


Selwyn District Council

Summary Annual Report 2022/23

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Welcome to

Selwyn District Council's Summary Annual Report 2022/23

This summary provides an overview and summary of Selwyn District Council and group's activities and services for the year ended 30 June 2023. The information has been extracted from the full annual report for the year ended 30 June 2023 adopted by the Council on 6 December 2023. The full financial statements have been prepared in accordance with, and comply with, Tier 1 PBE accounting standards. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand and complies with PBE FRS 43 Summary Financial Statements.

The summary cannot be expected to provide as complete an understanding of the Council's performance as the full annual report. The full annual report has been audited and an unmodified opinion issued.

The full Selwyn District Council Annual Report 2022/23 is available from Council offices and service centres, or online at selwyn.govt.nz.

From the Mayor and Chief Executive

Kia ora Selwyn

Tuia i runga, Tuia i raro, Tuia i waho, Tuia i roto

Tuia te here tangata, ka rongo te pō, ka rongo te ao. Tihei Mauriora!

I thread together the forces from above, from below, from within and from what surrounds us, to bind together the people here today. Let us live and prosper!

We are pleased to reflect on the Council's changes, successes, and challenges through the Annual Report for the year ending 30 June 2023.

Over the year we said goodbye to councillors Jeff Bland, Mark Alexander, Murray Lemon and Jenny Gallagher, as well as CEO David Ward. We welcomed Phil Dean, Elizabeth Mundt and Lydia Gliddon as new councillors and Sharon Mason as our new CEO. We look forward to our next chapter of service to Waikirikiri Selwyn.

We are proud to partner with Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga. In November 2022 we signed a Partnership Agreement with Te Taumutu Rūnanga and set aside seats on all our Committees for both Rūnanga. We know that these partnerships are key to doing the best for our people and whenua.

We have completed projects all over Selwyn including refurbishment of Darfield Community Pool, new public toilets at Lakeside and Lake Lyndon, our ReDiscover Education Centre at the Resource Recovery Park, Kakaha Park between Prebbleton and Lincoln, and the Youth Hub in Rolleston. We also engaged in national conversations to promote the Selwyn voice on legislative changes and the Future for Local Government.

Our strong rural economy continues while new and diverse industries flourish, attracting innovators, investors and creating jobs. Our economy's GDP growth has been 5.2 percent compared to the national average of 3.1 percent.

As we look to the next 10 years there are some challenges we will face to ensure Waikirikiri Selwyn remains the vibrant, prosperous, welcoming place we all love.

Climate change remains a key focus as we manage the effects from yesterday's emissions while reducing our impact on the environment today. We continue to work with the Regional Council and the Greater Christchurch Partnership to support investment in public transport and flood prevention.

Current interest rates and costs of labour has put pressure on our finances and lifting rates appropriately over the coming years will be a key conversation with our community.

We are optimistic about our future and know that by planning for the long term and keeping in mind our strategies and end goals, we can support the delivery of infrastructure and services to allow Rūnanga, families and businesses to all thrive in Waikirikiri Selwyn.

Thank you, Selwyn.



Sam Broughton, Mayor



Sharon Mason, Chief Executive









Te Mana o Te Tiriti

Giving Effect to Partnership

Selwyn District Council is committed to giving effect to its obligations to Te Tiriti o Waitangi and upholding the principles of the Local Government Act 2002. The principles include the provision of opportunities for Māori to participate in decision-making processes and seek to strengthen the relationship with Māori, their culture, traditions, land and taoka.

Located within the homelands of Ngāi Tahu, Selwyn District Council continues to find ways to work with mana whenua, Ngāi Te Ruahikihiki ki Taumutu and Ngāi Tūāhuriri to improve outcomes for the hapū, iwi Māori and the wider Waikirikiri Selwyn community. A relationship agreement between Te Taumutu Rūnaka on behalf of Ngāi Te Ruahikihiki ki Taumutu and Council sets a new path forward in this partnership approach.

Service Performance

2,688

building consents processed

706

resource consent
applications processed

479,706

visits to Council pools

422,963

visits to Council libraries

12,541 km

of grading completed on
unsealed roads

3.5 km

of shared paths built





Our Services

This year, the Council has continued to provide services that help make Selwyn a great place to live. Some of the things we do every day include:

- Maintaining over 3,000 kilometres of roads, footpaths, and cycleways
- Maintaining 2.49 kilometres of bridges
- Maintaining over 8,856 of streetlights
- Providing and maintaining 591 reserves and playgrounds, and 748 hectares of recreation reserves
- Providing and running the Selwyn Aquatic Centre and community pools. A total of 479,706 admissions were recorded at Council pools in the last year
- Providing and operationally managing delivery from 24 community centres and halls as well as Selwyn Sports Centre
- Issuing building and resource consents. During the year, a total of 2,688 building consents were issued and 706 resource consent applications were processed
- Operating a district network of libraries and service centres in Darfield, Lincoln, Leeston and Rolleston. The Council also provides a mobile library service (Edge Connector Vehicle) and assists two volunteer libraries

Significant performance measures

The following is a selection of our performance measures from our significant activities. Overall the Council achieved 114 out of 135 performance measures (84%).

