025-2029 HSW Strategy. The Action Plan focuses on the recommendations from the HSE Global reports of 2024. A full copy of the recommendations is attached at Error! Reference source not found. starting on page **Error! Bookmark not defined.** for ease of reference.

It is anticipated that the Head of Health, Safety and Wellbeing maintains an overview of this plan and reports regularly to SDC leadership on progress against the plan. A new version of the Action Plan a should be saved each quarter to maintain an accurate record of progress against the plan over time.

				2025				
Stream	**Element**	**Action**		**Q1**	**Q2**	**Q3**	**Q4**	**2026-29**
	LEADERSHIP & STRATEGY							
1	HSW Strategy	1.1	Develop draft HSW strategy for 2025 - 2029	✓				
		1.2	Develop draft 2025 Action Plan to execute strategy (all HSE Global recommendations)	✓				
		1.3	Consult with key stakeholders on principles and guiding philosophy (including HOP)	✓				
		1.4	Finalise strategy and action plan		✓			
		1.5	Publish and communicate strategy		✓	✓		
		1.6	Develop and execute individual work stream tactical plans as required			✓	✓	✓
2	Recruitment of tier 3 strategic HSW Head of Department	2.1	Interview and select candidate (recruitment campaign complete in 2024)	✓				
		2.2	Induct into SDC, make introductions and complete onboarding (training, provision of equipment etc)	✓				
3		3.1	Define 'visible leadership' programme and participants	✓				

				2025				
Stream	**Element**	**Action**		**Q1**	**Q2**	**Q3**	**Q4**	**2026-29**
	Visible leadership programme (H&S)	3.2	Create pilot programme to test approach	✓				
		3.3	Set KPIs (include Safety walkarounds, risk reviews, and direct communication with workers)		✓			
		3.4	Define system for capturing data to report on KPIs		✓			
		3.5	Communicate and educate leaders and workers and seek feedback		✓		✓	
		3.6	Report against KPIs			✓	✓	✓
4	Review progress against Strategy and Action Plans	4.1	At the end of each year in the Strategy period, conduct a review of that year's Action Plan to measure progress, its impact on achieving the strategic vision and strategic themes, and how capability development programmes and HSW outputs and outcomes reflect the strategy's guiding principles.				✓	✓
		4.2	Report back to all SDC workers on progress against the Strategy and Annual HSW Action plan and seek feedback.				✓	✓
5	Business partner team operating model	5.1	Review a business partnering model for the HSW team and how this could be implemented within SDC. Conduct SWOT and prepare an objective case to seek SDC management support and/or feedback.			✓		
		5.2	Develop a change management process to support impacted staff through the change, including professional development pathways, and educate the organisation on impacts and opportunities of new operating model.				✓	
		5.3	Implement change (if accepted)					✓

	RISK MANAGEMENT							
6	Overlapping duty risk management approach	6.1	Develop a tool e.g. spreadsheet to capture information and context on shared duty situations. Fields to include: key contacts (from all parties), critical risks, nature of each parties role (control/influence), locations/sites, interaction type/schedule, length of relationship, previous events, pre-qualification process (if any), existing H&S documentation/plans/contracts, other contextual information	✓				
		6.2	Consult with SDC workers and identify all shared duty situations with a focus on high risk arrangements and document all using the tool.		✓			
		6.3	Develop a clearly defined framework and approach for the management of H&S risk in shared duty situations. Include engagement, communication, risk management and audit and assurance processes relevant to the nature of the relationship and the nature of the risk		✓			
		6.4	Engage with SDC relationship holders/contract managers to review framework and adjust			✓		
		6.5	Develop/procure associated tools and processes to operationalise the framework			✓		
		6.6	Educate and inform SDC workers with engagement in shared duty arrangements			✓		
		6.7	Consult, communicate and coordinate with shared duty holders regarding framework and reflect on current arrangements, identifying any quick win opportunities			✓		
		6.8	Review all existing shared duty arrangements against framework requirements				✓	
		6.9	Establish a plan for closing gaps identified (with assurance activity in internal and contractor-led activities as a priority)				✓	✓

7	Integrate H&S risk in enterprise risk management	7.1	Engage with SDC's Risk Manager and arrange scheduled sessions to discuss SDC enterprise risk management approach and work required to integrate HSW risk management documentation and frameworks. Agree assignment and timing.	✓				
		7.2	Align critical risk framework with ERM framework and ensure no conflicts		✓			
		7.3	Identify all critical risks (including any not previously identified) and document where these risks exist in SDC operations (use a table tool or HSW software if capable). Refer to the table created (see 5.2) with SDC contract managers.		✓			
		7.4	Plan and undertake workshops with frontline staff exposed to critical risks (where there is insufficient information on current or future control of the risk.		✓			
		7.5	Ensure all critical risks have fully documented control plans, with critical controls identified, and that these are reviewed by at risk workers who provide feedback.			✓		
		7.8	Confirm that all critical controls across all critical risks have clearly defined verification processes in place and that these are happening at known intervals and results recorded and reported on transparently and aligned with the wider SDC assurance programme.			✓		
		7.6	Develop and provide accessible and clear guidance for workers on critical risks relevant to their teams/work areas. This may include pocket guide/online resources or other worker-friendly tools. (Note – there are examples available from other orgs)				✓	
		7.7	Complete a gap analysis across all critical risks to determine if controls are in place fully, partially or not at all. Include a review of verification processes to detect assurance gaps.				✓	
		7.8	Build a plan for a fully resourced and measurable programme of work to address any shortcomings identified in the gap analysis.					✓
8		8.1	Separate health protection, health promotion and wellbeing initiatives into distinct programmes - targeting work design and workload management	✓				

	Health Protection, Promotion, and Wellbeing Programme	8.2	Define scope, objectives and resources required for each programme (with health protection and wellbeing taking priority)	✓				
		8.3	Report on required resourcing for each programme and gain approval		✓			
		8.4	Communicate distinctions clearly to workers and leaders and seek feedback		✓			
		8.5	Develop implementation plans for each of the three programmes, including dashboard development/enhancement (refer page 4 HSE Global report)		✓			
		8.6	Execute against implementation plans and defined schedules			✓		
		8.7	Review delivery against objectives				✓	✓
9	Learning and improving work (following events)	9.1	Evaluate investigation/learning from events approaches and select a model that fits with SDC philosophy. Just Culture principles are to be at the heart of the selected methodology.	✓				
		9.2	Create an investigation/learning from events framework and define: • any tiers of investigations/learning from events e.g. simple investigation versus full investigation • triggers for application of any tier (e.g. injury/illness/near miss severity, critical control failure, specific events etc), and triggers for seeking external support for investigations; • resources within SDC who would need to be trained to identify when events meet criteria and/or complete investigations; • how participants and stakeholders will be engaged with; • a clear process for capturing and communicating lessons; • a clear process for creating and assigning any actions and monitoring their completion; • a clear process for integrating lessons and change into policy/procedures, training and operational activity • peer review/moderation process.		✓			
		9.3	Plan and coordinate a training programme to upskill identified SDC resources in the methodology, and SDC investigation/learning from events framework, especially triggers and how they will be engaged in this process.			✓		

		9.4	Conduct a review of events reported and investigations applied to confirm that the framework is applied as intended and review a sample of investigations and report to leadership on findings.				✓	✓
10	HSW Assurance Programme	10.1	Following on from Streams 6 and 7: Confirm all regular audits, inspections, and risk control verification activities are captured in a structured HSW assurance programme, that is aligned with the wider SDC assurance programme.				✓	
		10.2	Establish an accessible calendar of activity that can be easily tracked and monitored regularly.					✓
		10.3	Report on programme delivery in HSW reports to relevant stakeholders at all levels					✓

	RELATIONSHIPS							
11	Overlapping HSW roles and responsibilities (SDC)	11.1	Working with the HSW team triage all work that they do or report on currently and group into 'buckets'. For each activity identify the interfaces with other functions, particularly where these overlap, and identify real or perceived responsibilities for any party within these arrangements, and any challenges.	✓				
		11.2	Identify where any statutory, contractual or formally assigned HSW responsibilities sit and if the processes for meeting those responsibilities are clearly defined and assigned within SDC (refer job descriptions, performance appraisals, policies and protocols etc).	✓				
		11.3	Create a diagram of how these responsibilities are assigned (when clear) with hard and dotted reporting/communication lines, and a list of outstanding responsibilities that are not clearly or formally assigned to roles.		✓			
		11.4	Based on findings, develop a cross-functional and two-way communication programme to drive cohesion in approach, seek feedback, adjust as required and confirm communication requirements with stakeholders and adjust any documents appropriately.		✓			

12	Specialist external partners & temporary HSW support	12.1	Identify potential partners who could provide surge capacity resourcing (temporary resources) for specific HSW projects at short notice.	✓				
		12.2	In consultation with critical risk team leads, identify HSW specialist expertise desirable to support activities e.g. hazardous substance specialists, traffic management specialists, wellbeing specialists etc		✓			
		12.3	Research and contact potential partners and compile an External HSW Partners register with key information including area of expertise, engagement process, costs, specific skillset, availability etc		✓			

	RESOURCES							
13	HSW leadership capability	13.1	Working with the L&D team design a basic framework for an HSW leadership development programme for all people leaders within SDC. The framework is to match career lifecycle stages and be integrated as a requirement in career progression through HR processes.			✓		
		13.2	Create a Strawman outline of relevant topics/module within the programme at each stage.			✓		
		13.3	Identify providers of existing content and/or development required to build out programme.			✓		
		13.4	Compile programme and test				✓	
		13.5	Coordinate and commence roll-out to people leaders					✓
14	HSW learning and development programme	14.1	Create a matrix that covers all roles and levels within SDC that maps HSW governance, leadership, delivery (core competencies) and frontline technical skill training requirements to ensure no groups are missed.	✓				
		14.2	Using the matrix review training completion by role group and identify any gaps in (current) mandatory training. Schedule training to close gaps (starting with statutory requirements).		✓			

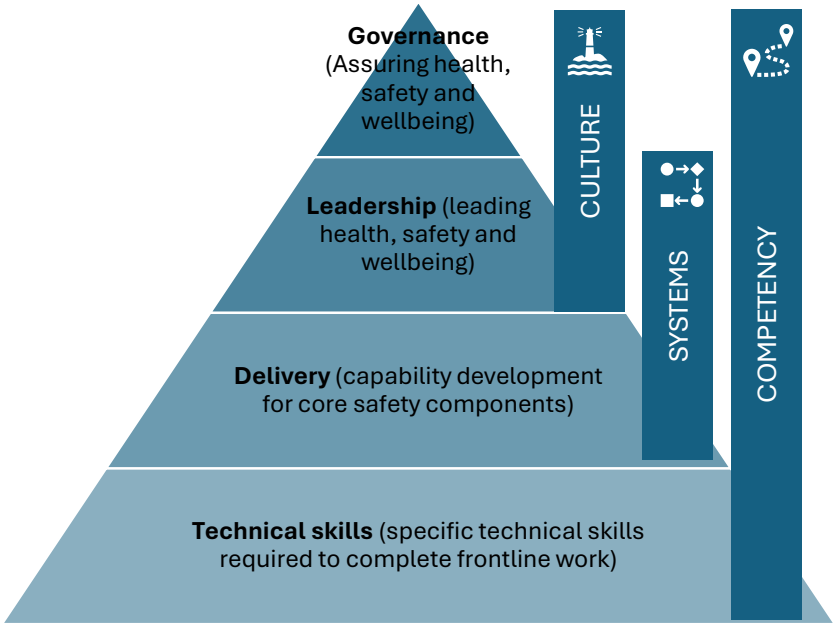
		14.3	Working with the L&D team design and create an implementation plan for an ongoing learning and development programme for all levels of the organisation to ensure that all workers have the necessary knowledge to manage H&S relevant to their role or activities and exposure to risk.				✓	
		14.4	Execute the HSW learning and development programme across the organisation, prioritised to address the most significant HSW risks first.					✓

DRAFT Health Safety and Wellbeing Training Framework

Selwyn District Council is developing a four-tier health safety and wellbeing (HSW) training framework to build and/or enhance capability in HSW governance, leadership, delivery and technical skills across all levels of the organisation.

The training framework will support creation of SDC HSW culture led by Governance and ELT, support effective systems developed by people leaders and build competency of relevant skills across all four tiers.

Figure 1 - SDC health, safety and wellbeing training framework (4 tiers)



The following table sets out a description of each HSW training component and typical examples of topics and/or courses that may be included.

Level	Description and examples of training topics/courses

Governance of HSW	HSW governance training/capability development for Officers (including elected members and ELT). Topics will include:
	• Annually:
	  ○ Roles and responsibilities
	  ○ Legal and regulatory framework
	  ○ Risk management (including risk tolerance)
	• Bi-annually:
	  ○ Stakeholder engagement
	• Quarterly:
	  ○ Health, safety, and wellbeing strategy
	  ○ Performance monitoring and reporting
	  ○ Incident oversight
	  ○ Continuous improvement

Leadership of HSW	HSW leadership training/capability development for executive Officers and Heads of Departments and other key people leaders. Topics may include:
	• Annually:
	  ○ Leadership responsibilities and accountability
	  ○ Critical risk management and decision-making
	  ○ Role in incident management and learning
	• Bi-annually:
	  ○ Integration of health, safety, and wellbeing into business strategy
	• Quarterly:
	  ○ Communication and engagement on safety
	• Monthly:
	  ○ Monitoring and reviewing safety performance
	  ○ Supporting continuous improvement and innovation in safety
	  ○ Building a positive safety culture
	  ○ Influencing safety behaviour
	  ○ Developing leadership capability in safety

Level	Description and examples of training topics/courses

Delivery of HSW	HSW training/capability development for key HSW role holders across the business. Topics may include:
	• Annually:
	  ○ Developing and maintaining safety policies and procedures
	  ○ Conducting risk assessments and hazard identification
	  ○ Ensuring compliance with health and safety regulations and standards
	• Bi-annually:
	  ○ Keeping up-to-date with regulatory changes and industry best practices
	  ○ Managing emergency preparedness and response planning
	• Quarterly:
	  ○ Critical Risk programme coordination and programme management
	  ○ Advising on and implementing risk controls for diverse hazards
	• Monthly:
	  ○ Coordinating and delivering internal health and safety training
	  ○ Managing safety reporting and performance metrics
	  ○ Facilitating safety committee meetings and worker participation
	  ○ Conducting safety audits and inspections
	• Weekly:
	  ○ Promoting a positive safety culture across the organization
	  ○ Communicating and engaging with stakeholders on safety matters
	  ○ Supporting health, safety, and wellbeing initiatives
	• As required:
	  ○ Conducting incident investigations and root cause analysis
	  ○ Managing contractor safety and pre-qualification processes

Level	Description and examples of training topics/courses

Technical skills in HSW	HSW training/capability development for frontline workers exposed to risks directly. Examples may include:
	• Quarterly:
	  ○ Mental health first aid
	  ○ De-escalation of conflict
	  ○ Emergency response and evacuation
	  ○ Workplace bullying and harassment awareness
	  ○ Fatigue management
	• Monthly:
	  ○ First aid and CPR certification
	  ○ Driving safety and defensive driving
	• As required:
	  ○ Confined spaces training
	  ○ Work at height safety
	  ○ Manual handling and ergonomics
	  ○ Hazardous substances management
	  ○ Use of GPS and navigation systems
	  ○ Electrical safety
	  ○ Noise management and hearing protection
	  ○ Machine safety and lockout/tagout procedures
	  ○ Asbestos awareness
	  ○ Heat stress and cold exposure management
	  ○ Safe use of personal protective equipment (PPE)
	  ○ Environmental spill response
	Note this may not be an exhaustive list and not all training may apply.

Health Safety and Wellbeing Overlapping Roles and Responsibilities Framework

The recent HSE Global H&S Assessment Report (Oct, 2025) presented the following recommendation:

> ***Clarify roles and responsibilities between overlapping functions with HSW.***
>
> *With the HSW team clarify the way the team interfaces with other, overlapping, functions. Describe the expectations for engagement with the other teams and establish regular communication cross-functionally to drive cohesion in approach.*

Framework intent

This framework is intended to support Selwyn District Council to implement this recommendation and provides further guidance on the actions set out to achieve this in the 2025 HSW Action Plan (draft V0.1) already provided. The relevant part of the 2025 Action Plan is included below and explained further in this paper.

Excerpt from 2025 HSW Action Plan

11	Overlapping HSW roles and responsibilities (SDC)	11.1	Working with the HSW team triage all work that they do or report on currently and group into 'buckets'. For each activity identify the interfaces with other functions, particularly where these overlap, and identify real or perceived responsibilities for any party within these arrangements, and any challenges.
		11.2	Identify where any statutory, contractual or formally assigned HSW responsibilities sit and if the processes for meeting those responsibilities are clearly defined and assigned within SDC (refer job descriptions, HSW policies and protocols etc).
		11.3	Create a diagram of how these responsibilities are assigned (when clear) with hard and dotted reporting/communication lines, and a list of outstanding responsibilities that are not clearly or formally assigned to roles.
		11.4	Based on findings, develop a cross-functional and two-way communication programme to drive cohesion in approach, seek feedback, adjust as required and confirm communication requirements with stakeholders and adjust any documents appropriately.

Why is this important to do?

"Where HSW teams lack role clarity with other functions, this often leads to a disjointed approach to HSW improvement, duplication of effort, or gaps in support provided to the business." HSE Global report page 5.

There will be no perfect process and this will be messy to work through to reach understanding before all roles and responsibilities can be clarified. The framework suggested below provides information on helpful methods or tools to work through this, but there will be many other approaches. These are ideas only.

Guidance on applying framework

Step 1: Triage

11.1	Working with the HSW team triage all work that they do or report on currently and group into 'buckets'. For each activity identify the interfaces with other functions[1], particularly where these overlap, and identify real or perceived responsibilities for any party within these arrangements, and any challenges.

Ideas:

- Hold a facilitated half day workshop where the HSW team break their current work down into chunks under key headings, including all admin and reporting tasks they perform. This works well using post it notes or on large whiteboards or sheets of paper; or
- Or ask them to prepare this information in a spreadsheet in advance
- Ideally ask them to add priorities so important tasks (related to high risk, legal required etc) is highlighted

The point is to get them to list what they actually do and how they spend their time, not what they feel they are 'supposed' to do. The tasks should represent current 'real life' work.

- For each activity including any identified below:
  - discuss how the overlapping responsibilities are managed, and which bits by whom.
  - identify current communication pathways, acknowledged responsibilities and challenges
  - indicate any part of the activity or its outputs/outcomes that HSW has to report on, and frequency
  - indicate how this could be improved (e.g. communication, frequency, process, reporting, owner etc)
- Document all information gathered (could just be photos for later reference)
- Note: This might require multiple sessions to achieve

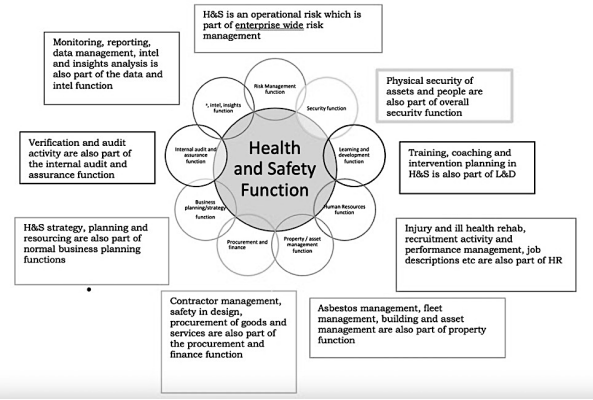


Figure 1 - HSE Global Report diagram, page 5

[1] HSE Global specifically names the following teams (however there may be others in addition e.g. the Communications team):
• Audit
• Enterprise Risk (albeit a new function)
• Human Resources
• Learning & Development
• Facilities Management
• Procurement

Step 2: Defining requirements and verifying current arrangements

11.2	Identify where any statutory, contractual or formally assigned HSW responsibilities sit and if the processes for meeting those responsibilities are clearly defined and assigned within SDC (refer job descriptions, policies and protocols etc).

- Ask the compliance team for a list of legislation on the org's current compliance register.
    - Are all safety related laws and regulations listed? If not, list any others
- Identify any of the tasks previously identified that are legally required. State the specific requirement/clause (rather than just the Act name).
- Review HSW team job descriptions and SDC HSW Management System documentation or org policies that assign responsibilities and indicate where these sit if related to any of the tasks

This part requires engagement with the other teams with overlapping duties. Time should be scheduled and allocated to discuss this.

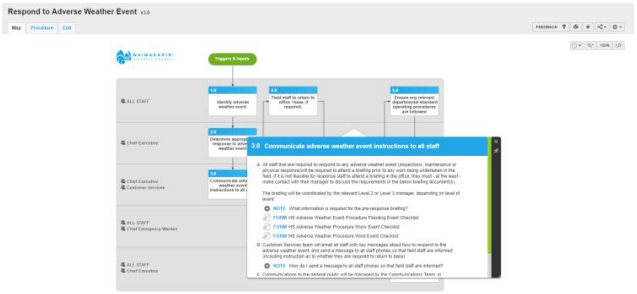
- Review the list of laws on the compliance register for any that have a HSW element. This can be discussed with the teams identified on the previous page. What responsibilities are set out in these laws and where do these sit?
- What key contracts do teams have that set out other responsibilities related to HSW? Identify main ones and indicate how they are met.
- What are challenges with any assigned or accepted responsibilities. Identify communication and reporting. How is it done, when and to whom?
    - indicate how this could be improved (e.g. communication, frequency, process, reporting, owner etc)
- Document all information gathered (could just be photos for later reference)

Step 3: Mapping arrangements and identifying gaps

11.3	Create a diagram of how these responsibilities are assigned (when clear) with hard and dotted reporting/communication lines, and a list of outstanding responsibilities that are not clearly or formally assigned to roles.

There are many ways to map the information and bring it together.

- **RASCI** diagrams are also an effective method way to sort and manage this information and provide clarity on what is known and what is not following the previous two steps.
- An example of a simple (customised) RASCI format I have used previously is included at the end of this document
- **Promapp** is a handy tool for compiling this type of information and can handle non-linear processes and multiple teams (if SDC has this)



- In some cases structure diagrams can be helpful to show relationships or reporting lines
- Any of these can work or a combination. The key is to gather information, find efficiencies, identify and fill gaps, get agreement and communicate it.

Step 4: Defining communication programme

11.4	Based on findings, develop a cross-functional and two-way communication programme to drive cohesion in approach, seek feedback, adjust as required and confirm communication requirements with stakeholders and adjust any documents appropriately.

If RASCI or similar has been completed successfully then how the relationship works and communication requirements should be well identified.

Following PCDA cycle, you have now Planned (gathered info and consulted), Done (prepared RASCI).

It's time to Check RASCI with key stakeholders and confirm how each overlap and communication point is best managed. Iron out wrinkles, improve the process and reduce any unhelpful steps or barriers. Confirm who queries should be referred to – it is not always the HSW team's responsibility to own and resolve all issues tagged with 'health and safety'. This process should identify many opportunities for HSW to be consulted or informed early on (i.e. proactive engagement) before unplanned events occur, or informed for reporting purposes only.

Then Act by documenting and communicating the agreed comms cycle and/or update existing documents to clarify, and then working to that agreed process.

Come back to the process and discuss with identified stakeholders if there are any blips or barriers and tweak as required. Repeat any PCDA step if the process or communication interfaces are not working effectively.

Summary

Great communication will clarify roles and responsibilities, streamline tasks and improve relationships with other teams. Clarifying and documenting roles and responsibilities will also help build institutional knowledge and reduce single-person risk (knowledge loss).

Note: This process will also be useful for any HSW task even if all steps are completed by people within the same reporting line.

RASCI example format

Project/Process/Requirement name	

Responsible: The person or role that completes the task within agreed-upon parameters and deadline.

Accountable: The person who ensures the task is completed and delegates to the responsible person. The 'How' column is used to indicate the basis under which the person is accountable. Use L for legal requirement, P for position (e.g. in job description), or D if delegated by another person (informal arrangement) or U for unknown

Supporting: The people or roles that provide assistance, resources, and support to the Responsible and Accountable individuals.

Consulted: The people or roles who provide knowledge and experience to help complete the task – or are/will be impacted by changes.

Informed: The people or roles who receive updates on the task's status – or are/will be impacted by changes.