✓ 84%

of townships where all residents are serviced by a reserve within 500 metres. (Target ≥70%)

✗ 23.66km

of sealed local road network resurfaced during the year. (Target ≥75km)

✓ 6.23

number of swims per capita of District population per year. (Target >4.5)

✗ 89%

treatment compliance from 1 January 2023 to 30 June 2023 with national standards for water standards for bacteria compliance. (Target ≥99.95%)

✓ 100%

of all urgent dog callouts were attended to within 2 hours. (Target 100%)

✓ \$109.51
per annum

total average operating cost per serviced property for water rates. (Target ≤\$200)

✓ 98%

of residents rating the performance of libraries in the resident survey as good or very good. (Target ≥90%)

✓ 0.367m³

of water consumed per resident on average per day. (Target <0.49m³)

✗ 60%

of building consents were issued within statutory time frames. (Target 95%)

✗ 70.3%

of transportation service requests were responded to within the timeframe specified. (Target >75%)



Group Performance

The Selwyn District Council Group reported an after-tax surplus of \$34.0 million in the 2022/23 financial year, a decrease of \$65.2 million on the previous year. The Group's net assets at 30 June 2023 are \$2.9 billion.

A significant 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 2023

| | Council | | | Group | | |
|--|--------------|--------------|-------------|--------------|--------------|---------------|
| | 2023 | | | 2023 | 2022 | |
| | Actual | Budget | Variance | Actual | Actual | Variance |
| Rates | 85.3 | 83.2 | 2.1 | 85.3 | 78.5 | 6.8 |
| Fees and charges | 25.5 | 25.7 | (0.2) | 24.9 | 24.6 | 0.3 |
| Development and financial contributions | 20.4 | 10.8 | 9.6 | 20.4 | 34.5 | (14.1) |
| Subsidies and grants | 13.4 | 12.7 | 0.6 | 13.5 | 26.3 | (12.8) |
| Interest revenue | 1.2 | 0.6 | 0.6 | 1.5 | 0.6 | 0.9 |
| Other revenue | 48.2 | 40.2 | 8.0 | 87.0 | 91.1 | (4.1) |
| Gains | 4.8 | - | 4.8 | 3.9 | 15.0 | (11.1) |
| Total revenue | 198.7 | 173.2 | 25.5 | 236.4 | 270.6 | (34.2) |
| Operating Expenses | 165.9 | 149.3 | 16.6 | 200.1 | 169.4 | 30.7 |
| Surplus / (deficit) before taxation | 32.8 | 23.9 | 8.9 | 36.3 | 101.2 | (64.9) |
| Income taxation expense / (benefit) | 0.1 | - | (0.1) | 2.3 | 2.0 | 0.3 |
| Surplus / (deficit) after taxation | 32.7 | 23.9 | 8.8 | 34.0 | 99.2 | (65.2) |

The Council's core operating expenditure in the year was \$165.9 million, which compares unfavourably with the budget of \$149.3 million.

Depreciation and amortisation expenditure \$6.2 million above budget largely due to the uplift in the valuation of water assets during the 2021/22 financial year.

Other expenditure \$10.7 million above budget, largely due to:

- \$5.0 million Transport operating expenditure associated with the July 2022 flood repairs of \$2.3 million (offset by Waka Kotahi funding of \$1.3 million) and an overspend on subsidised roading sealed pavement maintenance costs of \$1.5 million.
- Consulting and professional fees encompass planning consultants, legal, audit and general consulting. This group of expenses are above budget by \$3.0 million due to increased costs relating to building and resource consent processing.
- Other expenses above budget include building levies, IT licenses and reserves maintenance expenditure.

The Council's core revenue in the year was \$198.7 million. This strong performance was \$25.5 million higher than the budget of \$173.2 million. The robust nature of the Selwyn economy and continued population growth have been a significant factor behind the positive revenues.

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 \$9.6 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 is \$5.4 million higher than budget due to the higher-than-expected level of housing development activity. 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 not available to reduce rates.

Subsidies and grants revenue was higher than the budget of \$0.6 million due to the recognition of affordable water reform grant funding.

Land sales revenue was higher than budget by \$2.2 million due to the sale of land in the Rolleston Town Centre being above what was budgeted.

Gains from the movement in the fair value of investment property was \$2.7 million above budget due to the movement in the valuation of the Council's investment property.

The Council also recognised non-cash revenues from the fair value movement in the valuation of the Council's interest rate swaps, these were \$1.1 million above budget.

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 2023.

Rolleston Town Centre and Reserve

Council completed and opened the \$2.7 million Youth Zone within the Rolleston town centre development. The area includes an eagles claw basket swing, outdoor furniture, basketball and netball hoop, gaga ball pit, hangout zones, and skate facilities including a pool bowl, flow bowl and snake run.

The majority of the Rolleston Town Centre Carparks have been completed, providing a total of around 550 carparks to the Reserve and Town Centre. Work continues with our development partner, Cooper Developments, to see the opening of three commercial buildings in the Rolleston Town Centre. The construction and fitout of a fourth building (a total of nine planned) is nearing completion at the end of 2023.

Council also began construction of the Reserve Greenspace either side of the Youth Zone. Construction will be completed in early 2024.

Darfield Pool Upgrade

The first stage of the Darfield Pool \$2.4 million redevelopment was completed over the winter period of 2023. This 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 is expected to be completed in time for summer, with some exciting new additions for leisure swimming. A toddler splash pad, water play area, three metre hydro slide, picnic tables and seating areas will cater to all ages and provide a great visitor experience to the pool. Upgrades in this stage also include new heating and filtration to all pools.

ReDiscover

ReDiscover, the new waste and sustainability education centre and key stage of the ReConnect Pines Resource Recovery Park project was opened in April 2023. ReDiscover provides free waste minimisation and sustainability programmes for schools and community groups across the Selwyn District.

ReDiscover's Waste and Sustainability Educators provide both outreach and on-site programmes designed around the themes of "Reduce, Recycle and Recover" and the principles of a Circular Economy. This is a system where materials never become waste and nature is regenerated.

Kakaha Park

The first stages of Kakaha Park between Prebbleton and Lincoln opened in the 2022/23 year (Stage 1a November 2022 and 1b June 2023). This 13-hectare area opened to the public featuring a new two-hectare dog park, three full and one half sports fields, LED lighting to sports fields, changing room pavilion with public toilets and storage areas for sports clubs. Other features include an outdoor covered pergola, playground, cycle trails and boardwalks, a snake run, directional signage, and over 400 carparks.

The name Kakaha Park has been gifted by Te Taumutu Rūnaka and Te Ngāi Tūāhuriri Rūnaka for the 22-hectare park. Kakaha is the Māori word for *Astelia fragrans* or bush lily — a native flax-like plant often used for weaving.





Service Highlights

A Strong Economic Growth Track

Selwyn's economy has continued to significantly outperform national and regional averages over the 2022/23 year. Data from independent analysts, Infometrics, show Selwyn recorded strong economic growth of 5.2% over the year to June 2023, well ahead of the national average of 3.1% and the Canterbury region's growth rate of 4.1%. This result places Selwyn as one of Aotearoa's fastest growing economies during the year.

Employment growth has also outpaced national averages, increasing by 6.3% in the year to June 2023. This was higher than the New Zealand growth rate (2.6%) and the Canterbury region (2.8%) and overall was the highest employment growth rate in country. The annual average unemployment rate in Selwyn was 2.1% in the year to June 2023, down slightly from 2.2% in the previous 12 months. Selwyn continues to record lower unemployment than the rest of New Zealand (3.4%) and the Canterbury region (3.0%).

Compared to 2021/22 Selwyn's building and construction sector has slowed compared to record highs of the last two years. Due to market pressures and changes to the building code requirements, residential consents were down 18.9% compared to 12% nationally over the year to June 2023, with 555 less new dwellings consented in the year.

Non-residential building consents to the value of \$211.3 million were issued in Selwyn during the year to June 2023, a decrease of 31.7% from the record highs of the previous year. After bucking the national trend and increasing by 30% last year, house prices began to follow the national slow down, down by 7.1%, over the June 2022 year, compared to an 11% drop nationally.

Strong population growth and a diverse economy continue to underpin good consumer confidence reflected in a 13.4% increase in consumer spending over the year to June 2023. Tourism expenditure in Selwyn continued its rapid growth, up 29.7% in the year to June 2023.

Planning for Future Growth

The Part Operative Selwyn District Plan is a key document in helping the Council to plan for, and manage, the future growth of the District. Significant progress in the review of the District Plan has been achieved in 2022/2023, with hearings completed and decisions issued in August 2023. Decisions were also released for Variation 1, relating to new housing intensification rules. This variation allows for more housing and at greater heights in some residential areas in Rolleston, Lincoln and Prebbleton. The change was required following the Government's introduction of the National Policy Statement on Urban Development (NPS-UD) 2020 and the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021.

As a result of decisions on Variation 1 being notified, the Proposed Plan was renamed as the Partially Operative District Plan to reflect that some provisions are now fully operative.

Appeals that have been lodged against decisions on the submissions to the Proposed District Plan, and decisions of Requiring Authorities, will be either resolved through mediation or heard by the Environment Court from late 2023. It is also planned to commence further variations and plan changes to reflect newer national policies, and other identified matters.

Council continues to work through the Greater Christchurch Partnership as well as the Whakawhanake Kainga Komiti. The partners continue to work on the Greater Christchurch Spatial Plan, the Mass Rapid Transit Business Case and other transport investments, as well as a social and affordable housing action plan and other commitments. The Spatial Plan is expected to be signed in late 2023 and provides a 30-year direction for urban growth and planning.

Council is also progressing its own strategies, namely Future Selwyn, and associate Area Plans and Action Plans to provide long-term direction for the district.

Meeting our Community's Growing Needs

A number of major new facilities were completed in Selwyn District in the 2022/23 year, as the Council continued to invest in services to support a growing population.

Lincoln Domain

5.6 hectares of additional land was purchased for an extension to Lincoln Domain. This is a critical parcel of land that provides extra sports and recreation space to meet the growing needs of the Lincoln community. Part of the land will also be used to construct an extension to Meijer Drive to link to Boundary Road, providing an alternative route to Lincoln Town Centre and a frontage for the park. The land provides a contiguous green link from the existing Domain and Lincoln Event Centre to Lincoln High School, Lincoln Cemetery, Golf Course and Mahoe Reserve and to the residential areas to the north of Boundary Road. Planning is now underway for the development of the land.

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 new public conveniences on State Highway 73 at West Melton and Sheffield as well as a replacement facility for Lincoln Township. A new public toilet is also under construction at Hororātā that will service both the travelling public and the Reserve. The Council has been progressively installing wastewater dump stations for campervans and caravans to support the growing number of tourists visiting the district and a new facility has been installed in I-zone, Rolleston which incorporates a dual discharge system.