Element/Step/Task description	**Responsible**	**Accountable**	How?	**Supporting**	**Consulted**	**Informed**	**Notes (e.g. timing)**

HEALTH, SAFETY AND WELLBEING DASHBOARD

To: Audit and Risk Committee

From: Head of Health, Safety and Wellbeing

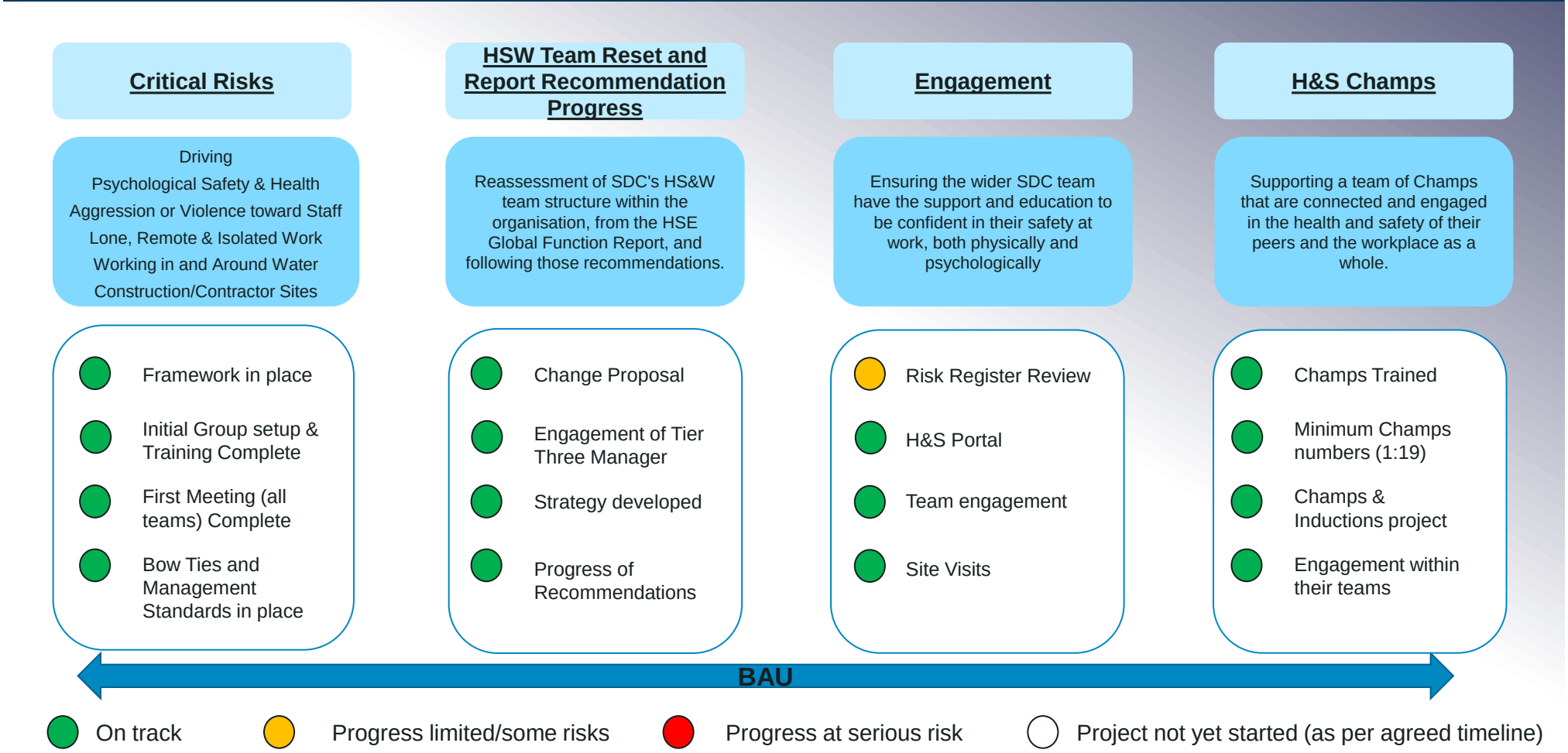
10 March for Meeting 24 March 2025

2024/2025 – Figures for October 2024 to February 2025

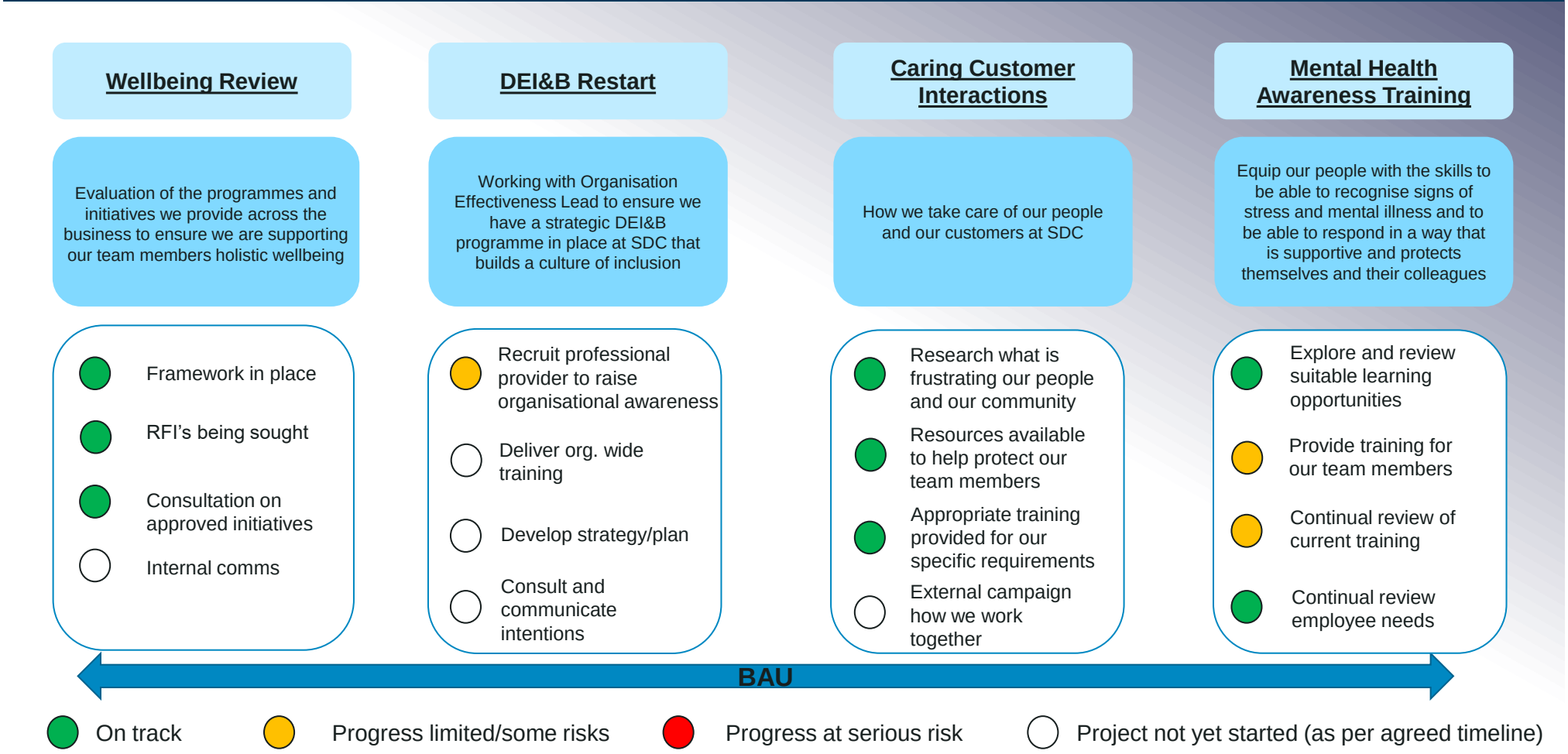
selwyn.govt.nz

Selwyn DISTRICT COUNCIL

Health and Safety Team Priorities: Progress update



Wellbeing Lead Priorities: Progress update



H&S, W – Lead Indicators – 01/10/24 to 28/02/2025

Lead Indicators are proactive and preventive measures that identify the work being done within the organisation to mitigate risks before they become an issue or cause harm to our worker or our customers.

Drug and Alcohol Testing

67

Made up of:
- 48 Pre-employment
- 19 Random
- 65 Negative
- 2 Non-Neg, retested Negative

Near Miss Reporting

24

Near Misses inform our processes and initiate solutions before a more serious one occurs.
Reports down this period.

Safety Leadership Walkarounds

6*

Programme underway.
*Includes those added to Vault only, plus one advised to HSW Team.

Health and Safety Meetings

H&S Champs	4
Departmental	10
Rōpu Marutau	3
Audit & Risk	1
Talk it Out Co-Reflect	2

Health & Safety and Wellbeing face to face Engagement

68

All teams, all facilities

Wellbeing Caring Customer Relations Training Workshops

2

Resource Consents team and Finance/Revenue team

Wellbeing Health Checks

Eye Checks	25
Skin Checks	61

Hearing tests March 2025

Training Completed Oct-Dec 2024

Fire Warden etc	9
Advanced Driver/4WD	8
Leader's B&H training	31
Situational Safety	16
First Aid – Ess	2
First Aid – Comp	7
D&A Policy Training	70

Proactive Safety Observations Recorded

3

Proactive Safety Observations #Hunt the Good Stuff; and encourage engagement.

Health and Safety Champions

30 total on the team

HSRI trained	28
Hazard and Risk Management training completed	6

H&S, W – Lead Indicators – Trainings

What H&S, and W related training occurred across council over the reporting period?

The HSW team have been focussing on compliance training – First Aid to ensure good coverage of First Aiders; and Fire, Emergency Warden and Extinguisher training for facilities. Upcoming training includes more Situational Safety and De-escalation training, and driver training (both 4WD and Advanced), focussing on new staff and those that are near expiry.

What H&S, and W training feedback or needs were identified in this reporting period?

A HSW Training Framework has been developed in consultation with Michelle Gillman of PlanitSafe to identify and measure priority training for Governance, Leaders and Workers, and foster a culture of continuous learning. This will assist in identifying learning gaps so we can plan to include additional training where required.

Feedback from 4WD Course: 100% of participants *Agreed* or *Strongly Agreed* that: the content was organised and flowed well; the material covered was relevant to their role; the course provided quality material; the facilitators were knowledgeable and engaging; it was a fun day out!

Caring Customer Relations Training*	Leader's Bullying and Harassment Training	De-escalation and Situational Safety*	Fire, Emergency Warden and Extinguisher*	First Aid – Essential and Comprehensive*	Work Safe, Home Safe E-Training	Driver Training – 4WD and Advanced*
Total workers currently trained **29**	Total Leaders currently trained **83**	Total workers currently trained **234**	Total workers currently trained **93**	Total workers currently trained **136**	Total workers currently trained* **528**	Total workers currently trained* **183**
Next team to receive training: **I&P**	% of Leaders currently trained **75%**	% of workers currently trained **84%**	% of workers currently trained **86%**	% of workers currently trained **77%**	% of workers currently trained **78%**	% of workers currently trained **80%**

* This training is not required for all staff. Percentage includes ***required*** staff only. Some figures adjusted to account for actual vs booked, and active staff only. *(All figures shown are from last 4 years data from COMPASS)*

H&S, W – Lead Indicators Critical Risks Status

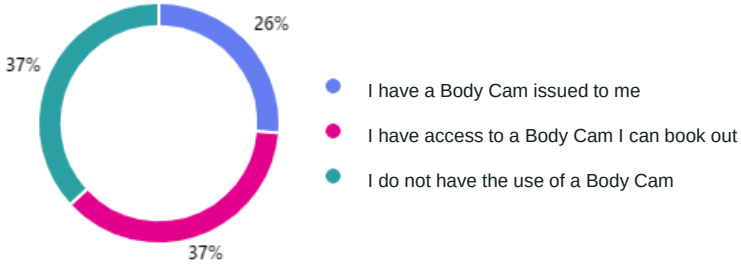
Active Construction, Contractor & Maintenance sites	Engagement of Group	Meetings held regularly, including last month	Bowtie and Management Standard in Progress and at expected level	90 Day Plan and Reporting in place	Number of controls identified **32**	Number of controls assured **0**	Overall Progress **ON TRACK**
Aggression or Violence toward staff	Engagement of Group ***Assistance being arranged***	Meetings held regularly, including last month	Bowtie and Management Standard in Progress and at expected level	90 Day Plan and Reporting in place	Number of controls identified **39**	Number of controls assured **0**	Overall Progress **In Progress**
Driving	Engagement of Group	Meetings held regularly, including last month	Bowtie and Management Standard in Progress ***Ratified***	90 Day Plan and Reporting ***In Planning Vehicle Policy Ratified***	Number of controls identified **34**	Number of controls assured **0**	Overall Progress **ON TRACK**
Lone, Remote or Isolated Working	Engagement of Group	Meetings held regularly, including last month – to check	Bowtie and Management Standard in Progress and at expected level	90 Day Plan and Reporting in place	Number of controls identified **42**	Number of controls assured **0**	Overall Progress **In Progress**
Psychological Health & Mental Wellbeing	Engagement of Group	Meetings held regularly, including last month	Bowtie and Management Standard in Progress ***Ratified***	90 Day Plan and ***Reporting*** in place	Number of controls identified **52**	Number of controls assured **9**	Overall Progress **ON TRACK**
Working in and Around Water	Engagement of Group	Meetings held regularly, including last month	Bowtie and Management Standard in Progress ***Ratified***	90 Day Plan and Reporting in place	Number of controls identified **41**	Number of controls assured **0**	Overall Progress **ON TRACK**

Key **On Track** **Controls** **In Progress** **Behind Schedule**

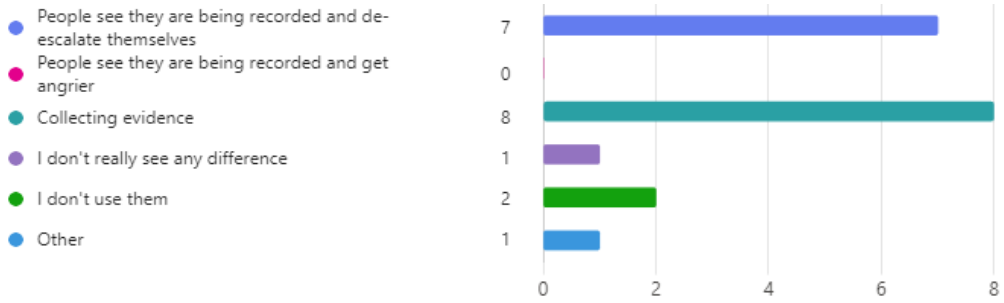
HSW – Body Camera Survey results, Nov 2024.

Responses Overview - 19 anonymous responses in total. The three teams that currently utilise the cameras were surveyed – Regulatory; Building; and Parks and Reserves.

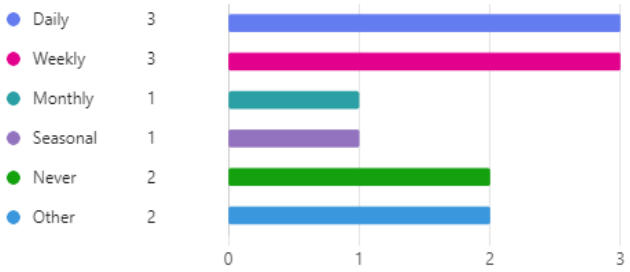
Access to Cameras



Cameras assist me to do my role by:



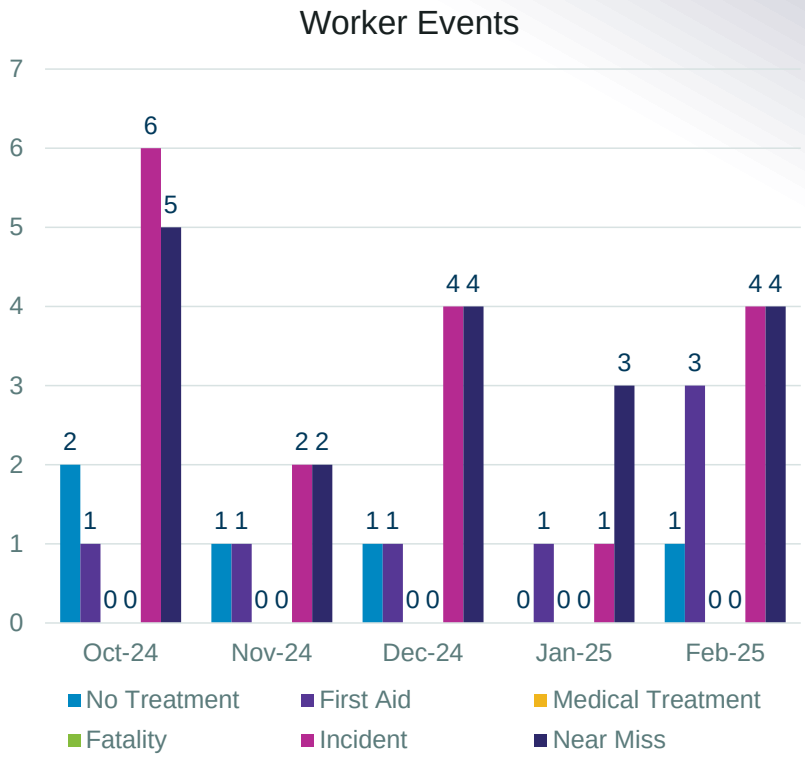
How often do I use a Body Cam



Feedback

- Harnesses are required for ease of use and to steady the shot. (To be actioned early 2025.)
- Requests for cameras to back capture footage.
- People adjust their behaviour when they see they are being recorded.
- Staff are grateful there is a tool they can use to assist in keeping them safe.
- Staff have collected some good footage to be used as evidence e.g. for Police, and evidence for trespass.

H&S, W – Worker Statistics – 01/10 to 28/02/2025

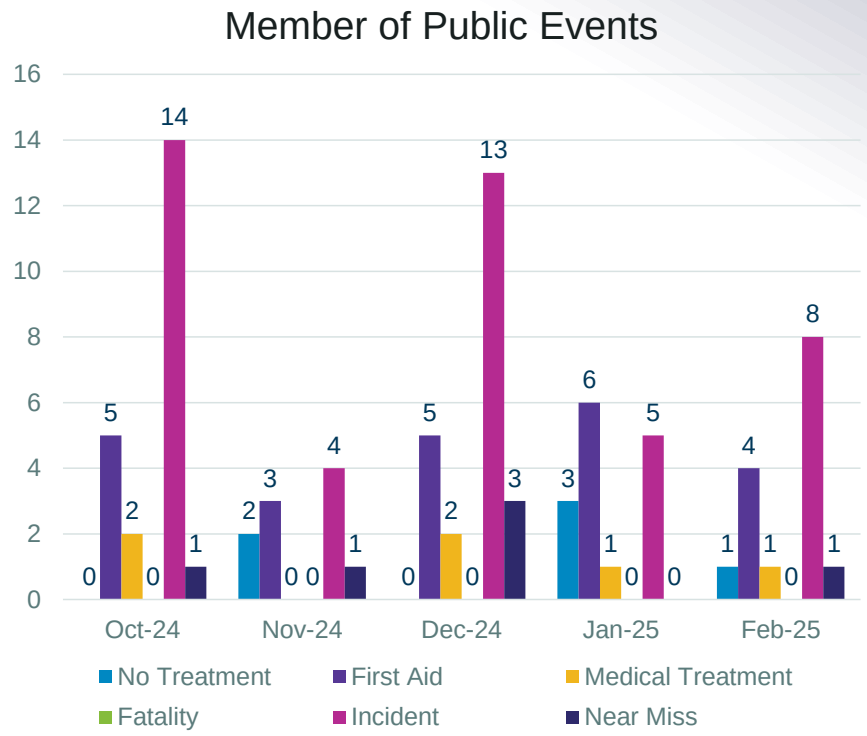


	No Treatment	First Aid	Med/Hosp	Near Miss	Incident
Executive					
Digital					
Finance					1
S&E				2	
D&G	1	1		9	4
I&P	1			2	4
CSF	3	6		5	5
PCC					

Total of 44 Worker (including 2 contracted workers) events recorded in Vault in this five month period.

H&S, W – Members of Public Event Statistics

01/10/24 to 28/02/2025

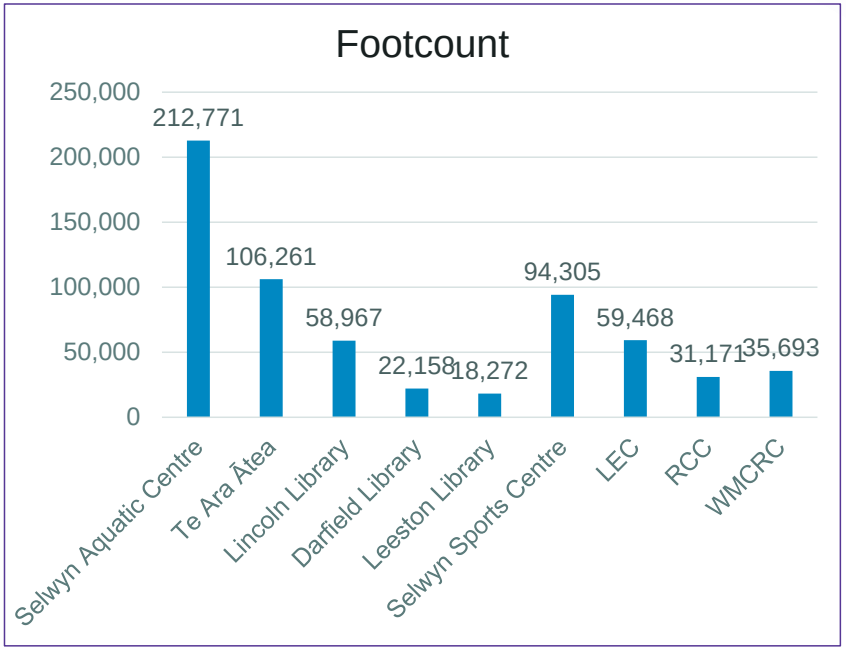


	No Treatment	First Aid	Med/Hosp	Near Miss	Incident
ACLL	1	3	1	3	12
HQ	1	1		2	9
Aquatics	2	8	1		17
SSC	1	11	3	1	3
Venues	1		1		2
Kōawa					1

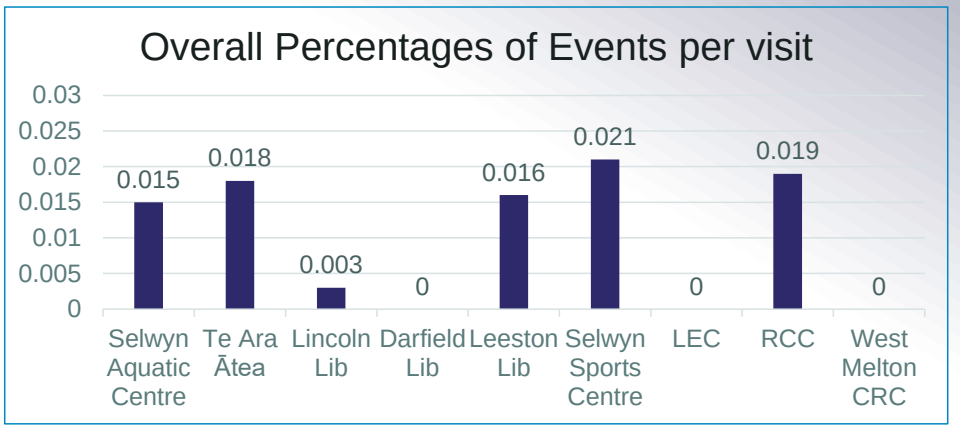
Total of 85 Member of Public events recorded in Vault in this five month period.

H&S, W – All Event Statistics CSF Team

These figures include both worker and member of public events for the staffed facilities under the Community Services and Facilities group.
Footcount and event statistics comparison.
01/10/2024 to 28/02/2025 time period

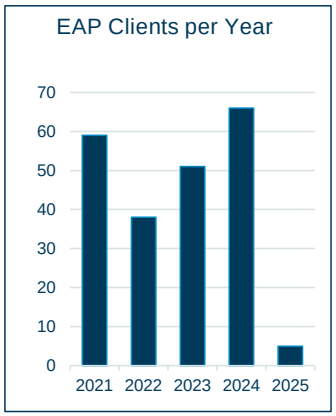


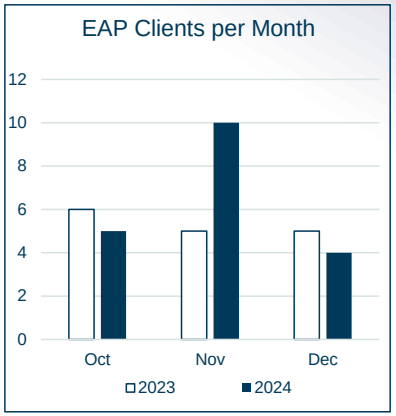


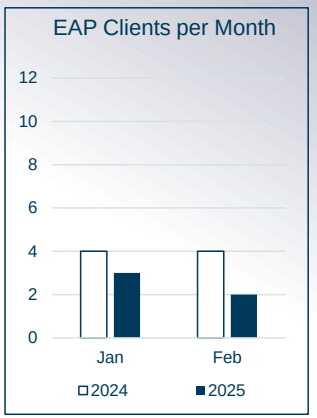


Wellbeing – Q2 2024/2025 FY

EAP Statistics







EAP Report on Impact Levels

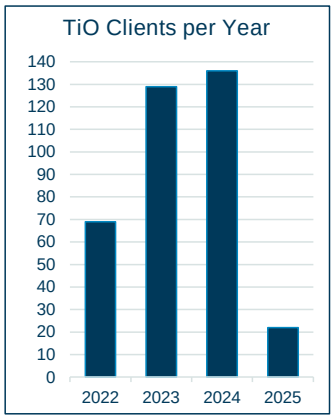
- Level 1 work unaffected needs practical assistance only - 4 clients
- Level 2 work performance and work relationships not yet affected but may be if issues are not dealt with - 7 clients
- Level 3 work performance is lowered and/or relationships with colleagues could be affected - 8 clients
- Level 4 functioning less than their normal or required levels - 2 clients
- Level 5 unable to function at work in the short term – 1 client

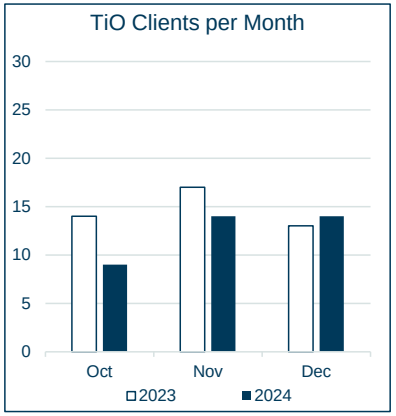
Private Counsellors

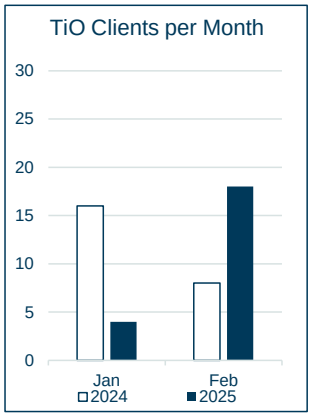
39 clients

Topics not recorded due to confidentiality

Talk it Out Statistics







EAP and TIO Topics of Concern

Work Issues – alleged bullying, **career**, **change/restructure**, conditions, confidence, conflict – colleague, conflict – manager, **customer interaction**, environment, lack of consultation, performance, **relationships**, stress, work load

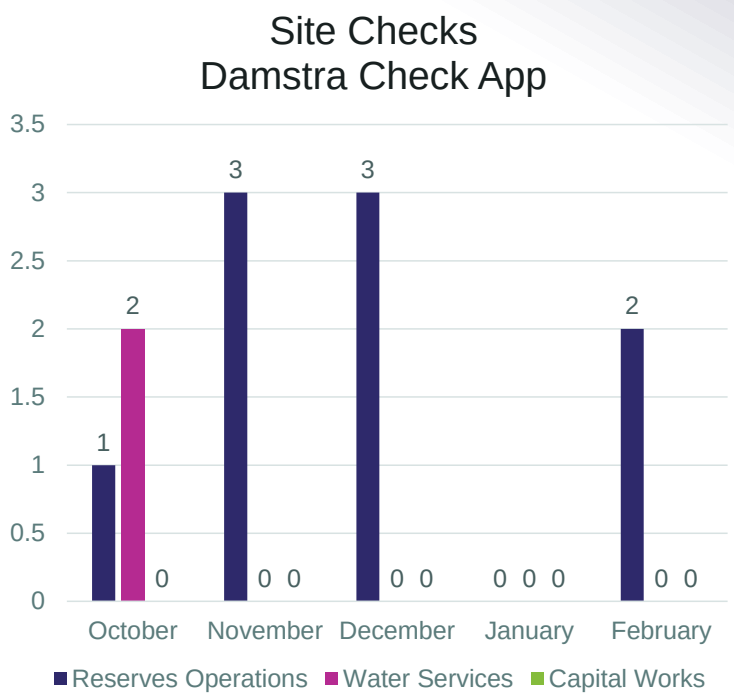
Personal Issues – adjustment/life transition, alcohol/other addictions, **anxiety/stress**, depression, emotional/behavioural, facilitator support, grief, **health/medical**, nutrition, personal, **relationships**, support family/child/elder

Looking after ourselves and others

Wellbeing leave 160 hours

Volunteer leave 36 hours

Contractor Statistics – October 2024 to February 2025



Site Wise Contractor Statistics
5 Month Average
1 Oct 2024 to 28 Feb 2025

Selected Contractors	50
Average Score	94%
Unassessed Contractors	0
Assessment out of date	2
Expired Contractors	1
Insurance documents expired	7

Executive Summary – Overhead Service Strikes in Selwyn

In September 2024 a low voltage cross road cable was struck by a truck spreading metal on a pavement rehabilitation on Telegraph road. This was the third instance in 18 months on works undertaken on network associated with HEB teams.

Two out of the three instances, the line remained intact with fuses tripping. In all cases power was quickly restored as the incident was immediately notified to Orion. Notification to Worksafe was also immediate and investigations completed. All three incidents were also deemed HiPo (high potential incidents) which involved greater scrutiny and signoff by senior executives.

The findings from the three investigations differed slightly. The first, not having adequate identification and communication working around the overhead service, the second a larger subcontracted chip spreader not inducted and the third, the job changing and a truck arriving and not being adequately briefed.

With the investigations all findings related to both the people and importantly organisational learnings. There was also a reliance on the lower hierarchy of controls, administration/PPE. Notably also, the actions and recommendations introduced from investigations were in place in later incidents.

As an organisation over the past 12 months our business has changed its strategy and embarked on a journey changing from focusing on critical risks, to the critical controls. We have invested the time and importantly engaged our workforce to determine the critical controls for the respective critical risks through workshops and bowtie analysis. The order of priority was set by reviewing the frequency of HiPo's the business had over several years, with Mobile Plant being first, followed by Energies. Energies is near completion with roll out to the business is set to start early April.

6 Months on from the last incident we are seeing better consistency in the identification of controls and awareness. We are actively asking those questions with leadership walk to improve evidence of assurance.

We have also investigated and trialled several engineering controls with success more recently with 'slippery decks' a lining installed on decks providing less friction and negating the need to raise the deck as high. We have 3 units with this technology in place and feedback is very positive.

We introduced ejector trucks on network, first in NZ, and have also more recently invested in a bottom dumper unit also that is on network. Our surfacing teams have also trialled a trout river truck deck for sealing activities with a plan to invest in that technology replacing existing trucks. The first has been problematic, all negate the need to raise a truck deck.

We have a significant amount of truck movements on Selwyn's network completing road maintenance activities, in the past 12 months we have moved and placed over 120,000m3 of pavement aggregate and 10,500m3 of sealing aggregate equating to approximately 7000 truck and trailer spreading movements and 1100 chipseal backspreading movements respectively.

Thankyou for the opportunity to connect over this, we take safety seriously and appreciate your interest in this. Service strikes are totally unacceptable and it is our responsibility to ensure if one is to fail, they fail safely.

REPORT

TO: Audit and Risk Subcommittee

FOR: Audit and Risk Subcommittee – 24 March 2025

FROM: Chief Financial Officer

DATE: 24 March 2025

SUBJECT: **LTP Process Review March 2025**

RECOMMENDATION

'That the Audit and Risk Subcommittee:

a) Receive the "Long Term Plan Process debrief and lessons learned" report.

1. PURPOSE

The purpose of this report is to provide the Audit and Risk Subcommittee with an update on the Long-Term Plan Process review.

2. SIGNIFICANCE ASSESSMENT / COMPLIANCE STATEMENT

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's Significance and Engagement Policy.

3. HISTORY / BACKGROUND

Following the 2024 - 2034 LTP submission, it was acknowledged internally and by our external Auditor that the process had scope for improvement.

With SDC's focus on continuous improvement, Deloitte was engaged to review the LTP process to identify key recommendations to embed in future projects of a similar nature.

4. PROPOSAL

a) Ways of Working

b) Data Collection & Business Process

c) Change Management

5. VIEWS OF THOSE AFFECTED / CONSULTATION

(a) Views of those affected and Consultation

There are no significant implications for the wider community in the contents of this report which require consideration of affected persons.

(b) Māori and Treaty implications

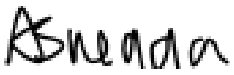
There are no implications or impact related to Iwi / Māori with this report.

(c) Climate Change considerations

The decisions and matters of this report are assessed to have low climate change implications.

6. FUNDING IMPLICATIONS

There are no budget considerations associated with the recommendations of this report. The appointment of Deloitte was factored into the 2024-2034 Long-term Plan and is within budget.



Allison Sneddon
CHIEF FINANCIAL OFFICER

Deloitte.



Selwyn District Council

Long Term Plan Process debrief and lessons learned
Final Report

March 2025

MAKING AN IMPACT THAT MATTERS since 1845

Executive Summary

Background & Context

The Long Term Plan (LTP) process is carried out by all councils every three years. It is a complex and extensive programme of work that within SDC has traditionally been overseen by a small team specifically assigned to its execution. However, due to significant growth in the Selwyn district and the increasing need for a more consultative approach, the LTP process for the latest 2024 – 2034 iteration has expanded across the wider organisation. Following the recent LTP submission it has been openly acknowledged internally that the legislative process placed tremendous strain on some staff, with rigid timelines and considerable pressure to meet requirements creating a stressful environment.



With SDC's focus on continuous improvement, Deloitte was engaged to review the LTP process in an effort to identify 3 – 4 key recommendations so that learnings could be embedded in future projects of a similar nature. The engagement sought to identify areas where improvements could be made based on review of the process documentation, people involved, and also insights from a broad cross section of other Local Government bodies completing similar work. The scope encompassed:

A. **Conducting interviews with stakeholders and reviewing documents,** to collate findings specific to the activities surrounding compilation and delivery of the LTP; and
B. **Present findings with 3 - 4 key recommendations** that could be implemented quickly to improve not only the LTP process but other similar processes within SDC.

This presentation encapsulates a summary of findings and recommendations determined through the review.

Key Findings & Recommendations

Many people shared anecdotes highlighting that the successful delivery of the LTP was only made possible through the collective efforts of everyone involved, which reflects positively on the organisational culture at SDC. Even though the LTP process increasingly led to an often stressful and overworked environment, the staff involved achieved a commendable outcome. It was also noted that valuable work was undertaken early in the LTP process to analyse a large amount of previously collected community material and utilise this to shape the strategic direction of the LTP. A substantial communications effort led to a high volume of submissions, both at the initial stage of the process and also during the consultative process of the LTP demonstrating increased engagement from the community.

After conducting stakeholder interviews and reviewing relevant LTP documentation, we have discerned and classified a number of findings and lessons learned. Many of these matters are interconnected and can be readily addressed with simple measures and process changes.

After examining the fundamental reasons behind the identified issues, we have determined that prevalent root causes include the poorly implemented MAGIQ Performance module in the finance system, leading to delayed and inaccurate information. In addition, there was confusion over roles and responsibilities, lack of formalised governance and limited understanding of delivery outcomes partly attributed to a lack of experience. Through the review centred on Governance, People, Process and Technology we have condensed our recommendations to **three areas**:

1. Enhance **ways of working** through introduction of roles and responsibilities along with formalised governance practices.
2. Improvement to **data collection and business processes** and defining single source of truth for data inputs.
3. Implementing **Change Management** processes to assist with knowledge uplift along with process and technology change.

We have focussed on providing recommendations that are quick and easy to implement. However, the key to success rests on SDC's capacity to implement these findings, establishing a foundation for a more structured and cohesive approach to the next LTP and similar future planning processes.

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Key Recommendations

We have identified primary recommendations in three areas that will build on current knowledge and expertise and will enhance the development of future LTPs and similar projects and processes. These focus the learnings from this LTP process such as the need to ensure core financial systems are implemented at the right time and to the requisite standard, reducing role and responsibility ambiguity, ensuring sufficient expertise and understanding of delivery outcomes, and improving collaborative practices.

1 Ways of Working

- Develop a **RASCI** matrix and complete **Roles & Responsibilities** for all projects
- Provide LTP and core system **training and knowledge sharing** to upskill staff
- Establish a **project governance** process

Impact: providing clarity of roles and responsibilities, upskilling staff in LTP processes and core systems, and strengthening project governance will lead to clear accountability and ownership, improved adherence to timelines and milestones, increase staff confidence and improved operational efficiency.

2 Data Collection & Business Process

- Identify a single **source of truth** for data input and ownership – ensure all key systems are operating effectively
- Implement **document collaboration** practices
- **Document key LTP processes**
- Consider **rolling forecasting** keeping key projects regularly updated

Impact: delivering consistent and validated data, implementing document collaboration, and formalising process documentation will improve decision making, reduce errors and inconsistencies, help facilitate knowledge sharing and strengthen quality assurance. Maintaining key projects on a regular basis helps integrate some of the LTP process within BAU and reduces associated tasks during LTP and similar planning projects.

3 Change Management

- **Minimise staff disruption** during significant project events by ringfencing key team members and backfilling where required
- Prepare staff for change through the implementation of **change management** processes

Impact: minimising staff interruptions and cultivating preparedness for change with a robust change management process will improve readiness for change, enhance employee engagement and provide better control over potential risks and challenges associated with the change.

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Key findings and recommendations - Governance

Key Areas	Findings	Root cause	Recommendation
Governance Project Governance overseeing delivery of the LTP process including resource management, alignment to strategic direction, application of controls and quality assurance along with deployment of standards including legislative and regulatory controls.	A number of leadership changes at the early stages of the project meant there was a lack of senior managers with previous LTP experience. By default, the ELT became the governance group. Additionally, new leadership appointed during the LTP process were sometimes uncertain around prior process and decision making. A governance group should include those experienced in the delivery of similar projects, and therefore experienced enough to ask the tough questions necessary to provide sound decision making, accountability and risk management during project execution. It was mentioned that during the initial stages, limited LTP knowledge and guidance outlining the prescriptive nature of the document and the mandated legislative process resulted in some inefficiencies around document preparation.	• Lack of formalised LTP project governance • Senior management leadership changes • Organisational knowledge gaps	• Establish a project governance group to provide oversight and assistance on large projects. • Implement training and knowledge sharing well in advance to ensure people are confident and prepared.

MARCH 2025 UPDATE
We have been informed by senior SDC staff that these recommendations have applied to the governance arrangements that have been developed to address the Council's approach to Local Water Done Well (the Coalition Government's plan to address New Zealand's long-standing water infrastructure challenges). We understand that a project governance group has been established and training and knowledge sharing has been undertaken to ensure SDC is setting itself up for success. We commend SDC for taking on board these recommendations and practically applying them at the first available opportunity.

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Key findings and recommendations - Technology

Key Areas	Findings	Root cause	Recommendation
Technology Technology is concerned with provision and security of both systems and data	The poorly implemented MAGIQ Performance module in the finance system had a significant impact on the project, leading to delayed and inaccurate information. This caused further delays as staff worked to produce credible results. During the LTP process, other significant technology disruptions occurred. This involved a transition from managing assets in Sharepoint to an ArcGIS Story Maps solution. Additionally, Consult24 was implemented as a tool to assist SDC in managing public submissions. Unfortunately a lack of training resulted in the accidental overwriting of several responses to submissions. Initial inconsistencies in the data (primarily related to the MAGIQ module) provided by various teams contributing to the LTP had significant implications for the overall quality and reliability of information in the final plan. For example, the "Fees and Charges" information initially provided by the finance team did not align with data supplied by other departments at SDC. Several groups noted the lack of a single data input source of truth making it difficult to determine final outcomes.	• Insufficient training on project delivery systems • Implementation of untested technology • No single source of truth identified for data input	• Train staff on technology delivery systems in advance to improve operational effectiveness • Prepare staff for change and increase confidence with training and knowledge transfer sessions • Confirm ownership of data to clarify single source of truth for data input

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Key findings and recommendations - People

Key Areas	Findings	Root cause	Recommendation
People People includes the staff on the project, capacity and capability, experience and training. It also incorporates both internal and external stakeholders, engagement and participation.	Multiple stakeholder groups noted that the project roles and responsibilities throughout the LTP process were unclear. This was evidenced by confusion over point-of-contact, and assignment of tasks and timeframes for deliverables. In some instances, multiple stakeholders were updating the same sections of the document with conflicting information as responsibility or ownership had not been assigned. Resources were very stretched and felt they could not deliver outputs to a satisfactory standard because they were rushed while also maintaining their business-as-usual activities. The increasingly condensed workload also resulted in staff working on weekends, and comments of extreme stress and pressure which led to burnout. Significant knowledge gaps within the LTP process and unfamiliarity with core systems impacted operational efficiency. These gaps stem from recent staff turnover with new staff having limited or no experience with LTP's or familiarity with core systems. Constrained timelines and a lack of extra capacity meant there was no opportunity to concentrate on training and developing individuals in core systems, as well as providing context on the LTP deliverable. This lack of training was evidenced across a number of areas, especially technology. There were some mixed messages around internal project communications from "very good and providing us with the information we required", through to expressions of reliance on others for necessary guidance.	• Unclear roles and responsibilities • Resource constraints • Organisational knowledge gaps • Varied communications	• Develop a RASCI matrix and complete Roles & Responsibilities to establish ownership and accountability • Minimise staff disruption during significant project events by ringfencing key team members and backfilling where required • Provide LTP and core system training to upskill staff well in advance ensuring a thorough grasp of system tools and processes, ultimately improving operational efficiency

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Key findings and recommendations - Process

Key Areas	Findings	Root cause	Recommendation
Process Process focused on project planning and timelines, documentation management and ways of working including roles and responsibilities	Delays in delivering financial information due to significant issues with MAGIQ led to condensed work in order to meet fixed timelines and resulted in a high pressure, high stress environment. Staff clearly felt the LTP project started too late and there was a lack of plan socialisation with key stakeholders who were delivering on work items – a task made more difficult due to the large number of new staff including leadership starting during the process. When prompted across a couple of teams it was noted that the "ideal LTP start date would have been January 2023 for delivery on June 2024, allowing 18 months to create and deliver the plan rather than less than 12 months." Access to the document by multiple people and a lack of version control caused quality assurance issues and the final quality assurance process was squeezed due to rigid timelines resulting in potential data inconsistencies. There was no prior LTP process documentation which caused significant challenges for new starters who were unfamiliar with the process. The majority of historic LTP knowledge rests within a small team of people and is not documented. Despite best efforts by SDC to obtain MAGIQ system documentation, the vendor was unable to provide user guides which resulted in many phone calls which were not followed with written summaries, instructions or guidance.	• No internal LTP process documentation • No formal document management processes	• Prepare staff for the impending change to ensure they are confident and understand the process • Implement document collaboration practices to support ownership and assist quality assurance. • Identify a single source of truth for data inputs to provide visibility and reduce inconsistency • Document key LTP processes for future reference

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Appendices

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Assumptions and Approach

Selwyn District Council engaged Deloitte to conduct a post project debrief of the Long Term Planning (LTP) process. This engagement was focused on capturing lessons learnt during the process and identify opportunities to improve future LTP processes.

Assumptions/Out of Scope

- SDC will provide a single point of contact to coordinate documentation gathering, meeting bookings, and any other necessary materials including current project methodologies.
- This engagement will be contained over a two-week period (we will work with you to mutually agree on timing).
- Our costings are based on the timely availability of SDC's project personnel, identified stakeholders, resources, key team members and documentation.
- The LTP review is focussed on process only and is not an audit or assurance review of the LTP itself or its underlying data.
- This engagement is not responsible for implementation of any recommendations made or assumption of management responsibility.
- We will not provide any legal or HR/employment related input or advice.
- Any process or work associated with 3 waters is excluded from this review.

Our Approach

Initiation	Stakeholder Interviews	Review	Analysis	Presentation
– *Commence the engagement with a documentation request* – *Identify interview participants* – *Scheduling of upcoming sessions*	– *Focus: Understanding their roles in the process, what worked well, and identification of potential improvement areas*	– *Evaluation of key documents and findings from the interviews*	– *Summarise findings* – *Provide key process enhancements that could be utilised across a broad range of similar activities in the future*	– *Presentation of findings and recommendations with the Chief Financial Officer (CFO)* – *Share final document*

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Appendix A: Interview Groups

List of stakeholders and respective teams who participated in the interviews.

Team	Name	Position
Communications	Sarah Carnoutsos	Head of Marketing and Communication
Asset Management	Mark Rykers	Parks and Reserves
Asset Management	Jo Golden	Three Waters
Asset Management	Murray England	Head of Asset Management
Asset Management	Yuwei Li	Roading and Transport
Asset Management	Andrew Boyd	Waste Management
Asset Management	James Richmond	Sports and Recreation
Sub-Committee Chairs	Bob Mugford	Councillor
Sub-Committee Chairs	Debra Hasson	Councillor
Sub-Committee Chairs	Nicole Reid	Councillor
Sub-Committee Chairs	Sophie McInnes	Councillor
Sub-Committee Chairs	Analisa Elstob	Independent Director
Finance	Firangiz Radcliffe	Financial Controller
Finance	Sarah O'Connor	Accountant
Finance	Thomas Cockburn	Accountant
Finance	Miller Scott	Accountant
Finance	David Codyre	Independent Contractor
Strategy	Andrew Mazey	Strategic Transport lead

Team	Name	Position
Executive Leadership Team	Sharon Mason	Chief Executive Officer
Executive Leadership Team	Allison Sneddon	Chief Financial Officer
Executive Leadership Team	Denise Kidd	Executive Director Community Services & Facilities
Executive Leadership Team	Matt McGrath	Chief Digital Officer
Executive Leadership Team	Puamiria Parata-Goodall	Pou Kaiāwhā - Executive Cultural Advisor
Executive Leadership Team	Steve Gibling	Executive Director People, Culture and Capability
Executive Leadership Team	Tim Harris	Executive Director Enabling Services
Executive Leadership Team	Tim Mason	Executive Director Infrastructure and Property
Executive Leadership Team	Robert Love	Executive Director Development and Growth
Programme and Performance	Jennie Nicholson	Head of Program and Performance

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Appendix B: Documentation Received

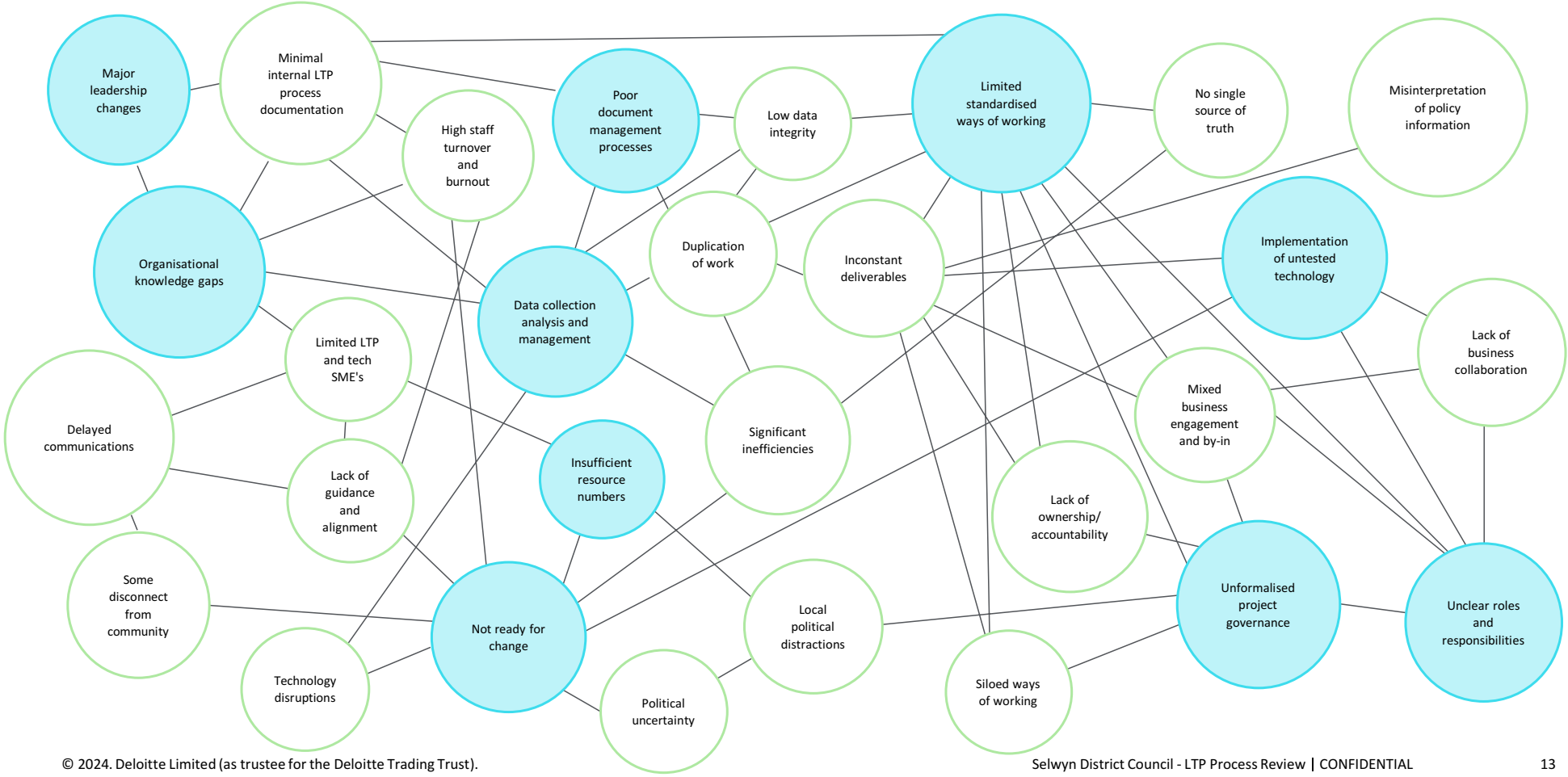
The following is a list of documentation that was received to support the review of Selwyn District Councils Long Term Plan process and identify areas for improvement. The documentation requested is a mixture of both information specific to the Long-Term Plan process, and wider project management material specific to Selwyn District Council.

#	Document Name
1	LTP-QA-checklist- 10 June 2024.docx
2	Audit Update Feb 2024-2023-health-check.docx
3	Telling-our-stories-2024-v2.docx
4	PPT - LTP Roadshow Auckland (1).ppt
5	OAG - The road to 2024 an auditor's view.ppt
6	Living-through-the-LTP-2024.pdf
7	Jigsaw-2024-final.pdf
8	DAP Critical Path 2025-26.ppt
9	Decide Phase Unaudited CD Timeline 270224.ppt
10	Decide Phase Unaudited Run Sheet.docx
11	WG Update 29022024.ppt
12	V6 Gantt Chart.pdf
13	LTP2024 Critical Path.ppt
14	LTP highlevel critical path 24 Feb 23.ppt
15	Council WS 2 Context setting 06 July 2023
16	WS3 Prep ELT Themes and Outcomes 13102023
17	Pre-reading for WS3 Setting the direction 251025

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It is a complex situation

The interrelationship between the challenges that have been exposed throughout the review including the identification of the main (blue) root causes.