Tārerekautuku/Yarrrs Lagoon

The 81-hectare Tārerekautuku/Yarrrs Lagoon restoration project is progressing well. The project is now in its second year, and work completed to date includes willow control across approximately one-third of the site, the planting of 7,000 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.

Waihora Whata Rau Project

The building of a new combined community centre, library and service centre facility on Leeston Park was included in the 2021–31 Long-Term Plan with a budget of \$8.9 million.

Planning and feasibility work has commenced for the development of a new Cultural Centre, Community Centre and Library for Leeston. The vision is to create a vibrant and inclusive community hub that provides a welcoming place in Ellesmere for people to socially connect and participate in diverse activities.

The facility is planned to be located on Leeston Park and the wider project includes the redevelopment of Leeston Park. A master plan for the park has been prepared with community input to guide the redevelopment work.

Whata Rau is the name gifted for the facility from Te Taumutu Rūnaka, which will house the library and community facilities. This name recognises the many platforms and storage houses of knowledge and resource to be found throughout the district. It also references the significant resources of Kā Pākihi Whakatekata o Waitaha and Te Kete Ika a Rākaihautū Lake Ellesmere. The broader project for Leeston is known as Waihora Whata Rau.

Community Centres and Programmes

The number of fitness programme participants across the Selwyn facility network has exceeded its target for another year, with Selwyn Sports Centre, attracting 45,594 participants of the 67,591 total participants across facilities.

The number of visits to Council staffed community centres continues to exceed target with Selwyn Sports Centre achieving 277,540 visits and Lincoln Events Centre, Rolleston Community Centre and West Melton Community Recreation Centre achieving a combined 180,934 visits.

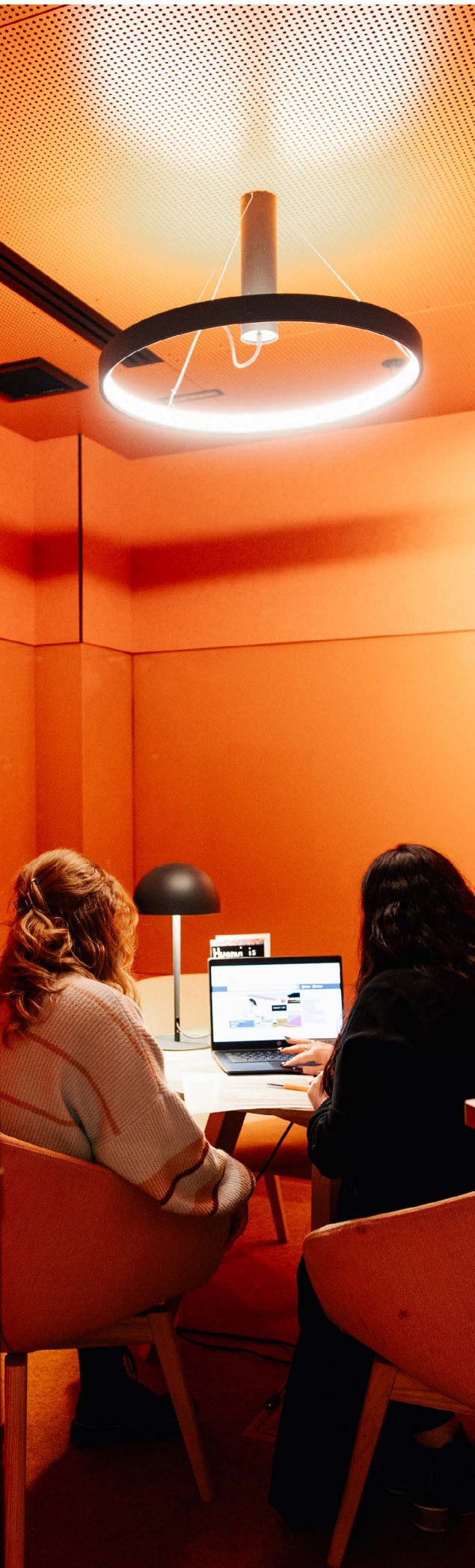
Council facilitated opportunities targeting community groups and clubs by increasing capacity, effectiveness and resilience, exceeded participant targets for another year. More than 142 events were delivered by Council across the district.

Selwyn's library service centre network continued to provide an expanding range of lifelong learning opportunities for residents. The number of "in person" as well as digital "visits" and loans has continued to increase, as has the number of lifelong learning, arts and cultural programme/session participants.

Selwyn Aquatic Centre exceeded its target for both visits and Learn to Swim classes.

An internal space has been repurposed within Rolleston Community Centre (previously the Rolleston library area) to serve as an Integrated Youth Hub trial. The participation of a number of community groups delivering services, programmes and events for youth is appreciated and key to this trial being successful. The Hub sits alongside Rolleston Town Centre and the Youth Zone.





Providing Essential 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. Major projects completed in 2022/23 included Goulds/East Maddisons Road roundabout, a major carpark in Rolleston, and the upgrade of Railway Road providing improved access for multi modal transport. A new slow speed zone was also introduced on Markham Way from Norman Kirk Drive to the Rolleston town centre including footpath renewals, traffic calming infrastructure and road marking. Other key projects include:

- The road widening project along Weedons Ross Road was completed following on from the work previously delivered in 2021/22.
- The renewal of the large Whitecliffs Culvert was completed to reduce flooding risk and future proof the erosion of the road in future flood events.
- The shared path extension was constructed at Whitecliffs to create better connectivity between the communities of Glentunnel and Whitecliffs.
- A safety project was delivered at Broadlands Drive which included raised safety platforms, improved Kea facilities and improved road marking.