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REPORT

FOR: Audit and Risk Subcommittee – 24 March 2025

FROM: Julie Hands, Head of Legal and Risk
Sonja Healy, Risk Manager

DATE: 18 March 2025

SUBJECT: **INTERNAL AUDIT REPORT**

RECOMMENDATION

'That the Audit and Risk Subcommittee:

a) Receives for information the "Revenue & Financing Internal Audit" report.

1. PURPOSE

The purpose of this report is to provide the Audit and Risk Subcommittee with the outputs from Deloitte's work on the Internal Audit of the Revenue and Financing Policy.

The report is appended to this cover and includes the management actions and timelines.

2. SIGNIFICANCE ASSESSMENT / COMPLIANCE STATEMENT

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's Significance and Engagement Policy.

3. HISTORY / BACKGROUND

Internal audit is an independent, objective assurance and consulting activity that evaluates an organisation's internal controls, corporate governance, and accounting processes. Internal Audit is essential to governance and fosters trust, transparency and accountability. Having an Internal Audit programme in place contributes to success, positive change and innovation by delivering assurance, insight and advice. It is a foundation of good business practice and is instrumental in assisting the organisation achieve the targets, goals and community outcomes as set out in the 2024-34 Long-term Plan.

Council has established a programme of work and requested proposals from the internal auditing community to provide a coordinated and multi-year Internal Audit Service. As a result of the procurement process Deloitte were appointed the Internal Audit provider for Council and their work programme commenced in July 2024.

The Internal Audit Programme is in alignment with Council's strategic goal to 'prepare key accountability documents in accordance with good practice that allow for easy

input from ratepayers and meet statutory requirements' and ensure that the Annual Report, Annual Plan and Long-Term Plan meet good practice standards.

4. VIEWS OF THOSE AFFECTED / CONSULTATION

(a) Views of those affected and Consultation

There are no significant implications for the wider community in the contents of this report which require consideration of affected persons.

(b) Māori and Treaty implications

There are no implications or impact related to Iwi / Māori with this report.

(c) Climate Change considerations

The decisions and matters of this report are assessed to have low climate change implications.

5. FUNDING IMPLICATIONS

There are no budget considerations associated with the recommendations of this report. The appointment of Deloitte was factored into the 2024-2034 Long-term Plan and is within budget.



Sonja Healy
RISK MANAGER



Julie Hands
HEAD OF LEGAL AND RISK

Endorsed For Agenda



Steve Gibling
EXECUTIVE DIRECTOR – PEOPLE, CAPABILITY & CULTURE

Deloitte.



Selwyn District Council

Revenue Policy Review

March 2025

MAKING AN IMPACT THAT MATTERS since 1845

Deloitte.

14 March 2025

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1. Executive Summary

1.1 Introduction

Selwyn District Council ('SDC' or 'Council') has requested Deloitte to undertake a review of how specific elements of its Revenue and Financing Policy ('Revenue Policy') have been applied, with particular focus on classification and funding of operating expenditure. This review is part of SDC's Internal Audit Programme, as approved by the Audit and Risk Committee ('ARC').

This report captures the results of the fieldwork completed throughout August-November 2024, in accordance with the Terms of Reference dated 9 August 2024.

1.2 Background

SDC's Internal Audit Programme for the three-year period to 2027 was approved and endorsed at the May 2024 ARC meeting. Included within this as a priority for 2024 was to complete a review of the funding for operating expenditure and application of debt. The need for this review was identified by SDC through their Long-Term Plan process in relation to the way the operating expenditure has been classified and potentially funded.

1.3 Objectives

The review includes the following primary control objectives:

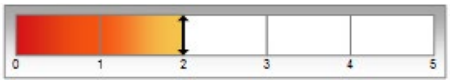
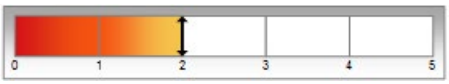
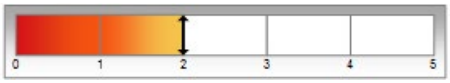
- Operating expenditure is classified and funded in compliance with the Revenue Policy;
- Costs are allocated to targeted/general rates and debt is allocated to expenditure in line with Revenue Policy; and
- Development Contributions are calculated and collected in line with SDC's Development Contribution Policy.

SDC also asked Deloitte to review the Debt Affordability Benchmark calculations against the LGFA Covenant Compliance worksheet.

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1.4 Conclusion summary

The table below outlines the individual ratings for each control objective as outlined above in Section 1.3. Based on the fieldwork performed the control environment for the in-scope control objectives was assessed as **informal/inadequate** (please see Appendix A for definitions). This means that the control environment exists but is informal or has important gaps and certain elements are below good practice or do not compare favourably to other models. Our consideration of the findings set out in Section 4 of this report contributes to our overall assessment of the control objective we were asked to review. Our detailed findings are outlined in Section 4 of this report.

Control Areas	
Operating expenditure is classified and funded in compliance with the Revenue Policy.	**Informal / Inadequate Controls** 
Costs are allocated to targeted/general rates and debt is allocated to expenditure in line with Revenue Policy.	**Informal / Inadequate Controls** 
Development Contributions are calculated and collected in line with SDC's Development Contribution Policy.	**Informal / Inadequate Controls** 

1.5 Summary of Detailed Findings and Recommendations

A summary of our findings in respect of all elements of our scope of work is set out below:

Findings and Risk Rating	Very High	High	Moderate	Low	Process Improvement
Number of Findings	-	2	6	5	2

**The Risk Rating Scale is outlined in Appendix B.*

The detailed findings, risks and recommendations are set out in Section 4 of this report.

The detailed scope of work undertaken for this matter is outlined in Section 2 below (Part 1 of the scope).

Our first High rated finding (4.1) has corroborated management's initial conclusions that operating expenditure has exceeded total funding available. This gap has been funded through debt financing, which is in breach of SDC's Revenue Policy. We commend SDC's new senior management team for identifying this issue, bringing it to our attention and ensuring it was included in this engagement. We also note the substantial increase in rates in for the 2024/25 year, which goes some way to addressing this issue.

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To provide more in-depth insights on the matter identified by management, we have performed the following analysis that we consider supports the conclusion reached:

- The General Rate increases and total revenue increases in the period 2020/21 – 2023/24 have not corresponded to the growth of expenditure base forecasted in Long-Term Plans.
  The respective changes year on year are presented in the table below.

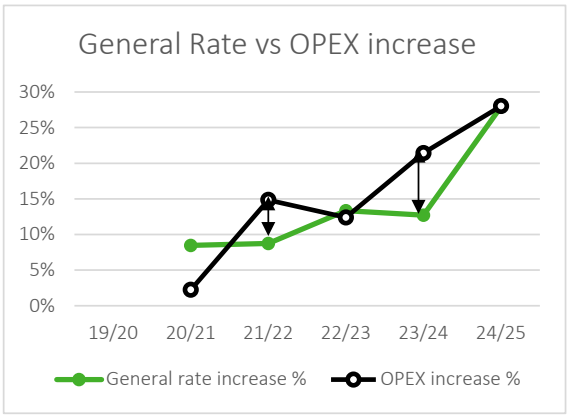
$m	19/20	20/21	21/22	22/23	23/24	24/25
General Rates Revenue *	22,498	24,404	26,542	30,088	33,914	43,390
Rates increase (%)		8%	9%	13%	13%	28%
OPEX**	83,925	85,799	98,544	110,752	134,495	172,183
OPEX increase (%)		2%	**15%**	12%	**21%**	**28%**
Other revenues***	65,304	64,868	73,616	81,702	90,505	108,449
Total revenue increase (%)		2%	**12%**	12%	**11%**	**22%**

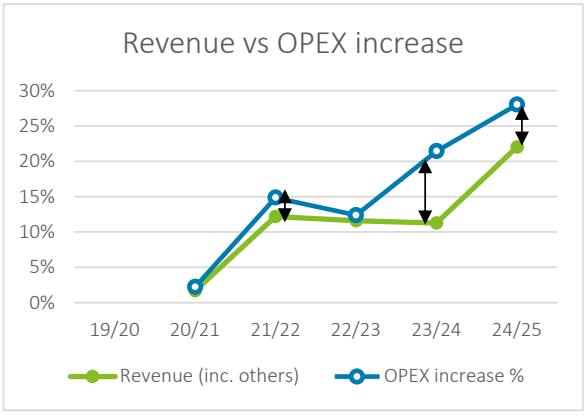
** Based on General Rates revenue as disclosed in the Rating section of Annual Plans.*

***Based on total Operating expenditure spent as disclosed in Funding Impact Statement section of Annual Plans.*

****Includes targeted rates, subsidies, fees and charges.*

We understand that decisions made to limit the increase of General Rates may have been initially driven by consideration of economic conditions and public sentiment. However, as operating expenditure continues to grow due to inflation, wage growth and rising costs of materials and services, limiting the revenue increase may result in funding gaps that challenge the ability to cover expenditure levels. This issue is highlighted in the graphs below.





The following is the summary of the one other High and six Moderate rated findings noted in our review:

Findings 4.3 Variances between the Rates Resolution and the rates presented in the LTP (**High**).

Findings 4.4-4.5 Various inconsistencies between information included in the Revenue Policy, the Funding Impact Statements ('FIS'), the LTP document and the Rates Resolution. These inconsistencies relate to matters such as: presence of activity groups and/or revenue sources within the FIS/LTP document that are not covered by the Revenue Policy.

We acknowledge that these findings may be linked to the challenges associated with the preparation of the 2024 - 2034 Long-Term Plan (LTP) that were discussed with us as part of our LTP process review (report dated September 2024). With that in mind, we believe that the issues identified in our September report are possible contributing factors to these observations. These causes include a lack of formalised LTP process governance and documentation, knowledge gaps, technology issues, resource constraints, division of roles and responsibilities and communication processes.

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Accordingly, it is important that these factors are considered as SDC makes decisions on making improvements to its systems and controls.

Finding 4.10-4.12 Our sample testing identified that the requirements of Development Contribution Policy are not consistently being applied/followed when performing assessments.

We understand that there is currently no formalised step-by-step procedural guidance in place covering the process of assessing development contributions. This, along with the absence of a structured review process, has been identified as likely root causes of the inconsistencies and policy breaches observed in our review. Both of these items have been identified in Section 4 as separate moderate observations to provide SDC with greater clarity regarding the issues and possible remediation actions to be taken.

Finding 4.9 Our review of the LTP model and Council's policies identified inconsistencies in the inclusion and establishment of borrowing limits between internal policies and the financial strategy.

Five **Low** rated findings and two **Process improvements** have also been identified.
These are set out in detail in Section 4.

In addition to the matters included above, we have the following observation that we consider worthy of note:

- The gross external debt levels modelled in Long-Term Plan 2024-2034 are currently indicating a breach in gross debt limit[1] for the three consecutive years between 2027-2030 (as illustrated in the table below).

$m	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Gross External Debt	266,212	373,215	484,850	562,473	615,299	645,224	676,751	665,210	648,333	600,064
Net borrowing	231,636	337,070	447,069	522,135	571,435	597,230	624,299	607,778	585,610	531,537
Debt limit	390,812	441,379	498,164	544,944	601,513	635,536	685,885	705,291	757,508	786,370
Gross external debt headroom/(deficit)	124,600	68,164	13,314	(17,529)	(13,786)	(9,688)	9,134	40,081	109,175	186,306
Net borrowing as a % of debt limit	159,176	104,309	51,095	22,809	30,078	38,306	61,586	97,513	171,898	254,833

It is important to note that the LGFA covenants and prudence benchmarks (as disclosed in the LTP) are calculated based on net borrowings, not on gross external debt. None of these have been breached.

We highlight that depending on the borrowing capacity with LGFA between 2027-2030, Council may not be able to draw funds beyond currently established debt limits. This could constrain the capacity to realise certain projects included in the LTP, hinder the ability to maintain existing infrastructure and potentially impact the levels of service delivered (or forecasted to be delivered within that period).

Based on the analysis of the observation included under finding 4.1 on page 2 and above, it is important to highlight the potential interconnection between them, indicating a cause-and-effect relationship. The funding gap, intensified by limited rate increases in recent years, has necessitated greater reliance on debt financing to cover the shortfall, resulting in potential breaches of established debt limits in subsequent periods.

We do acknowledge that the covenant calculations based on the current forecasts (as outlined in LTP 2024-2034) do not anticipate issues with meeting the LGFA covenant ratios (please refer to details in Section 3). This suggests that, although financial flexibility may be constrained (due to the issues identified above), compliance with the LGFA covenant ratios will be maintained.

[1] Defined on page 583 of the LTP document as 220% of net borrowing as a percentage of income.

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1.6 Use of Report

We have prepared this report solely for the use of SDC. The report contains constructive suggestions to improve some practices, which we identified in the course of our review procedures. These audit procedures are designed to identify control weaknesses but cannot be relied upon to identify all weaknesses. We would be pleased to discuss any items mentioned in this report and to review the corrective action implemented by management.

Our assessments are based on observations from our review and collaboration of information and evidence received in the time allocated. Assessments made by our team are matched against our expectations and best practice guidelines. This includes comparison with other similar processes we have assessed. This report offers recommendations for improvements and has taken into account the views of management, with whom these matters have been discussed.

We accept or assume no duty, responsibility or liability to any party, other than SDC, in connection with the report or this engagement, including without limitation, liability for negligence in relation to the opinions expressed or implied in this report. Whilst we acknowledge and consent to you providing a copy of our report to Audit New Zealand as the agent of the Office of the Auditor General as external auditor, we do not accept any duty of care nor liability towards them.

1.7 Acknowledgement

We take this opportunity to thank all the members of SDC's team who have provided assistance during this review.

1.8 Overall Management Comment

We appreciate the thorough review conducted by the Internal Audit team on our Revenue and Financing Policy. The insights provided are invaluable in ensuring our financial practices align with best practices and regulatory requirements.

We have provided specific Management Comment on each finding and recommendation within the body of the report. We are committed to continuous improvement and will take the necessary steps to address the findings of the Internal Audit Report. Our goal is to enhance our financial management practices and ensure robust compliance with all policies and regulations. We appreciate the Internal Audit team's efforts and look forward to their continued support.

2. Approach and Work Performed

2.1 Scope of Work

The scope of this review was performed according to the following specific work-steps:

Part 1: A review of the work recently undertaken by SDC staff and consultants that identified the issues with the way, in which operating expenditure has been classified and potentially funded. Determine how operating expenditure is mapped to underlying funding sources.

- Understand the process of mapping the individual expenditure transactions to the relevant activity group.
- Understand the process for allocating the expenditure groups to respective funding sources.
- Read and review the LTP 2021-2031 and LTP 2024-2034 to identify, which activity groups exhibit the deficit in operating expenditure and the sources of funding applied to those.
- Understand the process for calculating the general rate requirement that drives the determination of rate revenue forecasts within the LTP models.
- Review the trends of changes in operating expenditure levels against the rate increase in last few years (as based on the Annual Plans and Long-Term Plans in respective years).

Part 2: A review of the 2024 Annual Plan process and outputs against the Revenue Policy.

- Read and review the Revenue Policy document. Check the contents of the policy with the requirements of LGA (para 101.3 and 103).
- Check, whether the rates established for 2023/2024 (as identified in the Annual Plan 23/24 p.58-60) are set in line with the Revenue Policy (version included in LTP 2021-2031) in terms of funding sources available for specific activity and whether activity is correctly defined to enable correct identification.
- Check whether respective rate set for 23/24 year (as outlined within the Annual Plan 23/24 on pages 58-60) are reflected in the Funding Impact Statements (“FIS”) within the LTP 2024-2034 (as included in the 2024-2034 LTP for each activity within the "Annual Plan" column).
- Check the funding sources for planned expenditure for Annual Plan 23/24 column as outlined within the FIS in LTP 2024-2034 against the Revenue Policy.

Part 3: Test the Debt Affordability Benchmark calculations that are included in SDC’s LTP 2024-2034 model against the LGFA Covenant Compliance Worksheet that SDC is required to complete for LGFA annually.

- Assess whether the debt affordability ratios are calculated in the same manner and using the same line items in the LTP model as they are in SDC’s LGFA annual covenant certificate. For example, review what line items have been included in the formula calculation of net debt (i.e., external debt less cash & cash equivalents).
- We understand for SDC to meet the debt affordability benchmarks its actual borrowing (including its borrowing costs) are required to be within the required performance limits set by the LGFA.
- Pursuant to clause 7.5 of the LGFA Multi-Issuer Deed SDC is required to satisfy financial covenants annually. The covenants SDC are required to satisfy are: Net Debt / Total Revenue less than 290%; Net Interest / Total Revenue less than 20%; Net Interest / Annual Rates Revenue less than 30% and Available Financial Accommodation / External Indebtedness greater than 110%.
- The required performance ratios presented above were taken from Appendix A (Rated) of SDC’s 2024 compliance certificate. We understand from Management that SDC has an AA+ credit rating from Fitch allowing for higher covenant limits compared to an unrated council. For the purpose of our review, we have assumed the covenant limits hold flat across the LTP (in reality the limits may fluctuate year on year as determined by the LGFA).
- The LGFA covenants stipulate the components to be included in each financial item.
- Net Debt is defined as gross external debt less cash and cash equivalents (including term deposits) *.
- Total revenue is defined as total revenue less development and financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment*.
- Net Interest is defined as external interest paid / received*.

- Annual Rates revenue is defined as total rates (excluding penalties) *.
- Available Financial Accommodation is defined as external gross debt plus cash and cash equivalents plus undrawn committed facilities*.
- External Indebtedness is defined as external gross debt*.
- Overleaf we have assessed SDC's application of the LGFA covenant calculations within their LTP Model.

**The definition and components of each covenant were derived from Appendix A of SDC's Compliance Certificate as well as SDC's Covenant Compliance Workbook.*

Part 4: Review the planned expenditure for the first year of the 2024-2034 Long-Term Plan against the Revenue Policy.

- Read and review the Revenue Policy document. Check the contents of the policy with the requirements of LGA (para 101.3 and 103).
- Check the activity grouping conventions defined in LTP 2024-2034 and respective FIS with the activities defined in the Revenue Policy.
- Check whether rates resolution for 24/25 is consistent with rates presented within the LTP.
- Check whether respective rates (as set in resolution for 24/25) are reflected within the FIS within the LTP.
- Check whether respective rates (as set in resolution for 24/25) are set in line with the Revenue Policy (version included in LTP 2024-2034) in terms of funding sources available for specific activity and whether activity is correctly defined to enable correct identification.
- Review the funding sources for the planned expenditure for 2024/2025 as based on FIS in LTP 2024-2034 (year 1 of LTP) against the Revenue Policy.

Part 5: Sample testing to assess whether Development Contributions are being collected in accordance with the Development Contribution Policy.

- Discuss the process flow with Development Contribution Team ('DC team') to develop our understanding and identify any control gaps and/or inconsistencies with the Development Contribution Policy.
- Select samples of development contributions assessed from 1 July 2024 – 28 August 2024, based on professional judgement (considering a range of variables, such as: application type, date, team members, decision outcomes).
- Review the application trigger point and rationale behind assessment decision, and whether those were consistent with Development Contribution Policy requirements.
- Consider, whether the development contribution calculation for each sample, is based on the schedule applicable under the appropriate policy in place, based on the date when applications were received.
- Compare the applicant's address to the location input data in the assessment form for accuracy.
- Check whether development contribution notice was sent in line with the policy requirements after the application was assessed, along with the contribution breakdown, as required - specifically outlining the activities and number of HUEs assessed.
- Compare the development contribution amount indicated in the notice with the value output derived from the calculation tool for consistency.

Subsequently to the signed Terms of Reference, we have been requested to expand our scope regarding Development Contributions to analyse the significant increase in application submissions that SDC observed towards the end of the 2024 financial year. The details of this additional analysis are included in Section 5 of the report.

2.2 Out of Scope

The following areas were outside the scope of this review:

- For Part 3 – review did not extend to testing how the individual line items that flow into the calculations are themselves calculated / derived within the LTP model. Our assessment was limited to only reviewing the Debt Affordability Benchmark calculations within the LTP Model. For the avoidance of doubt, we highlight the LTP Model included other financial benchmark calculations (not specific to Debt). We did not review any of the other financial benchmark calculations.
- For Part 5 – review did not include the accuracy of the automated calculation tool used for development contributions (as this is internally tested by SDC), nor did it include the verification of inputs derived from 'Trapeze' system, which is used to assess and measure the digital plans (as those are not saved as part of the process, and therefore not able to be verified – please refer to finding 4.15).
- For Part 5 – given the time lag between assessment and invoice being issued, majority of applications tested had not yet reached the invoicing stage. Therefore, the review of the final invoice and payment did not form part of the testing.

2.3 Approach

Our review was performed by completing the following:

- Reviewed the relevant documentation relating to the work-steps listed above*.
- Interviewed relevant key personnel of SDC and external consultants to gather understanding and background of the internally identified issues*.
- Understood relevant policies, systems and processes through discussions with key personnel, review of process and procedure documentation, and observation.
- Tested 26 samples of development contributions to assess compliance with policy and best practice**.
- Validated any control/process gaps on issues identified.
- Discussed interim findings and observations, along with recommended practical solutions with key personnel.
- Completed and distributed a draft and final report.

**Refer to 'Appendix D – Work performed' for a list of documentation reviewed and interviews held.*
***Refer to 'Appendix C – List of Development Contributions Sampled' for a list of selected applications.*

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3. Debt Affordability Benchmark calculations

Our scope required us to evaluate the Debt Affordability Benchmark calculations against the LGFA Covenant Compliance worksheet. As part of this process, we tested the debt affordability benchmark calculations that are included in SDC's LTP 2024-2034 model against the LGFA covenant compliance worksheet that SDC is required to complete for LGFA every year.

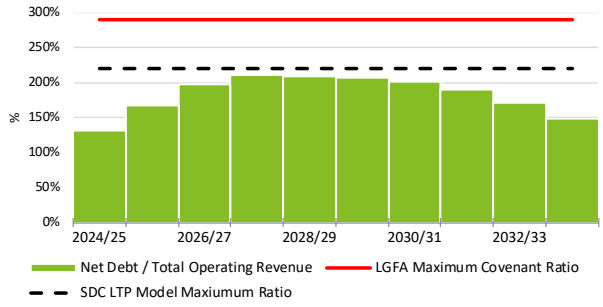
SDC's LTP model factors in three of the four LGFA annual covenants. All three covenant calculations that are included have been built up on fundamentally the same basis as SDC's annual LGFA covenant calculations. We did identify that $7.14m of derivative financial instrument liabilities were included in the gross external debt figure for the modelled period. SDC should confirm this is permissible under the LGFA covenant requirements.

We highlight the total operating revenue in the forecast period does not factor in non-cash gains (i.e., derivative revaluations or property revaluations) given these sit below total revenue (within other comprehensive income). We consider this approach to be reasonable and consistent with the apparent intent of the LGFA calculations. We note the net debt / total operating revenue ratio limit set by the LGFA has previously been 220% for rated councils and this would be the long-term expectation with the existing 290% limit reflecting the current foundation policy limit for local authorities with a long-term credit of A equivalent or higher (heightened due to the impact of COVID-19).

We noted that in its LTP model (i.e. Financial Strategy adopted in LTP), SDC has applied more conservative covenant ratio limits to those required by LGFA. We note based on Local Government Act Councils can choose what limits to set in their financial strategy. The debt limits should reflect the council's risk appetite and can be seen as a strategic control on financial practice. We therefore understand that the limits set by SDC are a reflection of the strategy established to balance the need for affordability, growth, and debt servicing.

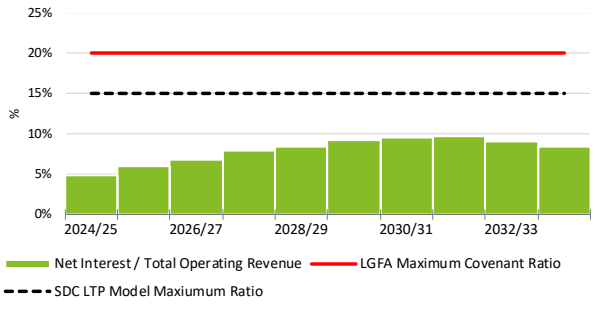
We acknowledge that based on SDC's forecast model, none of the ratios are forecast to be in breach of the debt affordability metrics (both from SDC set limits and LGFA set limits – as illustrated on graphs below).

Net Debt / Total Operating Revenue



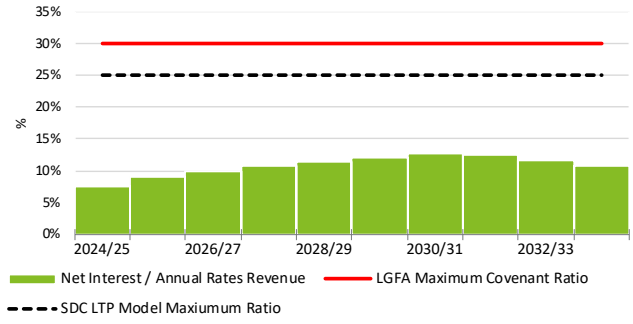
Source: Management information, Deloitte analysis

Net Interest / Total Operating Revenue



Source: Management information, Deloitte analysis

Net Interest / Annual Rates Revenue



Source: Management information, Deloitte analysis

SDC's LTP model does not assess the forecast Available Financial Accommodation to External Indebtedness covenant ratio (fourth LGFA covenant). We highlight that this ratio considers the total external debt, cash & cash equivalents, and undrawn committed facilities against total external debt with the LGFA benchmark requiring a ratio of greater than 110%.

Based on discussions held, we understand this calculation is excluded from the LTP Model given the uncertainty associated with forecasting the undrawn committed facilities. Whilst we understand Management's rationale, we do highlight that the ratio could still be modelled with a caveat as to the ratio excluding undrawn committed facilities. Furthermore, we note that this ratio forms part of the Council's Liability Management Policy and therefore is publicly available information to the readers. This creates an inconsistency between the internal policy limits and the limits imposed through the financial strategy adopted in LTP, which has been reflected in more detail in finding 4.9.

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4. Detailed Findings

4.1 Funding of operating expenditure is in breach of SDC's Revenue Policy

Risk Rating	**High**
Ease of Fix	**Complex**
Scope	Part 1 - A review of the work recently undertaken by SDC staff and consultants that identified the issues with the way, in which operating expenditure has been classified and potentially funded. Determine how operating expenditure is mapped to underlying funding sources.
Observations	SDC's Revenue Policy specifies that "*borrowing will not be used in financing of operational expenditure ('OPEX') other than in exceptional circumstance (such as making capital grants*)". On this basis, Council needs to ensure that there is sufficient funding from revenue sources (such as rates) specified for the financing of OPEX as budgeted for when preparing the LTP. Based on the discussions we held with SDC personnel, we understand that Council calculates what is called a "General rate requirement" at each activity group level. This requirement takes into account the budgeted operating expenditure and the forecasted revenue sources already predetermined for each activity (those include targeted rates, subsidies/grants, fees and charges, interest or dividends and other sources). The resulting difference indicates how much of the budgeted OPEX spent will need to be covered with General rate funding. Should the entire requirement calculated in the above manner be covered with General rate revenues, the operating funding would be in a break-even position (at the level of the FIS for each activity presented in LTP). When the general rates percentage increase is capped (limited to a defined percentage), the budgeted revenue inflow from general rates is insufficient to cover the entire requirement. In such case a deficit in OPEX funding occurs. Our review of FIS by activity group (as present in 2021-2031 LTP document and 2024-2034 LTP document), identified the issue described above in following examples: • **LTP 2021-2031:** Solid Waste indicates a deficit in operating activity for year 3 and Transport indicates deficits in year 1 and year 2. • **LTP 2024-2034:** Land Drainage indicates an operating deficit across years 2024-2029; Stormwater exhibits a deficit in year 1; Transportation indicates an operating deficit in year 1 and 2; Local Decision-Making with a deficit present in years 1-3; and Community Facilities with an operating deficit in year 1. In determining which funding sources are then used to cover the aforementioned deficit, all directly attributable revenue items linked to specific capital expenditure are excluded (such as development contributions, proceeds from asset sales, and grants/subsidies, which are restricted in their use to specifically defined purposes). After those

	exclusions are made, the remaining funding is sourced from debt/borrowings, indicating that the OPEX deficit is financed through debt. Applying the approach set out above, we have also identified that the deficit in operating activities for Environmental and Regulatory activity (as presented in the LTP 2024-2034) is being funded by reserves. This is allowable under SDC's Revenue Policy only if these are general purpose reserves (or reserves created for this specific purpose). It is unclear (based on our review of information contained in the LTP) whether the reserves available meet those criteria specified in the Revenue Policy document, as there is currently no documented process that links reserves available with the respective expenditure. Based on the information available to us and subject to review under this engagement, it is unclear when the debt financing first occurred for operating expenditure – noting that we have reviewed the LTP document for 2018-2028 and not identified any similar issues, whilst we observed the operating expenditure deficits in LTP 2021-2031. It is also not entirely clear what the reasons for the use of debt financing were. Based on historical analysis of OPEX and rate increase trends over the last few years (as presented in Section 1.5), it may be due to the insufficient rate increases as compared to OPEX forecasts.
Risks	There is a risk that without substantial increases in rates (or alternative revenue sources), SDC may not be able to finance the existing level of services without continuing to use borrowings to fund OPEX. This could put further pressure on ongoing compliance with borrowing limits, ratios, and covenants. Given the limited debt available to the Council, maintaining existing levels of service from operational perspective may require a reduction in capital expenditure levels (so that overall debt limits are complied with). In turn, should additional rate increases be needed (over and above the current forecasts presented to the public), SDC may face increased scrutiny and negative reaction from the public, other stakeholders and the OAG regarding its debt management strategies.
Recommendations	Management should consider: • Review of expenditure budgets for potential reassessment of forecasted OPEX spent, with the aim of developing a plan of action to reduce the extent of borrowing currently used for activities in deficit positions (this may involve alternative revenue sources, increased rates or temporary reduction in levels of service). • Implementation of robust processes and additional approval/review controls in the LTP budgeting process, designed to ensure that any identified deficit in operating funding (along with the proposed funding sources available to mitigate it), follows an established approval process.
Management's Response	Management agrees with the recommendation made and will work with the business to implement the processes.
Owner **Due date**	Director of Strategy & Engagement and CFO Prior to the adoption of LTP 2027-2037

4.2 Potential inconsistency of the mapping process to relevant FIS activity groups between the system and the Revenue Policy

Risk Rating	**Low**
Ease of Fix	**Simple**
Scope	Part 1 - A review of the work recently undertaken by SDC staff and consultants that identified the issues with the way, in which operating expenditure has been classified and potentially funded. Determine how operating expenditure is mapped to underlying funding sources.
Observations	We have been provided with the FIS activity tree from the MagiQ system as well as the funding breakdown for each of the FIS activity groups (report generated from MagiQ based on the budget entries inputs in the system). Based on our discussions, we understand that each cost centre in the system is allocated to a respective activity group (as pre-set in the FIS activity tree). We reviewed the funding breakdown by activity (as allocated in the system) against the information in LTP 2024-2034 and the Revenue Policy for consistency. We identified a category group in the system named “Scheme Loans”, which is budgeted to be funded via targeted rates and is mapped in the system under the Support Services activity group. We have been informed that the “Scheme Loans” are related to the Loan Targeted Rates. We note that in line with finding 4.5 above, there are Loan Targeted Rates set for the year, which are not defined in the Revenue Policy. There is therefore a lack of visibility as to whether the system mapping specified above is consistent with the Revenue Policy, and whether the Scheme Loans are correctly mapped to Support Services.
Risks	There is a risk that due to the inconsistency of information, transactions may be incorrectly allocated in the system between activities, which can in turn result in inaccurate reporting at an activity level.
Recommendations	Management should consider: • Updating the Revenue Policy to include Scheme loans under relevant activity group and specify the targeted rate as available funding source. • Reviewing the FIS activity tree set up in MagiQ system on periodic basis to ensure consistency in mapping. The review should include the checks of underlying cost centres and whether those are assigned to the correct activity groups in the system.
Management’s Response	Management agrees with the recommendation made and will consider these as part of the Financial Hygiene project that is currently underway.
Owner **Due date**	CFO and CIO Revenue Policy – 30 June 2027 FIS Activity Tree – 30 June 2025

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4.3 Inconsistency of rates set for 2024/2025 vs the rates disclosed in LTP 2024-2034

Risk Rating	**High**
Ease of Fix	**Medium**
Scope	Part 4 - Review the planned expenditure for the first year of the 2024-2034 Long-Term Plan against the Revenue Policy.
Observations	A key requirement of the Local Government (Rating) Act 2022 ('Rating Act') is for rates to be in line with the Long-Term Plan. This requirement covers the activity and use of funds that fit within the Long-Term Plan and the proposed source of funding and means of raising revenue signalled. Councils need to ensure that the rates resolution is in line with the Long-Term Plan. The variances set out below were identified when we compared the Rates Resolution (approved by the Board on 3 July 2024) to the Rates presented in the LTP 2024-2034 on pages 278-286): • Water Race (Service and Amenity) Targeted Rate - rate per hectare: per resolution the dollar limit is defined as $11,500 whilst in the LTP this is set out as $10,500. • Water Race (Service and Amenity) Targeted Rate - Amenity rate - difference in definition between the two documents (resolution does not specify that the rate applies to rating units that are 0.5 hectares or smaller). • Land Drainage and River Works Targeted Rates - different ha defined for one rate (the LTP says "2.000ha" whilst the resolution specifies 2.333ha).
Risks	The Rating Act (para 23.2b) states that "*the rates must be set in accordance with the relevant provisions of the local authority's Long-Term Plan and Funding Impact Statement for that financial year*". The variances between the Rates Resolution and the rates presented in the LTP set out above create risk of non-compliance with this requirement. Should the rates be calculated based on the LTP information (and not the Resolution), the charges will be incorrect, which may lead to inaccurate financial reporting, inaccurate revenues accounted for as well as potential increase in complaints from residents who report issues with their rates invoices (if compared to LTP document).
Recommendations	Management should consider: • The process that needs to be followed should the Council decide to make amendments in the LTP document - under Local Government Act (paragraph 93. points (4) and (5)) it is permissible for LTP to be amended however a special consultative procedure is to be followed. • Developing contingency plans to manage potential financial and reputational impacts effectively. • What process to follow with the Council's auditors and OAG in relation to the course of action taken. • Implementing the recommendations outlined in the report from LTP review process.
Management's Response	Management agrees with the recommendation made and will work with the business to implement the processes.
Owner **Due date**	CFO, Director People, Culture and Capability, Director of Strategy & Engagement 31 December 2025

4.4 Inconsistency of rates set for 2024/2025 in resolution with the funding sources described in Revenue Policy

Risk Rating	**Moderate**
Ease of Fix	**Simple**
Scope	Part 2 - A review of the 2024 Annual Plan process and outputs against the Revenue Policy; and Part 4 - Review the planned expenditure for the first year of the 2024-2034 Long-Term Plan against the Revenue Policy.
Observations	Councils need to ensure that each rate fits within their Revenue Policy, and that the Revenue Policy properly supports the rates resolution (requirements highlighted by the Auditor-General's July 2022 publication referenced in Finding 4.3). Tracing the targeted rates from the Rates Resolution back to the Revenue Policy we have identified items that did not match the funding source defined in the Revenue Policy or were not specifically covered by the Revenue Policy. This applies to the following: • Loan targeted rates (Community Centre Loan Targeted Rate, Sewerage Loan targeted rate, Water Loan Targeted Rate) - these are not defined in the Revenue Policy, which makes it difficult to determine the respective funding source applicable. • Canterbury Museum Levy - there is no defined funding source (being targeted rate) in the Revenue Policy. The Museum is mentioned on page 33 of the Revenue Policy (within the Democracy activities) but is not included on page 34 with a specified funding source). • Recreation Reserve and Swimming Pools - the targeted rates set per Rates Resolution are different to the ones distinguished in the Revenue Policy, more specifically: 1) p. 28 of Revenue Policy identifies Community swimming pools and District swimming pools whilst Rate Resolution set target rates for Zone 1,2 and 3; 2) p.25 of Revenue Policy identifies Recreation Reserves and District Reserves whilst Rate Resolution set target rate only Recreation Reserves. This causes lack of consistency between the two documents in terms of definitions. • Transport Targeted Rate - no such rate is adopted by resolution (while provided as funding source in the Revenue Policy p.16). However, we understand that no income associated with such rate is included in FIS statement, therefore it is reasonable to conclude that targeted rate remains as possible funding source for the activity, however no such forecast has been made for the LTP. • Sewerage Investigation Targeted Rate (Annual Plan only) - not defined in the Revenue Policy, which makes it difficult to determine respective funding source applicable.
Risks	There is a risk that the rates set for the year would be considered to be in breach with internal policies. The LGA requires the Revenue Policy to include specific information on rates and the Rating Act requires them to be in line with the Long-Term Plan. This information is part of the legal foundation for properly setting rates each year. If information is missing, the legality of a rate could be at risk.
Recommendations	Management should consider: • Updating Revenue Policy to specify and include: - Loan rates - definition and available funding source - Canterbury Museum - targeted rate as a funding source for this specific item.

	• Updating Revenue Policy to align the definitions of Reserves and Swimming Pools to the way they are described in the Rates Resolution. • Implementing the recommendations outlined in the report from LTP review process.
Management's Response	Management agrees with the recommendation made and will work with the business to implement the changes.
Owner	CFO and Director Strategy & Engagement
Due date	30 June 2027

4.5 Disconnect between the funding sources forecasted in FIS (within LTP) and the funding sources specified in Revenue Policy

Risk Rating	**Moderate**
Ease of Fix	**Simple**
Scope	Part 2 - A review of the 2024 Annual Plan process and outputs against the Revenue Policy; and Part 4 - Review the planned expenditure for the first year of the 2024-2034 Long-Term Plan against the Revenue Policy.
Observations	There is a requirement for consistency between the rates resolution, the FIS for the year, and the Revenue Policy in the Long-Term Plan (requirements highlighted by the Auditor-General's July 2022 publication referenced in Finding 4.3). This covers consistency between each activity and use of funds in a way that fit within the Long-Term Plan, as well as the proposed source of funding / means of raising revenue that should be aligned with the Revenue Policy. For 2024/2025: we compared planned expenditure for 2024/2025 (based on FIS statement in LTP 2024-2034 - year 1 of LTP) with the Revenue Policy. For 2023/2024: we compared planned expenditure for Annual Plan 23/24 column as outlined within the FIS statement in LTP 2024-2034 with the Revenue Policy (version included in LTP 2021-2031). We have noted the following observations (consistent across the 2023/2024 and 2024/2025 documents): • **Finance and Support Services** - this activity is not covered by the Revenue Policy. The activity in the FIS indicates varied funding sources (p.221-222 of LTP), including "other", which are not defined by the Revenue Policy. • **Community Facilities and Services cost** – the FIS statement identifies the funding source from "other operating funding". We note that the Revenue Policy does not include "other" as a possible source of funding for this activity group, nor does it define or specify what that means. • **Transport** – the FIS statement forecasts the funding source from "other operating funding". We note that Revenue Policy does include "other" as a possible source of funding for transport (p.223 of LTP 21-31 and (p.166-167 of LTP 24-34), however it does not define or specify what that means. • **Local-Decision Making** - the FIS statement includes small revenue from fees and charges; however, this is not clear in the Revenue Policy (p.236 of LTP 21-31). The naming conventions used in the Revenue Policy are different (using Democracy - therefore different name) and it is not clear the user charges apply as a funding source. • **Land Drainage and Water Races** - the FIS statement includes small revenue from fees and charges; however, this is not included as funding source in the Revenue Policy (p.227 of LTP 21-31) • All activities include a revenue source from "internal charges and overheads recovered" - however it is not clear what this source means or represents, given this is not covered in the Revenue Policy.
Risks	There is a risk that the budgeting process underlying LTP/Annual Plan preparation is inaccurate and breaches internal policies. Should the funding source included in LTP/Annual Plan be subsequently identified as not permissible, this could cause potential problems with maintaining the funding levels required to keep the level of service (as initially budgeted for).

Recommendations	Management should consider: • Updating the Revenue Policy accordingly to include all the relevant funding sources per activity. • Updating the Revenue Policy to specify and include: - Definition of "other funding sources", specifying what types of funding they include. - Finance and Support Services. - Definition of internal charges and overheads specifying how and where used. • Ensuring that in process of preparing the Annual Plan/LTP plan, budgeting for revenue sources is checked against the Revenue Policy for compliance. • Given the Revenue Policy is updated on a three-yearly basis (along with when new LTP is adopted), should the Annual Plan (for any reason) be to include different/new funding sources for activity that were not previously budgeted for in LTP, and/or included in the Revenue Policy - it may be necessary to consider a Revenue Policy update on a more frequent basis (to ensure the funding sources are in compliance with Revenue Policy and therefore appropriate).against the Revenue Policy for compliance. • Implementing the recommendations outlined in the report from LTP review process.
Management's Response	Management agrees with the recommendation made and will work with the business to implement the changes.
Owner	CFO and Director Strategy & Engagement
Due date	30 June 2027

4.6 Inconsistency between Revenue Policy and FIS included in LTP 2024-2034

Risk Rating	**Low**
Ease of Fix	**Medium**
Scope	Part 4 - Review the planned expenditure for the first year of the 2024-2034 Long-Term Plan against the Revenue Policy.
Observations	Based on Auditor-General's July 2022[2] publication - there is a requirement for consistency between the rates resolution, the FIS for the year, and the Revenue Policy. When comparing the content of Revenue Policy against the FIS and LTP 2024-2034, we noted the following inconsistencies: • Naming conventions differ between the documents. In some circumstances those do not prevent users from correct identification of activities, however there are some instances where this may be an issue - such as "Local Decision Making" (per LTP) vs "Democracy" (per Revenue Policy). • The presence of additional activity groups defined in LTP that do not have respective activities covered by the Revenue Policy. This applies to three subgroups defined within Community Facilities and Services being: Te Pou Mataaho (p. 86 of LTP), Property and Buildings (p. 82 of LTP) and Community Strategy and Policy (p.88 of LTP), as well as the Finance and Support Services activity group (p.213 of LTP). • Inconsistent information related to the "Civil defence" activity subgroup, which based on LTP is included within Local-Decision Making (p.120-121 of LTP), whilst the Revenue Policy groups it with Community facilities and Services (p.31-32 of the Revenue Policy).
Risks	There is a risk that due to the inconsistency of information between the documents and possible duplication, transactions may be incorrectly allocated in the system between activities, which can in turn result in inaccurate reporting at an activity level (and therefore inaccurate FIS presented in LTP/Annual Report). Such misalignment may result in misallocated resources, where some areas may be overfunded while others suffer from underfunding.
Recommendations	Management should consider: • Using consistent wording and naming conventions to describe activities within the LTP and FIS statements as in the Revenue Policy. • Ensuring all the categories and activities which the LTP identifies are specifically covered in the Revenue Policy document. • Maintaining a centralised document, which outlines the mapping of subgroups within each category and using this classification and naming convention consistently across the Annual Plan or LTP and forecasting processes. At the same time ensuring that the mapping above aligns with the way those activities are set up in the system - in order to ensure the transactions are consistently mapped to correct activity groups. • Implementing the recommendations outlined in the report from LTP review process.
Management's Response	Management agrees with the recommendation made and will work with the business to implement the changes.

[2] Publication July 2022 – "*Setting rates: Potential issues for councils to watch for*".

Owner	CFO and Director Strategy & Engagement
Due date	30 June 2027

4.7 Inconsistency between the targeted rates set for the year and the information available in FIS/LTP

Risk Rating	**Low**
Ease of Fix	**Simple**
Scope	Part 2 - A review of the 2024 Annual Plan process and outputs against the Revenue Policy; and Part 4 - Review the planned expenditure for the first year of the 2024-2034 Long-Term Plan against the Revenue Policy.
Observations	Every rate in the annual rates resolution must be covered in the Council's FIS for that year. There must be enough background detail to allow ratepayers to work out what rates they will have to pay. For 2024/2025: Comparing the activities for which rates income applies (based on the rates set for the year via resolution and targeted rates identified in the Revenue Policy) with the Income Funding Sources within the respective FIS statements for each activity (as per LTP 2024-2034), no issues were identified. For 2023/2024: Comparing the activities for which rates income applies (based on the rates set for 2023/2024 - as identified in the Annual Plan 23/24 p.58-60, and targeted rates identified in the Revenue Policy) with the Income Funding Sources within the respective FIS statements for each activity (as included in the 2024-2034 LTP for each activity within the "Annual Plan" column), the following was identified: • Finance and Support Services activity (per FIS statement on page 221 of LTP 2024-2034) includes income from Targeted Rates. This activity is not defined in the Revenue Policy and therefore it is not clear whether targeted rates are an available source of funding. Furthermore, there is no clarity from which of the targeted rates set for the year this revenue is derived from.
Risks	There is a risk of misalignment between the rates setting process and revenue sources represented in LTP/Annual Plans. This could mean inaccurate budgeting processes, resulting in potential deficit in financing certain activities.
Recommendations	Management should consider: • Updating the Revenue Policy accordingly to include all the relevant funding sources per activity. • Ensuring that in process of preparing the Annual Plan, budgeting for revenue sources is checked against the Revenue Policy for compliance. • Given the Revenue Policy is updated on a three-yearly basis (along with when new LTP is adopted), should the Annual Plan (for any reason) be to include different/new funding sources for activity that were not previously budgeted for in LTP, and/or included in the Revenue Policy - it may be necessary to consider a Revenue Policy update on a more frequent basis (to ensure the funding sources are in compliance with Revenue Policy and therefore appropriate). • Implementing the recommendations outlined in the report from LTP review process.
Management's Response	Management agrees with the recommendation made and will work with the business to implement the changes.
Owner	CFO and Director Strategy & Engagement
Due date	30 June 2027

4.8 Possible improvements in the Revenue Policy

Risk Rating	**Process Improvement**
Ease of Fix	**Simple**
Scope	Part 2 - A review of the 2024 Annual Plan process and outputs against the Revenue Policy; and Part 4 - Review the planned expenditure for the first year of the 2024-2034 Long-Term Plan against the Revenue Policy.
Observations	The LGA requires the Revenue Policy to include specific information on rates as defined in para 101.3 and 103. Based on our review of the Revenue Policy, we acknowledge that LGA requirements have been met. During our review of the Revenue Policy, we noted that the summary of funding sources per activity group (as outlined in tables on page 6 and 7 of the Revenue Policy) does not fully align with the funding sources specified in detail section for each activity. This observation is limited to the funding sources determined as "low" in summary pages 6 and 7 in the Revenue Policy - therefore proportion of funding used at range of 0-19%. For example: Solid waste management - on page 6 indicates the financing of operating expenditure through General Rate (low) and Grants & Subsidies (low). On page 18 in the activity detail there is no mention of general rate or grants/subsidies as a funding source.
Recommendations	Management should consider the consistency of information presented within the Revenue Policy between the summary information and the detail of each activity. This can be done either through: • updating the summary tables to remove the funding sources which are not applicable to certain activities, or • updating the details of each activity to align with the summary tables and include all available sources of funding (also those with low proportion).
Management's Response	Management agrees with the recommendation made and will work with the business to implement the changes.
Owner **Due date**	CFO and Director Strategy & Engagement 30 June 2027

4.9 Inconsistent approach in establishing borrowing limits between internal policies and financial strategy

Risk Rating	**Moderate**
Ease of Fix	**Medium**
Scope	Part 3 - Test the Debt Affordability Benchmark calculations that are included in SDC's LTP 2024-2034 model against the LGFA Covenant Compliance Worksheet that SDC is required to complete for LGFA annually.
Observations	The financial strategy adopted in LTP 2024-2034 sets four key ratios for debt management. The Liability Management Policy (below referred to as 'policy'), specifies five ratios. Those borrowing limits include respectively:

Ratio	Limit (as per financial strategy)	Limit (as per policy)
Net borrowing as a percentage of total revenue	<220%	<220%
Net interest as a percentage of total revenue	<10%	<15%
Net interest as a percentage of rates revenue	<25%	<25%
Payback ratio (net borrowing/operating balance)	<9 years	<9 years
Liquidity (External borrowing + unutilized committed debt facilities + available liquid investments as a percentage of existing external debt) *	N/A	>110%

**Also referred to as Available Financial Accommodation to External Indebtedness.*

We note two inconsistencies in the above information:

- **Net interest as a percentage of total revenue ratio**: different limits applied. We noted this discrepancy is present in table on page 228 of LTP (indicating 10% limit), whilst the calculated benchmarks and graphs (included on the following pages of LTP strategy) make reference to a limit of 15%.

- **Liquidity ratio**: not included in financial strategy for 2024-2034.
  Based on discussions held, we understand that the calculation of the Liquidity ratio is excluded from the LTP model due to the uncertainty associated with forecasting the undrawn committed facilities. We also acknowledge that this ratio is not specifically required by LGA (Local Government Act) as part of prudence benchmark disclosures. We note, however, that this ratio forms part of the Council's Liability Management Policy and is thus subject to monitoring / internal reporting. Additionally, this information is publicly accessible to those who review the Council's policies.

These points highlight an inconsistency in the approach taken when setting internal policy and preparing financial strategy, as well as within the LTP itself.

Risks	There is a risk that discrepancies in the ratio limits can lead to inaccurate financial planning and reporting. If the benchmarks used do not align with actual policy limits, the Council may underestimate its interest obligations relative to revenue, resulting in unexpected financial strain. Inconsistent application of ratio limits can result in non-compliance with internal financial policies. If the Council operates under incorrect assumptions, it might breach its own financial covenants, potentially triggering corrective actions that could include budget reallocations or emergency funding measures.