Following the July 2022 weather event, major repairs were required to Selwyn District's roads, culverts and bridges. Following previous events of similar intensity, it was encouraging to identify that although major repairs were required, these were less than had been anticipated. This was in part due to the repairs previously delivered after the May 2021 event which improved network resilience following that event. The repairs to the July 2022 event came at a total cost of around \$2.3 million which was greatly reduced from the previous event.

The Council continued to work with Waka Kotahi NZ Transport Agency on transport improvements, including projects in Rolleston and West Melton as part of the New Zealand Upgrade programme. Among this year's work was further consultation on amended proposals for a flyover between Rolleston township and its industrial hub, and the completion of the construction of traffic signals at SH1 West Melton.

The provision of water services to Selwyn residents saw a significant focus this year on upgrades and renewals to supply to ensure continuing good service long-term and to meet compliance criteria under the new Drinking Water Standards.

This included completing the requirement for temporary residual disinfection (chlorination) on all public drinking water supplies, along with \$1 million of additional monitoring to ensure quality of water across the network, and over \$2 million of upgrades or renewals to treatment plants and reservoirs across the district.

The Council continues to work with drinking water authority, Taumata Arowai, around the costs and requirements to gain exemptions from chlorination for temporarily chlorinated supplies. Selwyn was the first Council in the country to apply for an exemption from chlorination, for the Rakaia Huts water supply. This application was declined by Taumata Arowai in February, however, the Council is working with the authority on options to achieve an exemption.

Significant Water Treatment Plant upgrades were completed on the Darfield, Malvern Hills Hartleys, Prebbleton and West Melton schemes, while an upgraded treatment plant and new reticulation were installed for the Taumutu water supply.

Overall, Selwyn continues to maintain one of the least expensive and most reliable water networks in New Zealand. The independent Water New Zealand National Performance Report shows that for the third consecutive year, Selwyn had one of the lowest volumetric water charges in 2021/22, and among the newest water and wastewater pipes.

Construction of the 27km wastewater pipeline connecting Darfield and Kirwee to the Pines Wastewater Treatment Plant was completed. The pipeline is the first step in a new wastewater system for Darfield and Kirwee, which the Council approved following agreement on the 2021–2031 Long-Term Plan. The \$21m project was supported by \$10.66m of funding from the Government post-COVID stimulus package.

Supporting and Developing our People

Council, as an organisation, mirrors the community it serves — and our people and processes continue to evolve to meet changing community needs. The district's rapid growth in population is set to continue into the future. This growth combined with the fast pace of local government legislative and regulatory changes, presents new and exciting challenges for Council and our team members to adapt to, whilst maintaining service excellence to our communities.

In 2022, an organisational strategic restructure was completed, a forward-thinking initiative designed to align with the evolving landscape of our industry and to meet future demands. This process introduced a number of new roles to the organisation, increasing capacity and capability to ensure we remain resilient and well-equipped for future growth. The challenge now is to empower our workforce with the skills and capabilities to be flexible, adaptable and agile, ready for continuous improvement in a dynamic and changing environment.

Our focus has been on supporting our people through these recent changes and embracing new ways of working. We follow a digital-first approach; put our customers at the centre; ensure we are agile and efficient, and embed our values in everything we do. The continuation of our Te Reo Māori learning programme and the ongoing development of a deeper understanding of Te Tiriti o Waitangi underscore our commitment to meaningful engagement in Council's work.

We are committed to continuous improvement and fostering a positive workplace culture. During the last year we delivered an Employee Experience Survey and facilitated focus groups that were pivotal in providing a comprehensive understanding of the perspectives of our team. This feedback has enabled us to implement targeted initiatives into the coming year that align with the needs and aspirations of our people, ensuring a workplace environment that fosters engagement and professional growth.

We continue to embed a health, safety, and wellbeing culture to create an environment where our team members are kept safe, well and empowered. To support this, we have introduced a Health & Safety Critical Risk and Wellbeing Framework. We are committed to working with our people, contractors, and communities to manage our critical risks and enable people to work well and live better.

A range of initiatives have been undertaken in 2022/23 to support the development of our team members, such as prevention of Bullying and Harassment workshops for all leaders, Critical Risk training for our Health & Safety Champions network, introducing a leadership development framework, and providing a simple process for effective performance and development conversations.

Climate Change and Sustainability

Selwyn District Council was an early signatory to the New Zealand Local Government Leaders' Climate Change Declaration 2017. We have adopted a formal Climate Change Policy that directs our mitigation and adaptation work and guides the organisation's planning and decision-making.

We are committed to action on climate change through working to better understand and manage our exposure to climate impacts and risks, reducing our organisational greenhouse gas emissions, and encouraging others to do the same.

The risks and opportunities associated with climate-related hazards have been identified in the Canterbury Climate Change Risk Assessment. This assessment considered risks and opportunities arising from the 'business as usual' scenario through to 2050 and 2100.

As a result of the district's significant growth over the last decade, much of our infrastructure is new and this has enabled us to build in a level of climate resilience to ensure our urban areas are relatively well-positioned to respond to a changing climate.

Key risks identified for people, communities and businesses in Selwyn, largely resulting from flooding, drought, storm and fire events, include:

- Damage to buildings and property
- Disruption to lifeline utilities, transport routes and supply chains
- Direct and indirect physical and mental health impacts
- Degradation of natural habitats, biodiversity stresses, and reduced opportunities for mahinga kai
- Increased pressures on economic sectors, particularly agriculture and skiing/alpine tourism.