	Omitting of liquidity ratio from the LTP model means it is not integrated into broader strategy, which may lead to gaps in oversight. It introduces uncertainty about the Council's capacity to handle liquidity needs, particularly during unforeseen events or economic downturns, reduces the visibility of the metrics that stakeholders may rely on in their understanding of Council's financial health.
Recommendations	Management should consider: • Aligning policies and forecasts – to ensure there is a consistency between the financial strategy adopted in the LTP and the Council's internal policies (i.e. Treasury, Risk and Liability Management Policies). • Incorporating the Liquidity Ratio into the LTP model.
Management's Response	Management agrees with the recommendation made and will work with the business to implement the changes.
Owner **Due date**	CFO and Director People, Culture and Capability 30 June 2027

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4.10 Lack of clarity around applicable date/policy in calculating development contributions

Risk Rating	**Moderate**
Ease of Fix	**Medium**
Scope	Part 5 - Sample testing to assess whether Development Contributions are being collected in accordance with the Development Contribution Policy.
Observations	SDC's Development Contribution Policy states that "*section 198(2A) of the [Local Government Act 2022] requires development contributions to be assessed under the development contribution policy (DCP) in force at the time the consent/authorisation application was submitted, accompanied by all required information*". During our sample testing, we identified three instances (out of 26 samples tested), where a development contribution had been calculated using the incorrect policy schedule. This treatment is in breach of the Development Contribution Policy as outlined above, and given changes in pricing between policies, has resulted in inaccurate assessments being provided to applicants. The following applications were incorrectly calculated as of the time of our sample testing: • 241127 (*overcharged $296.75*[3]); • 241148 (*overcharged $9,053.78 - has since been rectified*); and • 241161 (*overcharged $10,777.83*). We note that these three applications were submitted by applicants between 20 June and 26 June 2024 (while the 2023/24 policy was still applicable) but were incorrectly assessed under the 2024/25 development contribution schedule. Based on our discussions with the planning technical advisory team leader, we understand these application errors to be a result of human error. This indicates a likely control gap around the clarity of what date is to be used for assessment, especially during the June/July development contribution schedule transition period. We do acknowledge that the calculation error in application 241148 was later rectified internally, after being picked up when an amendment to the building consent was being lodged. In this case, the planning team noticed the error in the original calculation and rectified it. Our testing identified three errors within the applications assessed during month of July 2024 (out of eight samples tested from that period). This constitutes a 37.5% error rate. We investigated potential root causes of these errors, noting they may stem from lack of/inadequate review process and insufficient process guidance (please refer to findings 4.11 and 4.12 for details).
Risks	Given the lack of clarity in the assessment process, there is a risk that respective team members use different dates to determine the policy applicable to the assessment. This creates risk with regards to compliance with the policy. Furthermore, the errors in the assessment caused by inputting the wrong date, may lead to incorrect charges being calculated (both over/ and under-charges) for the development contributions. There is a heightened risk of error during the initial month of the policy change (where the application date vs assessment date may fall on opposite sides of the cut-off period). We note, (based on reporting provided to us from AlphaOne), that there were 28 applications assessed in the period of 4 July to 30 July 2024 – and therefore at increased risk of error.

[3] Values provided were calculated using the existing DC assessment calculation tool, which was provided to us as part of testing. To obtain the recalculated amount we adjusted inputs related to the policy year applicable (no other adjustments were made).

	Should the miscalculations be detected by the applicants this may lead to reputational damage to SDC and increased public scrutiny.
Recommendations	Management should consider: • Performing a review of the development contributions previously assessed in July 2024 (or an extended period if deemed appropriate by SDC) to ensure that this issue is not more widespread than the three instances identified above. • Rectifying any miscalculated development contributions identified with applicants. • Implementing a procedure/process guide for the DC team to clarify the interpretation of "application date" as defined in the policy, which should be used in assessment process (on consistent basis). • Implementing a structured review process over the assessed development contributions, which would enable identification of similar errors. Please also refer to finding 4.12 for further details and recommendations related to procedure / process guide implementation and finding 4.11 outlining the observation and recommendation related to review processes.
Management's Response	1. Clarify with the team which is the critical date to use in order to determine the correct policy to apply - completed 02/12/2024 2. Update the DC policy to reflect what dates we use for both building consents, resource consents, Certificate of acceptance and service connection - Date - whenever next DC policy review 3. Review DC assessments on building consents submitted from 25th June 2024 to 20th July to confirm correct policy was applied and rectify any errors identified. Date 30 April 2025 4. Prepare a project brief for mapping DC assessment processes, producing guidelines/process manuals, training resources and reviewing customer communication templates and information. The project brief will confirm the project scope, determine stakeholders, resources and support from other teams required, outputs and timeframes - Manager responsible - Head of Planning and one of the Finance Heads
Owner **Due date**	CFO and Director Development and Growth 30 June 2027

4.11 Unstructured development contribution review process

Risk Rating	**Moderate**
Ease of Fix	**Medium**
Scope	Part 5 - Sample testing to assess whether Development Contributions are being collected in accordance with the Development Contribution Policy.
Observations	Based on discussions held with the planning technical advisory team we understand that there is currently no formalised/structured review process in place for the assessment of development contribution. While we recognise there are some review mechanisms present in relation to specific cases (e.g., self and special assessments), there is no dedicated or structured review for standard development contribution assessments. We understand from the planning technical advisory team leader that the team is aware of this gap and that they are looking to improve their review process. However, we were informed of a lack of resource availability in the team to currently perform such reviews consistently.
Risks	There is a risk that due to the extent of manual elements in the assessment process combined with this lack of review, errors in assessments are made and remain undetected. This may result in breaches of policy requirements but also could lead to further financial implications of under- or over-charging (should the assessments be performed inaccurately). This can in turn result in an increased number of reassessments required (or objections raised by applicants), which will create a further burden on the team. Miscalculations, if detected by the applicant may also result in reputational damage to SDC.
Recommendations	Management should consider: • Implementing a formalised review process over the development contributions assessments performed. Such process (depending on level of scrutiny required) may entail: - one by one review of the applications (before / at the time of notice being issued); - sample-based review of assessments; - periodic review of DC assessments (performed with pre-defined frequency, on regular basis, based on defined review criteria).
Management's Response	Assessment of proposals against the DC policy is a manual task prone to human error and inconsistency of assessment. The new DC policy has also taken some time for the team to get used to. The Planning Technical Advisory Team does not currently have resourcing capacity to review every DC assessment without additional FTE. We could undertake an audit of a small number of assessments each month. The team's view is that a review or audit process developed and lead by the Finance Team should be implemented as holders of the DC policy. This would ensure the Finance Team is more aware of issues in implementing the DC policy which would be valuable when the DC policy is being reviewed.
Owner **Due date**	CFO and Director Development and Growth 30 June 2027

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4.12 Lack of clear process documentation for Development Contributions

Risk Rating	**Moderate**
Ease of Fix	**Medium**
Scope	Part 5 - Sample testing to assess whether Development Contributions are being collected in accordance with the Development Contribution Policy.
Observations	Based on discussions held with the planning technical advisory team, we understand that there is currently no formalised process documentation / step-by-step guide available regarding the development contributions assessment process. We identified the following issues where we believe a lack of clear guidance has contributed: • **Documentation Processes –** there is a lack of clarity around what documents should be uploaded within 'AlphaOne' as relevant application support. Currently there are situations where some supporting evidence related to development contributions may be saved in multiple locations (creating confusion with version control etc.). This may also result in situations where key documentation is not saved in the system at all. • **Project Information Memorandum requests ('PIM')** – development contribution estimates are currently provided for most residential PIMs, whilst for commercial developments only a notice indicating that a development contribution would be required is provided (with no estimated costs). This is attributed to the substantial workload involved in estimating commercial development costs. Whilst this practice aligns with regulatory standards as well as guidance on SDC's website, there is no documented approach within the team to clarify the process to be followed in respective circumstances. As a result, the current practices rely on the existing knowledge of team members for consistent application. We understand from the planning technical advisory team leader that the team is aware of this gap and that this is an area they are looking to improve.
Risks	There is a risk that process followed in respect of processing applications is not consistent. This may be leading to potential non-compliance with the policy, including situations, where incorrect /inconsistent application of requirements, results in inaccurate charges being calculated. Insufficient documentation hinders effective training and onboarding of new employees. New staff may struggle to understand processes quickly, resulting in longer learning curves and decreased productivity. Key operational knowledge often resides with experienced employees. Without documentation, the departure of these employees can result in significant knowledge loss, disrupting operations and requiring time-intensive relearning. In the event of disruptions (e.g., system failures, natural disasters), documented processes are essential for maintaining operations. Insufficient documentation can exacerbate disruption impacts, delaying recovery efforts and prolonging downtime.
Recommendations	Management should consider: • Implementing a procedure/process guide for DC team to clarify the documentation requirements that form supporting evidence for each application, how those are to be saved, stored, and retained.

	• Introducing a step-by-step guide (process manuals / standard operating procedures) applicable to development contribution assessment, covering different types of applications, ensuring consistent approach is applied across the team processing those applications. • Implement training programs to ensure employees understand and follow documented processes. • Maintain a centralised repository for documentation, ensuring easy access for all relevant stakeholders.
Management's Response	We acknowledge the lack of process mapping, guidelines/process manual in relation to DC assessment. We have recently increased the FTE in the team and created two new administrative roles to perform the administrative aspects of the role so the Senior Planning Technical Advisor and two Planning Technical Advisors can focus on the more technical aspects of the team's functions which includes administration of the DC policy. This will free the Team Leader up to focus more on training and support as well as process improvement.
Owner **Due date**	CFO and Director Development and Growth 30 June 2027

4.13 Potential breach of policy – Attachment of breakdown during assessment

Risk Rating	**Low**
Ease of Fix	**Simple**
Scope	Part 5 - Sample testing to assess whether Development Contributions are being collected in accordance with the Development Contribution Policy.
Observations	SDC's Development Contribution Policy mandates the issuance of notices to applicants once their application is assessed. According to page 6 of the Development Contribution Policy, these notices must detail "the activities and number of household unit equivalents ('HUE') assessed for development contributions." The planning technical advisory team normally meets this requirement by attaching a PDF breakdown of the assessment outputs from the calculation tool in the email correspondence with applicants. During our sample testing, we observed 5 instances (out of 16 samples tested where breakdown would normally be required), where there was no evidence of the assessment outputs being sent to the applicant in their email correspondence. We were unable to verify compliance of this policy requirement for the following sample applications: • 231711 • 240961 • 241168 (*service connection*) • 241250 • 241261 (*service connection*) We noted that for two of these samples the assessment output documentation was available on file, however, due to likely human error was not attached in the email correspondence. For the remaining three cases no documentation was available/saved. The rationale provided by the planning technical advisory team for the lack of assessment output for the two service connections was that in these cases a simple 1x HUE calculation is required. While we acknowledge the simplicity of these calculations, we note that the policy does not provide for any exemption in the treatment for service connections and therefore this practice is technically in breach of the outlined policy requirements. We investigated potential root causes of these errors, noting they may stem from lack of/inadequate review process and insufficient process guidance (please refer to findings 4.11 and 4.12 for details).
Risks	There is a risk of non-compliance with the policy, with applicants not being provided with the required documentation. Furthermore, where not all data is saved in respect to the assessment, there is risk of information not being easily verifiable. Should the details behind the calculation be queried as part of internal review process or queried by applicants, with lack of retained breakdown document, the calculation would likely need to be reperformed. This creates inefficiencies in the process (additional workload).
Recommendations	Management should consider: • Implementing a procedure/process guide for DC team to clarify the documentation requirements for each type of application. • Implementing a structured review process over the assessed development contributions, which would enable identification of similar errors.

	Please also refer to finding 4.12 for further details and recommendations related to procedure / process guide implementation and finding 4.11 outlining the observation and recommendation related to review process.
Management's Response	1 The email template for sending a Form 3 has already been updated to advise that applicants are required to notify SDC when they book the final inspection. Completed 02/12/24 2. Ensure that the Development Contribution Policy is amended to include the requirement included in action 1 above. Whenever next DC policy review occurs 3. Via the Head of Building, investigate whether AlphaOne can require the inclusion of an attachment before a Form 3 can be sent. Head of Planning 31 March 2025
Owner **Due date**	CFO and Director Development and Growth 30 June 2027

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4.14 Timeliness of assessment / invoice issuance timelines

Risk Rating	**Low**
Ease of Fix	**Simple**
Scope	Part 5 - Sample testing to assess whether Development Contributions are being collected in accordance with the Development Contribution Policy.
Observations	The Development Contribution Policy requires that invoices must be issued and paid prior to the grant or issue of the relevant consent (as per page 6). During our sample testing we noted that for one application (241261) the applicant was provided with their invoice at 3:14pm (with the inspection scheduled for 3:52pm that same day). This meant that the applicant was only given a 38-minute window to respond and pay for the invoice. Consequently, the application failed the inspection. The applicant subsequently provided negative feedback in relation to the development contribution process. We acknowledge that the Team Leader addressed the applicant's feedback in a timely manner, providing explanation of the context behind the mistake and delay. Our understanding is that it is the responsibility of applicants to inform SDC of the timing of inspections. We noted however in our testing that this is not clearly communicated to the applicants as part of the process, which results in issues in relation to invoice processing timeliness.
Risks	There is a risk that in situations where applicants are not clearly informed of their responsibility to inform Council of the inspection date, the expectation is for SDC to comply with the policy (as stated above) and issue the invoice timely. This may result in situations where due to deficient communication between Council and the applicant, invoices are delayed / not issued, causing reputational damage.
Recommendations	Management should consider: • Including a transparent instruction in their communications with applicants that highlights the responsibility of notification process around inspection dates, as well as specifying the required turn-around time for the invoice to be issued on timely basis. • Including the above information in the Development Contribution Policy.
Management's Response	We will consider this recommendation as part of the Development Contribution Policy review.
Owner **Due date**	CFO and Executive Director of Development and Growth 30 June 2027

4.15 Lack of audit trail evidence regarding validity of inputs in development contribution calculations

Risk Rating	**Process Improvement**
Ease of Fix	**Simple**
Scope	Part 5 - Sample testing to assess whether Development Contributions are being collected in accordance with the Development Contribution Policy.
Observations	During our sample testing, we were unable to verify the accuracy of inputs used in the development contribution assessment calculation tool. This is related to inputs derived by the planning technical advisory team from the Trapeze system. This tool is used during the assessment process where calculation inputs from supporting documentation provided by applicants (e.g., gross floor area from building plans) are not clear. Inputs derived from Trapeze are manually introduced to the assessment tool, however, those are not saved in any other documentation. There is therefore no available audit trail evidence to validate those data points used. Should the details behind the assessment be queried as part of internal review process or queried by applicants, the input data derivation process would need to be reperformed.
Recommendations	Management should consider: • Implementing a procedure/process guide for DC team to clarify the requirements around saving supporting evidence relevant to the assessment (such as input variables for DC calculations). Please also refer to finding 4.12 for further details and recommendations related to procedure / process guide implementation.
Management's Response	We acknowledge the issues raised and note there is likely some inconsistency in the team as to how working is recorded or whether working documents are saved. Management agrees with the recommendation made and will work with the business to implement the changes.
Owner **Due date**	CFO and Director Development and Growth 30 June 2027

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5. Development Contributions - additional work

5.1 Background

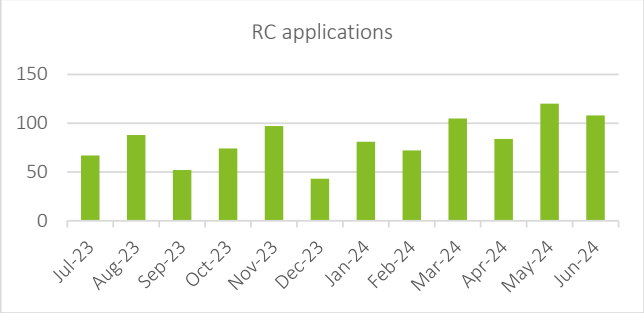
As part of our ongoing discussions with management, we were asked to expand our scope regarding Development Contributions to analyse the significant increase in application submissions that SDC observed towards the end of the 2024 financial year. Management indicated that this surge in applications was driven by the announced changes in the Development Contribution Policy, expected to take effect from July 2024. This new policy was introduced during the consultation process for the Long-Term Plan 2024-2034, which commenced on 2 April 2024. Management sought to assess the potential impact on the Council from the accelerated number of applications submitted before new policy (introducing increased charges) took effect.

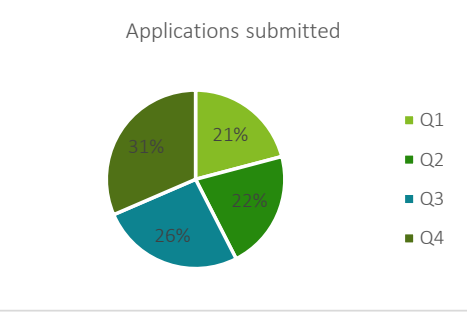
It is important to highlight that the fact of applicants submitting their applications during this period (before new policy is applicable) is within their rights (provided that all required documentation is submitted on time to be assessed under current schedule, which remains applicant's responsibility).

5.2 Work performed

To collate data for this analysis we obtained the report of all Development Contributions assessed throughout the financial year ending 30 June 2024. We note that this reporting is based on the assessment date of the application (and not the application date, which determines which Development Contribution Policy is to be used). The time gap between application and assessment dates renders this data insufficient for accurate insights. We subsequently obtained the additional application date data for Resource Consents ('RCs' - one of the application types subject to Development Contributions). We could not obtain the same report for the remaining part of the population. Since RCs represent only about half of the total population, our analysis remains limited.

The analysed report for RCs, shows an approximate 5-10 percentage points increase in the overall quantum of applications submitted from April to June 2024 (as compared to other quarters of the year). The trends of applications submitted throughout the year are illustrated in the graphs below.



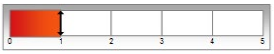
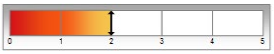
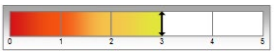
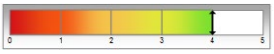
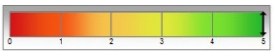


Each Development Contribution (DC) may significantly vary in size and monetary value, making it challenging to draw accurate conclusions regarding the financial impact of the increase without analysing the entire population. To gain a more complete understanding, it is essential to access comprehensive data covering both Resource Consents and Building Consents, along with detailed information on the size and value of each Development Contribution assessed.

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Appendix A – Control Effectiveness Rating Scale

The assessment of the entire control environment is based on our assessment of the processes as presented and the results of judgemental sample testing. The consolidated results of testing together with the appropriateness of control responses to risk form this assessment.

	Description	Rating Scale Indicator
1	**Significant Weakness** The control environment either does not exist or is inadequate to manage risk related to process under review and is significantly below good practice and does not compare favourably to other models. The business is exposed to control failure and potential financial, operational, and strategic impacts.	
2	**Informal / Inadequate Controls** The control environment exists but is informal or has important gaps and certain elements are below good practice or do not compare favourably to other models. The business is exposed to control failure and potential financial, operational, and strategic impacts.	
3	**Adequate Controls** The control environment exists, and we have detected some gaps and/or areas for improvement. The environment compares favourably to other models with room for improvement. The business could be exposed to control failure and potential financial and operational impacts.	
4	**Well Controlled** The control environment exists, and we have detected minimal gaps and/or areas for improvement. The environment compares favourably to other models. The business may be exposed to control failure and potential financial and operational impacts.	
5	**Leading Practice Controls** The control environment exists, and we have not detected gaps. Control applications and processes in existence exceeded better practice and are better than other models. The business is unlikely to be exposed to control failure and potential financial and operational impacts.	

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Appendix B – Risk and Ease of Fix Rating Scale

Risk Rating Scale

Each finding included in the report has been ranked on the basis of the risk we perceive the organisation to be exposed to.

Rating	Description
Very High	Issue represents a severe control weakness. This could cause or is causing severe disruption to process/service, or severe adverse effect on the ability to achieve objectives.
High	Issue represents a significant control weakness. This could cause or is causing significant disruption to process/service, or significant adverse effect on the ability to achieve objectives.
Moderate	Issue represents a moderate control weakness. This could cause or is causing some disruption to process/service. There may be a level of short-term tolerance due to compensating controls or remedial plans underway.
Low	Issue represents a minor control weakness. This could cause or is causing inefficiencies in process or is a lack of formality in documentation or process.
Process Improvement	Observation represents an identified opportunity to improve process/service efficiency.

Ease of Fix Rating Scale

Deloitte's estimation of the effort required to fix the finding raised is based on our previous experiences with resolving similar findings at similar organisations. This is intended as a guide only. You should undertake your own assessment to determine the actual level of effort required.

Rating	Description
Simple	There is a simple fix for this finding, which may involve minor system changes that require limited effort to implement or test, minor costs to resolve, or minor changes to system design or business processes. Estimated timeframe for fix to be implemented is within one to three months.
Medium	There is a moderately complex fix for this finding, which may involve some time to develop, implement and test, some cost to resolve, or some changes to system design or business processes. Estimated timeframe for fix to be implemented is within three to 12 months.
Complex	The solution is complex and may involve substantial time to develop, implement and test, substantial monetary cost to resolve, or substantial changes to system design or business processes. Estimated timeframe for fix to be implemented is more than 12 months.

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Appendix C – List of Development Contributions Sampled

The following development contributions were sampled:

No.	Reference	Type	Assessment Date
1	230335	Building Consent	01/07/2024
2	231711	Building Consent	11/07/2024
3	240365	Building Consent	08/08/2024
4	240961	Certificate of acceptance ('COA')	09/08/2024
5	241127	Building Consent	04/07/2024
6	241148	Building Consent	18/07/2024
7	241154	Building Consent	22/08/2024
8	241160	Exemption	05/07/2024
9	241161	Building Consent	17/07/2024
10	241165	Project Information Memorandum ('PIM')	09/07/2024
11	241168	Service Connection	09/07/2024
12	241171	Building Consent	16/07/2024
13	241222	COA	15/07/2024
14	241250	Building Consent	07/08/2024
15	241261	Service Connection	31/07/2024
16	241263	PIM	31/07/2024
17	241270	Building Consent	24/07/2024
18	241344	Building Consent	07/08/2024
19	241349	COA	31/07/2024
20	241427	PIM	13/08/2024
21	241453	PIM	19/08/2024
22	241460	Building Consent	23/08/2024
23	241466	Building Consent	21/08/2024
24	241485	Building Consent	26/08/2024
25	241487	Building Consent	26/08/2024
26	241499	PIM	28/08/2024

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Appendix D – Work performed

We have reviewed and assessed the following key documentation relating to the respective scope items:

Table 1 - Key Documents assessed

Document	Description
Revenue and Financing Policy ("Revenue Policy")	For LTP review: Policy (as included within the LTP 2024-2034) and available on SDC website For Annual Plan review: Policy (version included in LTP 2021-2031)
LTP 2024-2034 ("LTP 2024-2034" or "LTP")	Long-Term Plan 2023-2034 (as available on SDC website)
LTP 2021-2031 ("LTP 21-31")	Long-Term Plan 2021-2031 (as available on SDC website)
Funding Impact Statement ("FIS")	Respective FIS statements within the LTP as defined above
Rates resolution	As approved by the Board on 3 July 2024 and available on SDC website
LTP Model 2024-2034 For Audit V2	As provided by Sonja Healy via email on 24/09/2024
Copy of 2024 LGFA Covenant Compliance Worksheet	As provided by Firangiz Radcliffe via email on 4/10/2024
Compliance Certificate Template 2024	As provided by Firangiz Radcliffe via email on 4/10/2024
Appendix A to Compliance Certificate 2024 (Rated)	As provided by Firangiz Radcliffe via email on 4/10/2024
Activity FIS Tree Export Funding LTP (MagiQ Budget Entry)	As provided by Thomas Cockburn via email on 28/08/2024
Development Contributions Policy	Development Contributions Policy (as available on SDC website)
Liability Management Policy	Liability Management Policy (as available on SDC website) – July 2024

We also conducted interviews with SDC personnel in relation to respective scope items:

Table 2 - Key Personnel Interviewed and liaised with

Name	Role
Thomas Cockburn	Finance Business Partner
Sarah O'Connor	Senior Finance Business Partner
David Codyre	External Consultant
Firangiz Radcliffe	Financial Controller
Megan Holdaway	Planning Technical Advisor
Rachel Sugrue	Planning Technical Advisory Team Leader
Sonja Healy	Risk Manager

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Statement of Responsibility

The procedures that we performed did not constitute an assurance engagement in accordance with New Zealand Standards for Assurance engagements, nor did it represent any form of audit under New Zealand Standards on Auditing, and consequently, no assurance conclusion or audit opinion is provided. The work was performed subject to the following limitations:

- Our assessments are based on observations from our review and sample testing undertaken in the time allocated. Assessments made by our team are matched against our expectations and best practice guidelines. This includes comparison with other similar processes we have assessed. This report offers recommendations for improvements and has taken into account the views of management, with whom these matters have been discussed.

- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout the period and the tests performed are on a sample basis.

- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

- The matters raised in the deliverable are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our deliverable to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

We have prepared this report solely for the use of SDC. The report contains constructive suggestions to improve some practices which we identified in the course of our review procedures. These procedures are designed to identify control weaknesses but cannot be relied upon to identify all weaknesses. We would be pleased to discuss any items mentioned in this report and to review the corrective action implemented by management.

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REPORT

TO: **Audit and Risk Subcommittee**

FOR: **Audit and Risk Subcommittee meeting, 24 March 2025**

FROM: Julie Hands, Head of Legal and Risk
Sonja Healy, Risk Manager

DATE: 14 March 2025

SUBJECT: **RISK MANAGEMENT UPDATE**

RECOMMENDATION

'That the Audit and Risk Subcommittee:

a) Receive the "Risk Management Update" report.
b) Endorse the development of a Three-Year Risk Roadmap.

1. PURPOSE

The purpose of this report is to provide Audit and Risk Committee with an update in relation to progress against Risk Management Workplan and gain endorsement on future direction of the programme.

2. SIGNIFICANCE ASSESSMENT / COMPLIANCE STATEMENT

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's Significance and Engagement Policy.

3. HISTORY / BACKGROUND

The Risk Management function is new to Council with the first role employed in June 2024, being the Risk Manager. Later in the same year, strategic leadership of the function was added, with the employment of the Head of Legal and Risk.

The establishment of the function is aligned with Council's strategic goal stated in the recently adopted Long-term Plan to 'prepare key accountability documents in accordance with good practice that allow for easy input from ratepayers and meet statutory requirements' and ensure that the Annual Report, Annual Plan and Long-Term Plan meet good practice standards.

In November 2024 Audit and Risk approved a new Risk Management Policy and Risk Management Framework for Council. A work plan for implementation the framework and policy was also received at the November meeting.

Following, execution of the initial stages of the work plan, it has become apparent the programme needs revisiting, putting a strategic roadmap put in place to lift risk management culture and meet the Council where it at in terms of both capacity and capability.

4. DISCUSSION

Risk work plan progress

An initial workplan was developed in the second half of last year which targeted the development and ultimate approval of the core structure, documents and framework to the Audit and Risk committee through to end of FY 24/25.

Progress made against this work plan achieved to date:

1) Adoption of a Risk Policy and Framework by Council in December 2024.
2) Six risk focused workshops carried out with senior leadership
3) Early draft statements of key strategic risks developed (Appendix A). Please note these require further work and refinement.

Work currently in progress includes:

1) Mapping of key measures and controls against draft strategic risks.
2) Development of training and communications plan for risk across Council.
3) Training programme and communications plan for risk is in development.

The resource stretch across Council as they look to attend to a number of change initiatives and strategic projects such as the Digital Transformation and the Local Water Done Well landscape, has presented challenges for progress against the Risk Workplan. This is particularly affecting the mapping of risks and controls across the organisation and has also disrupted risk training as there are significant competing interests for staff attention. In light of this, a rephasing of the Risk Work Plan is proposed which is discussed further below.

The key risk with continuing at the pace previously anticipated without adaption to the organisation’s current operating environment, is that while work may be delivered to meet milestones, the quality of the content, and the engagement of the business will be low. This would mean that a meaningful shift of the Council’s overall formal risk management culture would be unlikely to be achieved.

Risk Landscape at Council

With the Head of Legal and Risk now six months into the role and with the team able to reflect on the experience and outcomes of the risk workshops, it has become apparent that risk management at Council is at a very early stage in its development. This view has been confirmed by our independent risk consultant.

What this means, is that more work needs to be done upfront to lift the knowledge and understanding of risk to ensure effective development of strategic risk management framework. Specifically, work building a roadmap that enables the embedding of a risk based culture, in a low risk maturity organisation, rather than simply implementing

surface level reporting framework that doesn't deliver value in the management of uncertainty or drive performance.

On this basis it is recommended that the work plan is revisited and the following done:

a) Make changes to the Risk Policy and Risk Management Framework, following feedback from our independent risk consultant.

b) Develop a Risk function strategy roadmap – 3 year view with proposed 1 year focus initiatives. This roadmap will focus on the phasing of:

c)

i. Develop Foundational documents, processes and tools these would include for example, Risk function strategy, communication plan, risk identification techniques, risk register template and guidance.
ii. Build Risk Capability & Awareness, so that risk management becomes systematic, through communication and training (both on-the-job and structured training)
iii. Integrate Risk Management into all organisational governance structures, activities, reporting, such as procurement planning, project management and internal operations.
iv. Re-evaluate the Risk Strategy and Workplan in light of the above.

This will be done with assistance of the independent risk consultant and reported back to the May Audit and Risk Committee.

Risk communication and training

A communication plan has been developed to regularly connect with the business on risk management guidance and processes. This includes emails, articles on Te Pataka, and a dedicated SharePoint for easy access of information.

We will continue to progress in developing a risk training programme to develop further capability within the organisation.

5. NEXT STEPS

Subject to endorsement of Council:

1) Develop a Risk Roadmap as outlined above;
2) Re-phase the Risk Workplan in line with revised Risk Roadmap;
3) Continue to map the controls for key strategic risks for report back to Audit and Risk Committee by 5 August 2025. This longer time frame accounting for the Local Water Done Well work.
4) Roll out initial communications regarding the risk framework Council wide.

6. VIEWS OF THOSE AFFECTED / CONSULTATION

(a) Views of those affected and Consultation

There are no significant implications for the wider community in the contents of this report which require consideration of affected persons.

(b) Māori and Treaty implications

There are no implications or impact related to Iwi / Māori with this report.

(c) Climate Change considerations

The decisions and matters of this report are assessed to have low climate change implications.

7. FUNDING IMPLICATIONS

There are no budget considerations associated with the recommendations of this report.





Sonja Healy
RISK MANAGER

Julie Hands
HEAD OF LEGAL AND RISK

Endorsed For Agenda



Steve Gibling
EXECUTIVE DIRECTOR – PEOPLE, CAPABILITY & CULTURE

APPENDIX A – DRAFT KEY STRATEGIC RISKS

ID	Link to Objective	Risk Title	Risk Description	Risk Owner	Likelihood		Consequence		Inherent Risk
1	LTP Commitments	Fluctuating economic and demographic factors	IF the pace of growth in the region is slower than forecast THEN there may be a change in rates revenue leading to a change in priorities, level of services and the ability to deliver Capital Works and commitments in the Long Term Plan.	Executive Director Strategy and Engagement	4	Likely	4	Major	16
2	LTP Commitments	Fluctuating economic and demographic factors	IF the pace of growth in the region is faster than forecasts THEN there may be inadequate infrastructure and service provision for a rapidly expanding population.	Executive Director Strategy and Engagement	4	Likely	4	Major	16
3	Digital	IT systems not fit for purpose	IF IT systems are not fit for purpose (i.e. efficient through automation and digitisation of processes and services) and not used appropriately, THEN Council's ability to maintain data integrity could be impacted, important information may be overlooked, undiscoverable or lost, leading to lost opportunity, reputational impact, financial loss, poor service delivery or service disruption. Residents or partners will lose confidence in the Council and will not embrace new Digital services being delivered as part of SDC's Digital Strategy.	Chief Digital Officer	4	Likely	4	Major	16
4	Digital	Insufficient data security	IF IT systems are vulnerable to cyber attack, THEN Council's ability to maintain data security could be impacted, important information may be lost, leading to reputational impact, financial loss, poor service delivery or service disruption. Residents or partners will lose confidence in the Council and will not embrace	Chief Digital Officer	4	Likely	4	Major	16

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			new Digital services being delivered as part of SDC's Digital Strategy.						
5	Do basic's well	Regulatory and legislative compliance	IF Council does not understand our obligations or Central Government makes significant regulatory or legislative changes and the Council fails to implement processes and policies to address the changes THEN there is a risk that Council fails to meet its obligations and there may be reputational / stakeholder impacts.	Executive Director People, Culture and Capability / Head of Legal & Risk	4	Likely	4	Major	16
6	Financial Hygiene	Financial stability and resilience	IF Council is unable to secure external funding, maximise revenue opportunities (including profitable CCO's), or efficiently manage costs, THEN reliance on rates income will remain and could require Council to consider service level reductions or increase rates.	Chief Financial Officer	4	Likely	4	Major	16
7	Do basic's well	Ineffective resource planning and managemen t	IF Council does not have effective workforce planning and management processes in place THEN key roles (and or pieces of work) may not be resourced effectively (e.g. capacity to deliver, role clarity, lack of specialist resource) resulting in significant operational disruption (e.g. staff retention challenges, decreased productivity, work overload, operational inefficiencies) and / or stress to existing staff.	Executive Director People, Culture and Capability	4	Likely	4	Major	16
8	Do basic's well / Implement Strategies	Changing Political Landscape	IF there is a significant shift in political policy or sentiment, such as with a change in Minister or government THEN Council may be required to review policies, processes or reconsider their priorities.	Chief Executive	4	Likely	4	Major	16
9	Implement Strategies	Community Sentiment	IF Council does not adequately understand the expectations and needs of the community THEN Council levels of service may not meet	Executive Director	4	Likely	3	Moderate	12

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			the community needs and lose the trust and confidence of it's community.	Strategy and Engagement					
10	Implement Strategies	Alignment between strategic goals and operational objectives	IF there is misalignment between the vision of what is to be delivered (LTP) compared to operational objectives (work programmes) THEN the Council may not deliver the long-term goals damaging our reputation.	Executive Director Strategy and Engagement	4	Likely	5	Catastrophic	20
11	Do basic's well	Governance and Leadership Capability	IF Council's risk exposure, public perception / reputation are not positive or are unbalanced, THEN there is a risk that Council does not attract capable candidates to stand for Council or key management roles, which may lead to ineffective Governance and Leadership.	Chief Executive	3	Possible	4	Major	12
12	Deliver Capital Works / Do basic's well	Extreme weather or natural hazardous events	IF there is an event caused by a natural hazard and Council has not efficiently prepared to lead the response and recovery efforts for the community THEN there may be an inability to maintain service continuity, resulting in significant impact and potential loss of people, assets, infrastructure and resources.	Executive Director Infrastructure and Property	4	Likely	5	Catastrophic	20
13	Implement Strategies	Capacity of organisation to deal with change	IF the Council does not have good change management practices in place to support the delivery of new strategies, THEN Council's ability to act more commercially with a customer experience focus will hinder the success of the Digital Strategy.	Chief Digital Officer	5	Almost Certain	4	Major	20
14	LTP Commitments	Inability to deliver our Te Rautaki Tikaka Rua / Bicultural Strategy	IF we do not effectively implement our Te Rautaki Tikaka Rua / Bicultural Strategy THEN we may not build the relationships required to meet the needs of mana whenua and the people of Waikirikiri Selwyn.	Executive Director Community Services and Facilities	5	Almost Certain	4	Major	20

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Risk Matrix

			Consequence				
			Insignificant	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
Likelihood	Almost Certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Rare	1	1	2	3	4	5

Risk Score	Level of Risk	Action Required
15-25	Extreme risk	Requires immediate assessment of actions / controls
8-14	High risk	Requires remedial assessments and increased monitoring
4-7	Moderate risk	Monitor procedures and/or modification of existing practices and training
1-3	Low risk	No formal requirement for further action, unless escalation of risk is possible.

REPORT

TO: Audit and Risk Sub-Committee

FOR: Audit and Risk Sub-Committee Meeting 24 March 2025

FROM: Head of Financial Control – Niel Koch

DATE: 19 March 2024

SUBJECT: **QUARTERLY TREASUREY REPORT FOR THE QUARTER ENDED 30 DECEMBER 2024**

RECOMMENDATION

''That the Audit and Risk Sub-Committee receives for information the Selwyn District Council Quarterly Treasury Report for the quarter ended December 2024.'

1. PURPOSE

The purpose of this report is to provide the Audit and Risk Sub-Committee with an overview of the Council's treasury activity, position, and compliance with the Treasury Policy. The report for the quarter that ended 30 December 2024 is appended to this cover report.

2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

The decisions and matters of this report are assessed as of low significance, in accordance with the Council's Significant and Engagement Policy.

Report of:



Niel Koch
HEAD OF FINANCIAL CONTROL



Treasury Report

For the period ended 31 December 2024

www.selwyn.govt.nz

SUMMARY

Debt Position:

- **Q2 2025** total borrowing is **$215m**. This represents an increase of $20m since the year-end position of $185m.
- **$10m** Westpac working capital/on-call facility remains undrawn.

Interest Rate Management:

- In **Q2 2025**, two new swaps new interest swaps were taken out.
- The interest rate risk is in compliance with Council's Treasury Risk Management Policy until **December 2025**.

Cash (On-call and On-term):

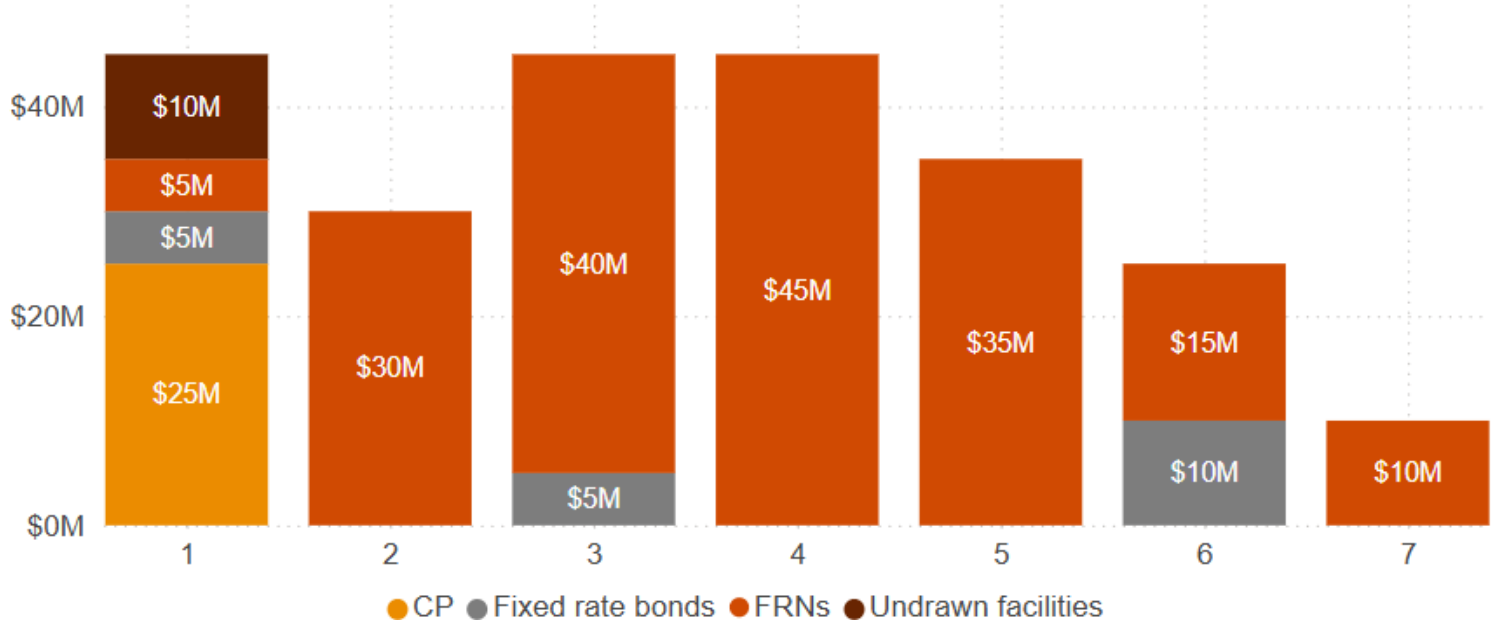
- **Q2 2025** on-call cash and cash equivalents were **$16m**.
- There were no current term deposits.

Other Matters:

- Payback ratio for FY24 in breach of internal Treasury Policy.

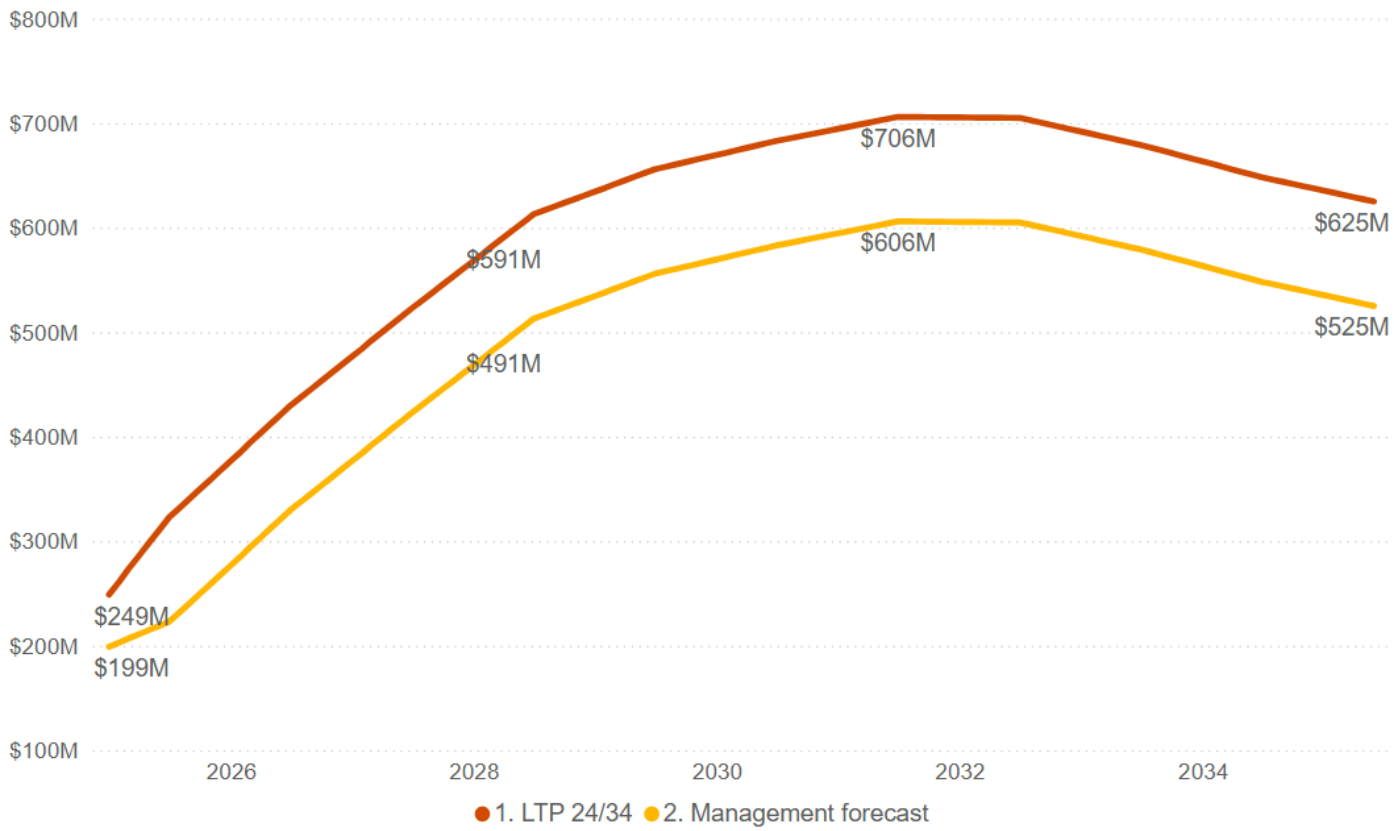
DEBT POSITION VS POLICY

Funding and liquidity risk timeline



- The above graph represents the visual split of the composition of borrowings as at 31 December 2024.
- The **liquidity ratio** measures the ability to use current assets to extinguish current liabilities. The liquidity ratio per the Treasury and Risk Management Policy is set at no less than **110%.**
- As at 31 December2024, estimated **liquidity ratio** is **114%** which means we are compliant.
- The maturity profile of the debt is compliant with the Treasury and Risk Management Policy (51**%** of debt is 0-3 years and 49**%** is 3-7 years in duration).

DEBT POSITION VS LTP 24/34

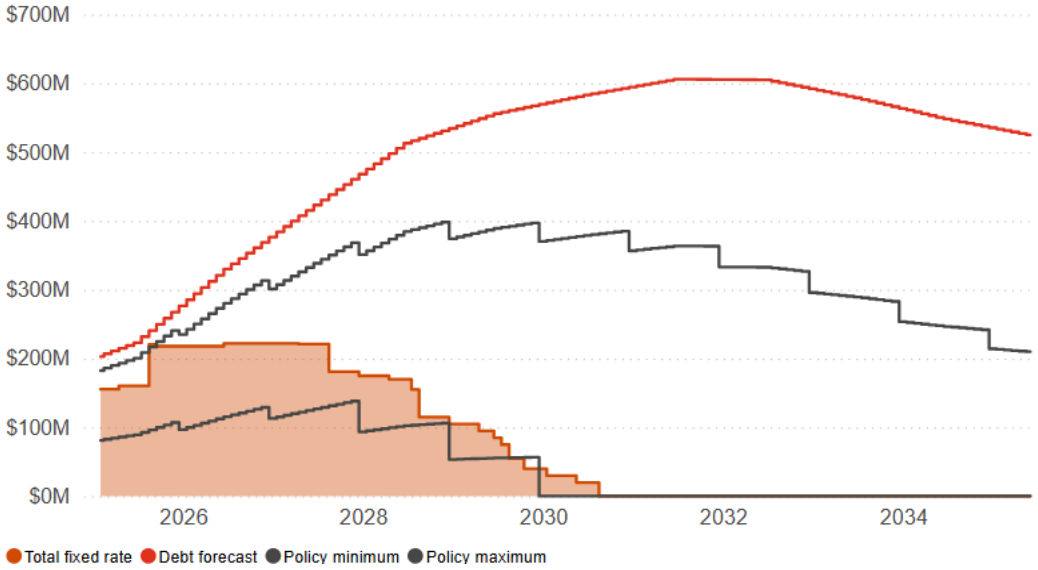


- The above graph represents debt forecast scenarios: actual (yellow line) vs LTP 24/34 (orange line).
- Per LTP 24/34, the projected total borrowings are **$249m** as at 31 December 2024.
- Actual total borrowings are **$215m,** tracking **$34m** favourably to the LTP 24/34 forecast. This is due to a delay in commencement of capital projects that the borrowing is designed for.

INTEREST RATE RISK MANAGEMENT

Q2 2025	Key Metrics
$155.5M	Total fixed rate instruments
72.0%	% of total exposure fixed/hedged
3.65 years	Average duration of fixed debt
4.80%	Pre-hedging cost of debt
3.86%	Post-hedging cost of debt

Interest rate risk timeline



- Over **70%** of Council's debt is **fixed**. This minimises interest rate exposure.
- Interest rate swaps are used to fix a portion of the LGFA floating borrowing to effectively manage the interest rate pricing risk and ensure compliance with the Council's Treasury Risk Management Policy.
- Council is proactive at exploring and implementing strategies for hedging interest rate pricing risk, in consultation with PwC.
- As seen in the graph (area highlighted in orange), Council's total hedged interest rate fits well within the maximum and minimum levels prescribed by the Treasury Risk Management Policy. The red line represents the forecasted levels of debt.
- The average post-hedging cost of debt is maintained at a rate under **5%.**

CASH INVESTMENTS

Q2 2025	Key Metrics
$0	Cash on-term deposit
$16.2M	Cash on-call
$5.0M	LGFA borrower notes
N/A	Average Interest on term-deposits
4.2%	Weighted average interest on LGFA Borrower Notes

- The Council's cash investments consist of term deposits and cash on-call held with New Zealand banks, as well as LGFA borrower notes.
- As at 31 December 2024, the combined balance on Westpac on-call accounts was **$1m.**
- As at 31 December 2024, there were no on-term deposits.
- No new on-term deposits were made.

OTHER MATTERS

Payback ratio

SDC's internal Treasury Policy requires a Payback ratio of <9 years.
The Payback ratio is calculated as follow: net borrowings/operating balance.

For the year ended 30 June 2024, based on the draft annual report, the payback ratio was 14 years and therefor in breach of the Treasury Policy.

Mitigating factors:

- The payback ratio does not form part of the LGFA covenant compliance process.
- Is estimated to decrease below 9 years in the 2027/28 financial year per the LTP.

COUNCIL PUBLIC REPORT

TO: Audit & Risk Committee

FOR: Audit and Risk Subcommittee Meeting – 24 March 2025

FROM: Julie Hands, Head of Legal and Risk

DATE: **17 March 2025**

SUBJECT: **Legal and Policy Report**

RECOMMENDATION

'That Audit and Risk Subcommittee receive the Legal and Policy Report'

1. PURPOSE

To provide an update to Audit and Risk Subcommittee on:

- Establishment of legal function;
- Legal Compliance Training;
- Legal Claim;
- Upcoming legislative change;
- LGOIMA compliance;
- Policy programme; and
- Non-financial delegations review.

2. HISTORY/BACKGROUND

A formal Legal and Risk department of Council was established in September 2024, with the recruitment of a Head of Legal and Risk. The Legal and Risk department is responsible for the following functions which fall within the oversight of the Audit and Risk Committee:

- In-house legal (to extent it relates to Statutory Compliance);
- Risk management and internal audit;
- Organisational policy framework;
- Privacy; and
- LGOIMA.

In November 2024, the Head of Legal and Risk brought two papers to the Audit and Risk Committee, being the LGOIMA and Policy Updates. Further to this it was requested that in future a combined legal, policy and LGOIMA report be developed.

This report is the initial version of the requested report. The content of this report will continue to evolve and develop as the functions do.

Risk and Internal Audit papers continue to be separate reports.

The 'Policy Programme Update' section of this report follows on from the standalone report on the same subject provided to Audit and Risk Committee in the November 2025 meeting.

The non-Financial Delegations Review Update, relates a review initiated by the CEO in 2024. This has not been previously reported to the Committee, however is included in this report for information only, given the nature of non-Financial Delegations as a key control. This can removed from future reports if not desired by the Committee.

3. DISCUSSION

Legal Function Establishment

Selwyn District Council employed two further Senior Legal Counsel focusing on commercial, property and public / regulatory law in mid-January 2025. We also now have a Legal Counsel – Policy and Compliance who has been redeployed from another department to focus on operationalising the policy framework, delegations and supporting training and compliance activities.

The team are focusing at this early stage on building relationships, converting spend from external to internal resource and growing the awareness and maturity of the organisation in respect of legal risk and controls. In respect the team are focused on building relationships.

Since October 2024 the team have received instructions on 196 independent matters. A monthly break down is shown below.