The Council adopted a Climate Change Policy in 2020 which provides the framework for detailed action and commits the Council to making climate change mitigation and adaptation central to its planning and decision making. We now also measure our carbon footprint annually.

With a comprehensive risk assessment completed and an emissions baseline established, the Council is now considering how best to mainstream climate action within its operations and those of its contractors. It undertook an initial implementation exercise as part of the development process for the Long-Term Plan 2021–2031 and will perform a similar but more comprehensive exercise for the 2024–2034 LTP. This will take into account existing good practice from councils elsewhere across New Zealand.

Some mitigation and adaptation measures have already been incorporated in the Council's operations, including:

- Energy efficiency and energy generation actions within new facilities, such as Te Ara Ātea and the Selwyn Sports Centre, and other infrastructure, e.g., the LED streetlight replacement programme.
- Enhanced waste diversion facilities through the Pines Resource Recovery Centre ReConnect project.
- Transitioning the Council's vehicle fleet to greater adoption of hybrid and electric vehicles, and facilitating the installation of EV charging stations across the district.
- Continue to deliver works to reduce flood risk in townships including Leeston and Hororātā.
- Design work underway for the Pines Wastewater Treatment Plant expansion is taking into account actions required for the plant's long-term sustainability, and reduction of carbon emissions (methane and Nitrous oxide).

The Council's measurement of its greenhouse gas emissions began in the 2018/19 year and formed the baseline measurement against which future year inventories are compared. This is an iterative process and 2022/23 figures will be available in our coming financial year.

Inventories for 2019/20 and 2020/21 were completed showing Council's total emissions for the 2020/21 year were 7,421 tCO₂e (tonnes of carbon dioxide equivalent). This is equivalent to 105.7kg per person, based on the June 2020 district population of 70,200. Diesel was the most significant contributor by energy source (3,368 tCO₂e or 45 per cent), followed by electricity (1,986 tCO₂e or 27 per cent), and then methane and nitrous oxide emissions from wastewater (1,610 tCO₂e or 22 per cent).

The majority of Council emissions (71%) came from activities such as diesel use by contractors and wastewater (methane and nitrous oxide) at the Pines Wastewater Treatment Plant. Emissions sources and the relative proportions by council service area remained stable between 2018/19 and 2020/21. Emissions per capita have increased marginally, however, the 2020/21 figure dropped from the 2019/20 level.

For more information on the Council's Ongoing response to climate change visit www.selwyn.govt.nz/climatechange.



How your Rates were Spent

| Area of spend | Capital spend | Operating spend | How costs are funded | Rates spend per \$100 |
|---------------|---------------|-----------------|----------------------|-----------------------|
|---------------|---------------|-----------------|----------------------|-----------------------|

Community Services and Facilities



\$22.6m
(including renewal)

\$35.3m
(excluding depreciation)

RATES 73%

OTHER 27%

\$37

Democracy



\$0m
(including renewal)

\$4.2m
(excluding depreciation)

RATES 85%

OTHER 15%

\$4

Environmental and Regulatory Services



\$0.01m
(including renewal)

\$21.8m
(excluding depreciation)

RATES 45%

OTHER 55%

\$11

| Area of spend | Capital spend | Operating spend | How costs are funded | Rates spend per \$100 |
|---------------|---------------|-----------------|----------------------|-----------------------|
|---------------|---------------|-----------------|----------------------|-----------------------|

Transportation

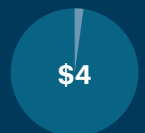


\$16.4m
(including renewal)

\$17.6m
(excluding depreciation)

RATES
26%

OTHER 74%



Resource Recovery and Waste Management



\$0.4m
(including renewal)

\$14.4m
(excluding depreciation)

RATES 71%

OTHER
29%



5 Waters Services



\$43.7m
(including renewal)

\$25.8m
(excluding depreciation)

RATES 94%

OTHER
6%



The Year in Review

Financial Performance

\$165.9 million

total expenditure

(compared with budget of \$149.3 million)

\$85.3 million

rates revenue levied

(compared with budget of \$83.2 million)

\$20.4 million

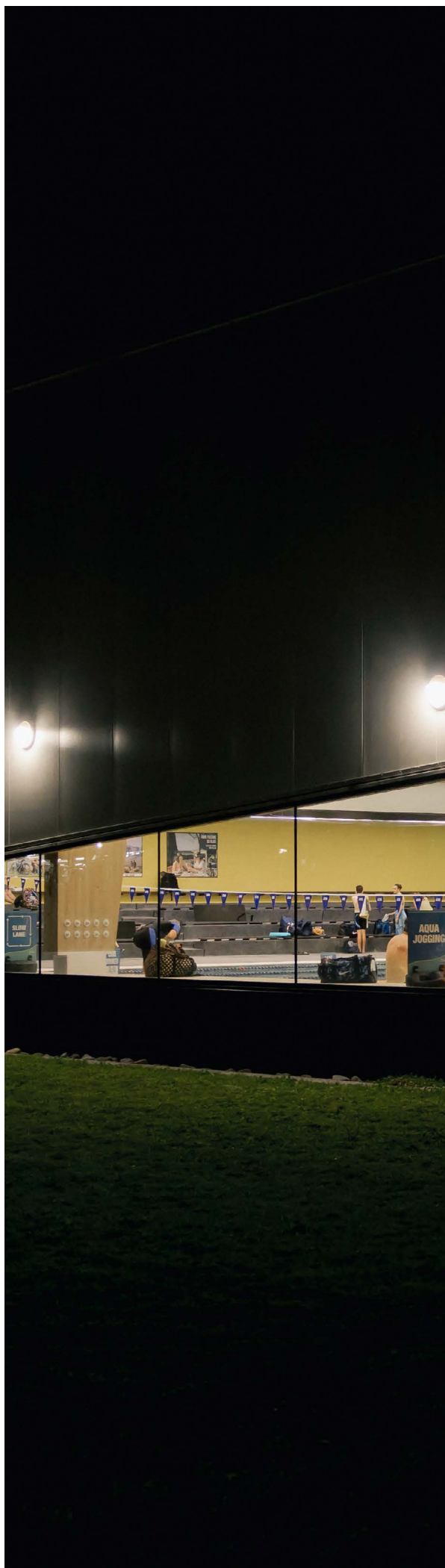
received in development
contributions revenue

(compared with budget of \$10.8 million)

\$2.8 billion

total Council net assets

(2022 \$2.6 billion)







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 specific disclosures in the summary financial report have been extracted from the full audited 2023 annual report dated 6 December 2023.

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.

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 4 of the full annual report.

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 changes in Accounting Policies

There have been no changes in accounting policy during the year.

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.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

The budget figures are those approved by the Council in its 2021-31 Long Term Plan. The budget figures have been prepared in accordance with 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
- Estimating the fair value of equity investments
- Estimating the fair value of land, buildings, and infrastructural assets
- Estimating the employee entitlements
- Estimating the landfill aftercare provision
- Critical judgements in applying accounting policies

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

- Classification of property
- Impairment of goodwill (group)
- Brand name and customer list (group)

Statement of Financial Position

The value of Council's net assets at 30 June 2023 is \$2.73 billion, this is an increase of \$0.13 billion from \$2.6 billion at the close of the prior year.

Assets

- **Cash and cash equivalents** held at year end is higher than budgeted by \$10.2 million, largely offset by lower term deposits held at year end.
- **Inventory** is higher than budgeted by \$2.0 million due to the timing of sale of land at Izone and the Rolleston Town Centre.
- **Other financial assets** which include term deposits held by council are lower than budgeted by \$7.98 million.
- **Property, plant and equipment** is higher than budget by \$495 million due largely to valuation movements in the Council's infrastructure assets and land and buildings during the 2021/22 financial year.
- **Investment Property** is higher than budget by \$9.5 million. During the 2021/22 financial year a review was undertaken which looked to whether Council properties would continue to have a strategic use going forward or would be held as investments. Some assets including land surrounding the Rolleston HQ Building, the Lincoln Country Club building and some other assets were reclassified as investment property.

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Liabilities

- **Borrowings** are lower than budget by \$30.0 million because the budget included higher borrowing levels in the current year to fund capital projects which have been funded using existing cash reserves or have been carried forward for completion in future periods.

Cash flow

The Council has a positive **operating** cash flow of \$34.0 million. The operating cash flow is used to fund the capital expenditure programme and repay debt.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in change in the size and composition of the contributed equity and borrowings of the Council.



Summary statement of comprehensive revenue and expense

for the year ended 30 June 2023

| | Council | Council | Council | Group | Group |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 2022/23 | Budget | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Total revenue | 198,688 | 173,156 | 237,484 | 236,374 | 270,574 |
| Other expenditure | (163,231) | (146,517) | (138,129) | (197,492) | (167,991) |
| Finance costs | (2,629) | (2,756) | (1,413) | (2,629) | (1,416) |
| Surplus / (deficit) before taxation | 32,828 | 23,883 | 97,942 | 36,253 | 101,167 |
| Income taxation expense (benefit) | 84 | - | 59 | 2,270 | 2,020 |
| Surplus / (deficit) after taxation | 32,744 | 23,883 | 97,883 | 33,983 | 99,147 |

Other comprehensive revenue and expense

Items that will be reclassified to surplus / (deficit)

| | | | | | |
|--|----------------|---------------|----------------|----------------|----------------|
| Fair value movement of unlisted shares | 62,881 | 6,413 | - | 44,981 | - |
| Gain / (loss) on infrastructure assets revaluation | 27,211 | 51,443 | 485,279 | 27,211 | 485,279 |
| Gain / (loss) on land and building revaluation | - | - | 71,352 | 2,044 | 72,506 |
| Deferred taxation on revaluation | - | - | - | 175 | - |
| Total other comprehensive revenue and expense | 90,092 | 57,856 | 556,631 | 74,411 | 557,785 |
| Total comprehensive revenue and expense | 122,836 | 81,739 | 654,514 | 108,394 | 656,932 |

Total comprehensive income attributable to:

| | | | | | |
|--|----------------|---------------|----------------|----------------|----------------|
| Selwyn District Council | 122,836 | 81,739 | 654,514 | 108,394 | 656,932 |
| Total comprehensive revenue and expense | 122,836 | 81,739 | 654,514 | 108,394 | 656,932 |