New jobs by month	Matters opened	Matters closed
Pre-August 2024	5	0
August 2024	3	0
September 2024	3	0
October 2024	36	5
November 2024	26	17
December 2024	21	10
January 2025	30	9
February 2025	52	46
March 2025	20	14
	196	**101**

A running estimate of time has been applied for each matter. Using a blended rate equivalent to our external advisors, this represents a $247,000 value of work completed.

Accounting for in-house efficiency (i.e. easy access to staff and domain knowledge) this value could conservatively be lifted to $370,000.

Legal Training and Processes

With the on-boarding of the new team, an initial legal training programme for the Council is in the process of being developed. Training being an important control that be applied for the management of legal risk.

Legal training that has been facilitated for key roles and senior management since ARC include:

- Privacy (Senior Management)
- LGOIMA Principles (Offered Council wide)
- Local Water Done Well Briefing (ELT plus key stakeholders)
- Record of Title Interpretation (Building consenting team)
- NZ3910 Construction Contract – How to complete (Capital Works Projects Team)
- Local Government Consultation Principles (Scheduled for April – Communication Team)

Privacy will continue to be a focus of the team and a series of workshops and trainings will be run over the next six months, with the aim of lifting awareness and capability in across Council staff. Other topic areas being explored for an initial programme include:

- Local Government Decision-Making
- Fast-Track RMA Consenting Processes

Legal Claims

The legal team are not handling any formal legal claims at this stage. We are aware of four potential claims in respect of our regulatory activity, however no formal claims have been received. Most concern minor issues and are likely to resolve with minor impact, one claim could however result in reasonable financial compensation, if so this expected to be under $100,000 (this does however fall below our insurance cap).

Significant Legislative Changes

There are a number of significant legislative changes which the legal team are tracking that may have cross functional impact across Council. This is in line with the Government's agenda to overhaul development frameworks and the structure of local government. While we are continuing to develop our processes for tracking legislation we can confirm we are either actively tracking or involved in the implementation of changes in relation to:

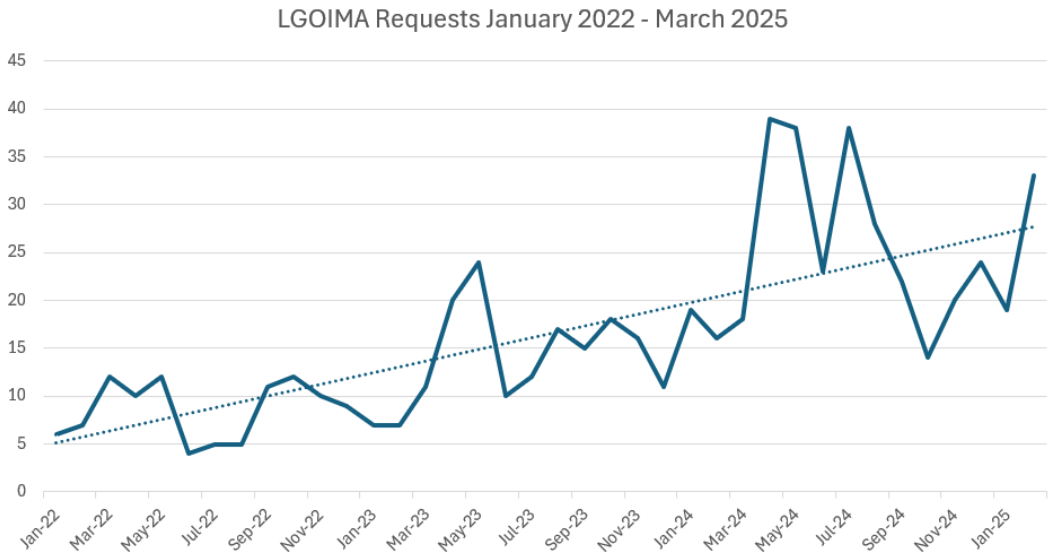
- Local Water Done Well Legislation;
- Public Works Act Amendment;
- Upcoming changes to the Resource Management Act;

- Local Government Structuring Bill (expected to be introduced in mid-June)
- Fast Tracking Consenting Act

LGOMIA Update

Since reporting in October, as at 14 March 2025 we have received another 101 LGOIMA requests. This brings the YTD total to 206 for FY 24/25. This compares to a YTD total of 142 for the same period FY23/24.

Since November we have completed or extended our LGOIMAs all within the required statutory timeframes. This is a significant improvement against the January – July 2024 period, where 22% of all request were completed outside statutory timeframes.



There are no common themes in the requests recieved. Reading into this indicates the trend of increasing numbers of LGOIMAs will continue and is likely generated by a general raising interest in Council activity.

In terms of resourcing, due to process improvements and efficiencies we have been able to release the temporary administrative resource in the LGOIMA function at the end of February.

One of our new Senior Counsel's has been working with our LGOIMA Advisor to streamline the process to allow for quicker responses and work towards embedding a process for publishing LGOIMA response and proactive release. We expect to be able to provide an update on this in May the meeting.

Ombudsman Self-Assessment

We have completed the review of our LGOIMA function in two key areas using the Ombudsman Practice Self-Assessment Tool.

The review demonstrated several areas of improvement in terms of internal efficiencies to search for, collate and assess withholding grounds for LGOIMA responses. None of these were however unknown or surprising and in some cases improvements are already underway.

Example actions include:

- *Digital system and document storage improvements to better facilitate document searching*. The digital transformation project will assist with this.
- *Developing intranet and document collation systems to improve efficient collation of documents*. This will again be addressed in the digital transformation project.
- *Developing improved internal guidance for staff to assist with understanding of LGOIMA processes*. Further training will be developed and rolled out over the next 12 months in relation to this.
- *Developing improved external LGOIMA webpage for better public understanding of Council LGOIMA process*. This is being discussed with the digital team.
- *Recording additional information to ensure an audit trail for LGOIMA withholding decisions and public interest tests*. The team are considering how best to address this.
- *Rolling out new staff training*. While training exists this needs to be updated.
- *Proactive LGOIMA release framework.* This is being developed.

Ombudsman Complaints

Council has been notified of four Ombudsman Complaints since November 2024 relating to historic LGOIMA issues. The complaints relate to either delay, withholding without grounds or indequete response / delay extensions.

All complaints were either closed by the Ombudsman without investigation or resolved during the course of preliminary investigation. There have been no adverse findings against Council.

Where the preliminary investigations exposed process issues, these have been identified as historic and the team have worked with the wider Council teams to ensure process gaps have been identified and resolved.

Update to Policy Review Programme

Since the last report to Audit and Risk Committee in November 2024, the number of ‘current’ policies is increasing and the overdue policies are decreasing. Specifically:

- There are 49 ‘current’ policies in place, compared to 40 in November 2024;
- The are 97 overdue policies compared to 108 in November 2024.

As this trend continues to decrease we can have greater confidence of the controls in place.

A paper is being prepared to be sent to Council, subject to ELT approval which will bulk rescind those policies which have been identified as being superfluous as part of the Policy Review.

A new policy management tool and library is in development and will be launched in Quarter 3. This will improve reporting, allow easier access to policy by staff and allow better management and oversight of the policy review process by staff.

Non-financial Delegations review update

All groups have now provided initial feedback on their non-financial delegations.

Additional time for each group to complete their review was extended to 14 March, given the current resource pressures on teams across Council. A Councillor briefing will be provided in the next two months. Date to be confirmed.

The extra time also allows for the delegation review to accommodate any Council decision on 2 April re Local Water Done Well. The review can either identify those powers which will transfer to WSCCO or ensure they are adequately recorded in-house, dependent on decision.

4. ALIGNMENT WITH COUNCIL PLANS, STRATEGY, POLICY AND REGULATORY/COMPLIANCE OBLIGATIONS

Waikirikiri Ki Tua/Future Selwyn

This report is generally in alignment with Waikirikiri Kia Tua / Future Selwyn as the functions underpin effective delivery of the functions and risk management.

5. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT

"The matters of this report are assessed as being of Low significance, in accordance with the Council's Significance and Engagement Policy."

6. VIEWS OF THOSE AFFECTED / CONSULTATION

In making a decision Council needs to knows enough about and give adequate consideration to the views and preferences of affected and interested parties. The degree to which Council seeks views of affected and interested parties will be proportionate to the significance of the decision or issue being considered.

(a) Views of those affected and Consultation

Not applicable to this report

(b) Māori and Treaty implications

Not applicable to this report

(c) Resiliency and Sustainability considerations

Not applicable to this report

7. FUNDING IMPLICATIONS

There are no funding implications associated with this report.



Julie Hands
HEAD OF LEGAL AND RISK

Endorsed For Agenda



Steve Gibling
EXECUTIVE DIRECTOR OF PEOPLE, CULTURE AND CAPABILITY

REPORT

TO: Chief Executive Officer

FOR: Audit and Risk Subcommittee – 24 March 2025

FROM: **Robert Love – Executive Director Development and Growth**
Tim Mason – Executive Director Infrastructure and Property
Emma Larsen – Head of Planning
Murray England – Head of Infrastructure

DATE: 14 March 2025

SUBJECT: **Development Timelines Update**

RECOMMENDATION

'That the Audit and Risk Subcommittee receives this report'.

1. PURPOSE

The purpose of this report is to detail the development issues Selwyn District Council has been facing, the actions we have put in place to date, and to detail the future actions we will take.

Furthermore, it is to demonstrate that the actions we have been putting into place are working in issuing more decisions at the highest ever rate.

2. SIGNIFICANCE ASSESSMENT / COMPLIANCE STATEMENT

This report has been assessed against the Significance and Engagement Policy. The degree of significance attached to this is considered low, as this report is for information purposes only, rather than seeking a decision.

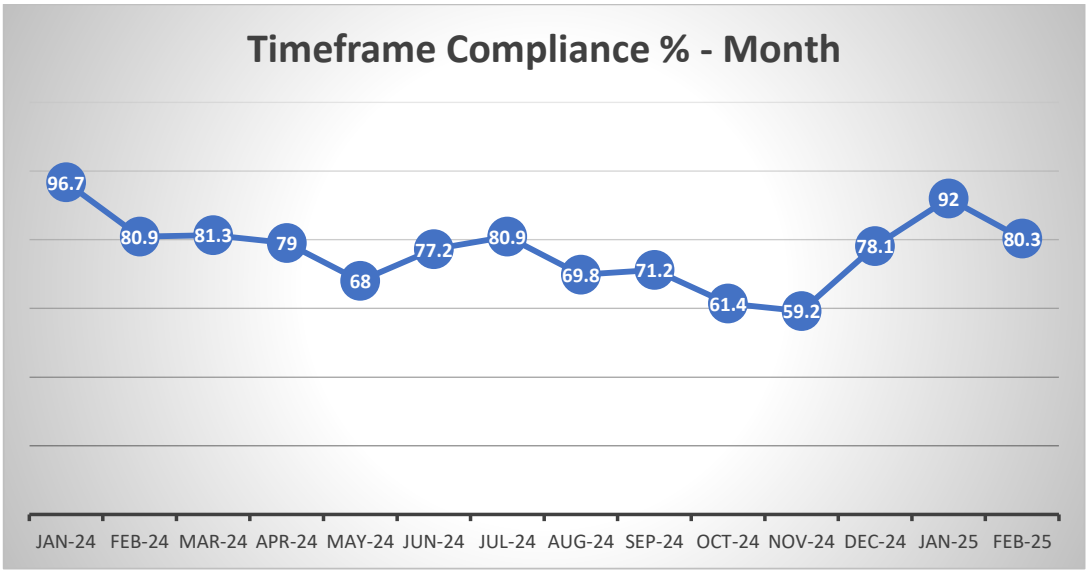
3. HISTORY / BACKGROUND

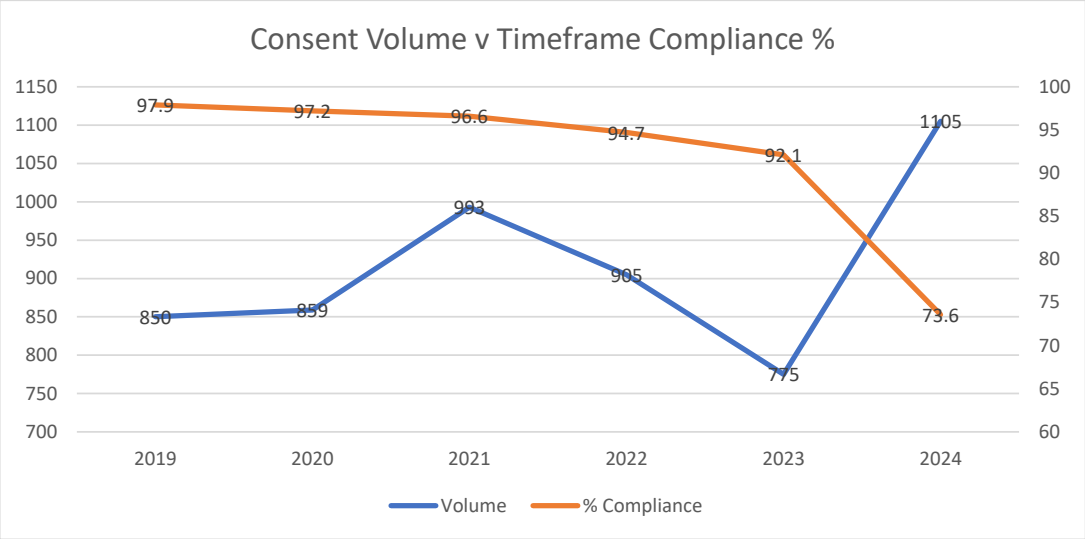
Due to a mixture of a general high consent loading starting from November 2023 to date, including a surge of subdivision consent applications (10 plus years of supply) ahead of the new Development Contributions (DC) Policy in the middle of 2024, our Teams have gotten behind in processing consent applications and other approvals, affecting our statutory timeframes.

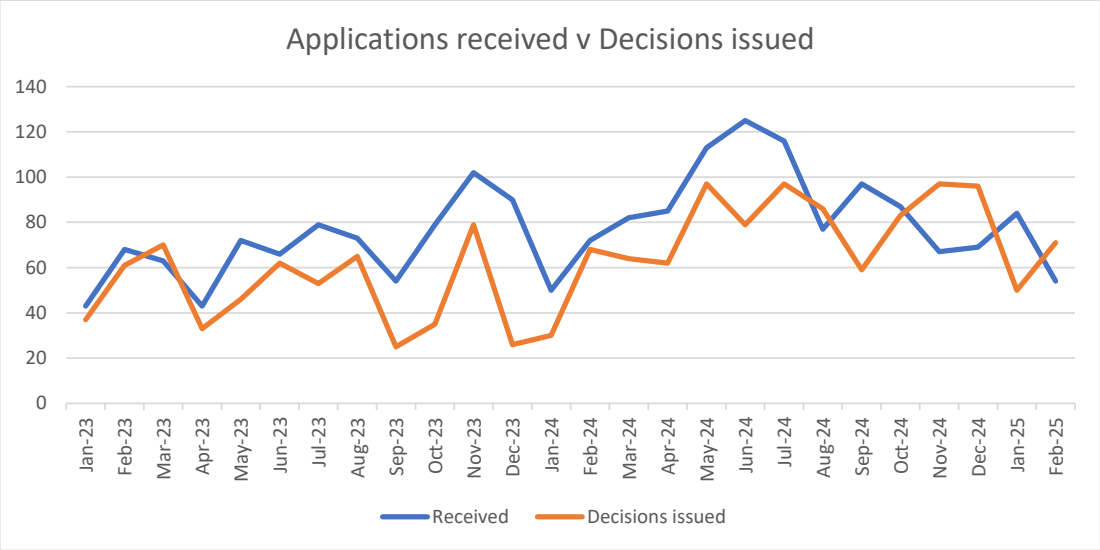
Under the Resource Management Act 1991 Council is required to process non-notified resource consents within 20 working days. Over approximately the last 12-months Council has been applying a 20-working day timeframe extension to most consents to reflect the complex planning environment of having two active district plans whilst appeals to the Proposed District Plan have been worked through.

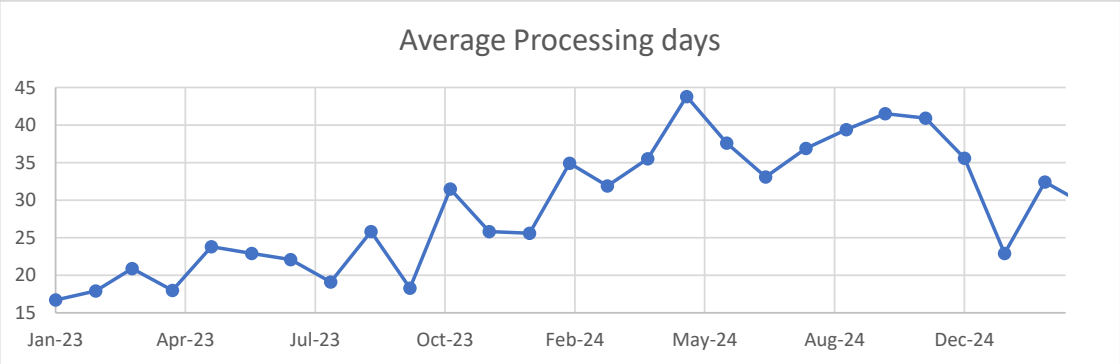
It should be noted that while consent volumes are high, there are other associated processes that sit outside the consent process related to the development journey that also require the same departments of Council to action. This means that only consent process is visible, monitored, and reported on.

Although anecdotal, the feedback we have received from the resource consent planners is that changes to the planning framework providing for greater residential density has increase the complexity of the planning assessment, particularly in relation to urban design, transport, and servicing considerations.









Note all statistics are accurate as of 12 March 2025.

For context given the timeframes involved in these processes and the 20/40 working day requirements, there are always lags in the system. For example, a high volume of consents may be received in June, but their timeframe compliance only gets logged when a decision is made which could be a few months later.

These graphs illustrate that Council received a spike of applications in the latter part of 2023 which caused a timeframe compliance issue through to May of 2024, with positive progression on timeframe compliance being made up to the end of July 2024. Timeframe compliance suffered a second drop due to the spike in applications being received through the middle of 2024, some of this due to the change in the DC Policy coming into effect on 1 July 2024.

From approximately April 2024 Council has significantly increased its ability to process and issue decisions on applications to the point of being able to issue more decisions than applications being received, which means the backlog is being cleared.

Further to the point of the applications lodged after 01 November 2024 that have had a decision issued, 138 of 151 (94%) of decisions have been issued within statutory timeframes with an average of 16 working days.

4. **Actions to date:**

Resourcing:

Resource Consents

In the Resource Consents section, we're actively working on a recruitment program to bring on seven additional full-time employees, including four new planning positions. So far, we've successfully filled two Resource Management Planner positions and one Graduate Planner position. Additionally, a new Senior Planner joined us at the end of January.

However, due to resignations and a promotion, we still have a Team Leader Resource Consents vacancy, two Senior Planner vacancies and a Resource Management Planner vacancy, which we are actively recruiting for. The employment market for experienced planners in Canterbury is very competitive, making recruitment challenging.

Recognising the difficulty in recruiting experienced planners, we have hired two additional Planning Technicians. While Planning Technicians are not qualified

planners, we train them to become skilled in assessing compliance with the District Plan. They primarily assess building consent applications for District Plan Compliance and deliver our frontline duty planner service. This approach allows our experienced planners to focus on functions that require their skills and expertise, such as resource consent assessment. The two new Planning Technicians started at the end of January, and we still have one more Planning Technician role to fill due to a recent resignation.

To further support the team, we've also recruited an additional administrator who has been in the role for several months now.

Development Engineering

The development engineering team has brought on two additional Development Engineers, a Landscape Development Advisor and a Development Engineering Technical Advisor which was a refocus of an existing role. Two additional Development Engineering roles have been appointed and will be on board from 7 April. Additional consultant resource continues to be utilised.

This brings the team from 5 FTE + 1 Consultant to 11 FTE and 3 Consultants. When comparing the team from one year ago.

General Considerations

To note as our staff of cost is largely driven by fees and charges, it can be a fine balance between having too many FTE and not enough, with a surplus of staff resulting in a higher rates burden, and a deficient number meaning timeframe compliance issues.

In addition to brining on additional in-house resource we have expanded the pool of external consultants in both the consenting and engineering spaces. Generally, we have tried to keep this pool of resource narrow to avoid consistency issues, but the high volume of work has necessitated the increase. While we are receiving complaints about consistency issues, we are quality assuring where resourcing allows, prepared and preparing further practice guides, and as volumes continue to reduce and internal staff are trained and become more proficient, we will look to narrow this pool of externals again.

<u>Development Documents review and amendments:</u>

Our Council documents were created when most development was one house per lot, with the Central Government requiring the bringing in of medium density zoning, which then permitted three houses per lot in areas only ever designed for the standard 1:1 pattern of development. This change in density has the potential to put pressure on our infrastructure and has meant that a lot of medium density type development has, at times, had difficulties getting through our engineering processes. The Engineering Team held a workshop (16 Oct) with our development community to identify process improvements and discuss capacity considerations.

Two initial tasks identified was developing a global approval for multiple connections under the Bylaw and reviewing the number of connections that can be connected to the Council's 100mm wastewater lateral. A report to the 11 December Council meeting sought a resolution to facilitate approvals under the bylaw which was approved. The engineering team have now reviewed the technical considerations of multiple connections to a single lateral and confirm that this is appropriate with conditions. Both matters have now been resolved and will be communicated to the development community via the next newsletter.

The development engineering team are currently reviewing engineering drawings, website and further developing online application forms. To improve communication and advice channels for our Developers, a dedicated phone line has been created alongside a duty roster of Development Engineers.

District Planning:

The Proposed District Plan Decisions version (Partially Operative District Plan) was notified on 19 August 2023, which at that point gave significantly more weight on the Plan. However, as the appeals phase was still occurring, this meant only part of the new plan was operative, meaning the existing District Plan still had legal weight. What this meant was that resource consent application had to be assessed against both District Plans resulting in a significantly increased amount of time to be spend on each consent application, on top of the record high volumes of consents being received.

The provision-based appeals on the new plan have now largely been dealt with most applications now only being assessed under the new plan. This has meant that 20 working day timeframe extension that has been applied to applications has now largely been taken off.

Engineering Pre-Approval:

Council as of the 1st of November introduced the need to obtain an engineering pre-approval to demonstrate that the development can be serviced prior to either a building or resource consent being applied for in order to reduce the complexity and workload of those consent processes.

As of 31 December 2024 39 pre-approvals had been applied for, with 17 being approved at an average timeframe of 19 working days or 14 working days when request for further information timeframes are removed. Numbers up until 28 February increased the total number of applications to 65 and the average processing timeframe of 32 working days or 20 working days when request for further information timeframes are taken into account.

Digital:

Digital automation software (RICO) is now being used by our resource consent planning teams. This software helps to review applications and provide auto populated reports with all relevant rules. This is typically an administrative heavy type of function that our consent planners would have been performing to date. This software can save up to four hours per consent, meaning our planners can then be better utilised in making planning assessments, and can reduce processing costs for applicants. This software also helps with accuracy, ensuring all parts of the District Plan are assessed, and consistency across what is becoming a large resource consent planning team.

Live tracking Dashboard (internal and external):

For the first time SDC can now live track the timeframes of consent applications whereas previously manual monthly reporting had to occur in order to understand our performance.

In addition to this internal dashboard, SDC has now developed an external facing dashboard which will list all current applications, the stage of their process, and processing days.

5. NEXT STEPS

The pressure on Council's systems and people has meant that a backlog started to build up through the 2024 year. While the majority of this backlog has now been processed, we currently don't have any quick ability to obtain visibility over if and where in the process backlogs are occurring.

Therefore, Council is going to be undertaking a development process mapping exercise to look at a developments journey through the entire council process, rather than just tracking statutory processes and timeframes.

Once we understand this journey, the touch points, and how long an application should be at each touch point within Council, an internal service tracker will be created so the progress of an application can easily be viewed, and any pinch points quickly identified.

6. VIEWS OF THOSE AFFECTED / CONSULTATION

(a) Views of those affected

Whilst no views of affected parties have been sought to inform this report given it is a for information only report, Council is now communicating with the development community via a regular newsletter, and hosting industry sessions, with the next on of these to occur in February/March.

(b) Consultation

No consultation has occurred as this report is for information only.

(c) Māori implications

There are no implication to Māori.

(d) Climate Change Considerations

There are no climate change considerations associated with this report.

7. FUNDING IMPLICATIONS

There have been financial implications of this issue as Council is required under the Resource Management Act to discount 1% of the cost of processing the consent per day it is overdue (up to a maximum of 50%). As of 07 March 2025, the amount that has been discounted is $149,432.

Endorsed For Agenda



Robert Love
Executive Director – Development and Growth



Tim Mason
Executive Director – Infrastructure and Property



Emma Larsen
Head of Planning



Murray England
Head of Asset Management

RESOLUTION TO EXCLUDE THE PUBLIC

Recommended:

'1. That the public be excluded from the following proceedings of this meeting.

The general subject matter to be considered while the public is excluded, the reason of passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		*Reasons for passing this resolution in relation to each matter*	*Ground(s) under section 48(1) for the passing of this resolution*	*Date information to be released*
1.	Public Excluded Minutes	*Good reason to withhold information exists under Section 7*	Section 48(1)(a)	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

1	enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or enable any local authority holding the information to carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 7(2)(h) & (i)

2. that appropriate officers remain to provide advice to the Committee.

Unuhia, unuhia	Remove, uplift
Te pou, te pou	The posts
Kia wātea, kia wātea	In order to be free
Āe, kua wātea	Yes, it has been cleared