Summary statement of changes in equity

for the year ended 30 June 2023

| | Council | Council | Council | Group | Group |
|--|-----------|-----------|-----------|-----------|-----------|
| | 2022/23 | Budget | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 July | 2,602,522 | 2,048,089 | 1,948,008 | 2,603,245 | 1,946,313 |
| Total other comprehensive revenue and expense for the year | 122,836 | 81,739 | 654,514 | 108,394 | 656,932 |
| Balance at 30 June | 2,725,358 | 2,129,828 | 2,602,522 | 2,711,639 | 2,603,245 |

Components of equity:

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Accumulated funds | 1,262,042 | 1,182,387 | 1,210,938 | 1,274,672 | 1,222,329 |
| Fair value through other comprehensive revenue | 149,279 | 92,936 | 86,398 | 116,278 | 71,297 |
| Restricted reserves | 26,582 | 47,289 | 44,529 | 26,582 | 44,529 |
| Property revaluation reserve | 1,287,455 | 807,216 | 1,260,657 | 1,294,107 | 1,265,090 |
| Total equity | 2,725,358 | 2,129,828 | 2,602,522 | 2,711,639 | 2,603,245 |

Summary statement of financial position

for the year ended 30 June 2023

| | Council | Council | Council | Group | Group |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2022/23 | Budget | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Current assets | 50,053 | 50,809 | 61,001 | 68,179 | 74,954 |
| Non - current assets | 2,830,092 | 2,257,751 | 2,657,232 | 2,806,106 | 2,649,725 |
| Total assets | 2,880,145 | 2,308,560 | 2,718,233 | 2,874,285 | 2,724,679 |
| Current liabilities | 41,509 | 31,565 | 43,085 | 47,457 | 46,472 |
| Non - current liabilities | 113,278 | 147,167 | 72,626 | 115,189 | 74,962 |
| Total liabilities | 154,787 | 178,732 | 115,711 | 162,646 | 121,434 |
| Selwyn District Council | 2,725,358 | 2,129,828 | 2,602,522 | 2,711,639 | 2,603,245 |
| Total Equity | 2,725,358 | 2,129,828 | 2,602,522 | 2,711,639 | 2,603,245 |
| Total liabilities and equity | 2,880,145 | 2,308,560 | 2,718,233 | 2,874,285 | 2,724,679 |

Summary statement of cash flows

for the year ended 30 June 2023

| | Council | Council | Council | Group | Group |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2022/23 | Budget | 2021/22 | 2022/23 | 2021/22 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Net cash flow from operating activities | 33,957 | 27,846 | 69,242 | 40,904 | 73,978 |
| Net cash flow from investing activities | (75,048) | (109,954) | (90,960) | (79,546) | (94,110) |
| Net cash flow from financing activities | 40,000 | 70,036 | 15,000 | 40,000 | 15,000 |
| Net increase / (decrease) in cash and cash equivalents | (1,091) | (12,072) | (6,718) | (1,358) | (5,132) |
| Cash, cash equivalents at the end of the year | 20,447 | 10,231 | 21,538 | 31,943 | 30,585 |

Summary overall funding impact statement

for the year ended 30 June 2023

| | 2022/23 | 2022/23 | 2021/22 | 2021/22 |
|--|----------|----------|----------|----------|
| | Actual | Budget | Actual | Budget |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Total operating funding (A) | 127,452 | 114,360 | 120,969 | 106,271 |
| Total application of operating funding (B) | 119,707 | 100,801 | 101,599 | 98,544 |
| Surplus / (deficit) of operating funding (A-B) | 7,745 | 13,559 | 19,370 | 7,727 |
| Total sources of capital funding (C) | 68,027 | 51,456 | 72,568 | 140,383 |
| Total applications of capital funding (D) | 75,772 | 65,015 | 91,938 | 148,110 |
| Surplus / (deficit) of capital funding (C-D) | (7,745) | (13,559) | (19,370) | (7,727) |
| Funding balance (A-B) + (C-D) | - | - | - | - |

Capital Commitments

The group has commitments on other future event. For the Group, these total \$9.7 million (2022: \$7.1 million).

Contingencies

These liabilities depend on other future events. Refer to the full annual report for details of contingent liabilities.

Transactions with Related Parties

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. Refer to the full annual report for details of transactions with related parties.

Disclosures — Water Services Reform Programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023

However, the financial impact of the transfer of three water assets and associated function, is not certain. With the change in the Government there is a possibility of a change to the water services reform programme. Considering the recent developments, there is a possibility that the new Government might repeal or substantially amend the three legislations.

Statutory Deadlines

Due to internal staff capacity constraints, the council was unable to complete and adopt its 2022/23 annual report within the statutory deadline of 31 October 2023 as required by section 98(3) of the Local Government Act 2002.

Events after Balance Date

A storm event occurred between the 22nd and 25th July 2023. The storm caused widespread flooding in the Selwyn District that affected some of the Council's infrastructure assets. The Council is assessing the damage caused by the storm to its assets and are unable to quantify the cost to remedy the damage at this point in time. A proportion of the repair costs are likely to be recovered through insurance and the Funding Assistance Rate (FAR) from Waka Kotahi NZ Transport Agency. The Council does not foresee the event having a significant impact on the deliverability of its ten-year programme.

Annual Report Disclosure Statement Summary for the Year Ended 30 June 2023

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 2022/23 council is reporting against its limits as outlined in the 2021-31 LTP.

Rating Base Information

The number of rating units within the district at the end of the preceding financial year: 33,511

The total capital value of rating units within the district at the end of the preceding financial year: \$26.9 billion

The total land value of rating units at the end of the preceding financial year: \$13.6 billion

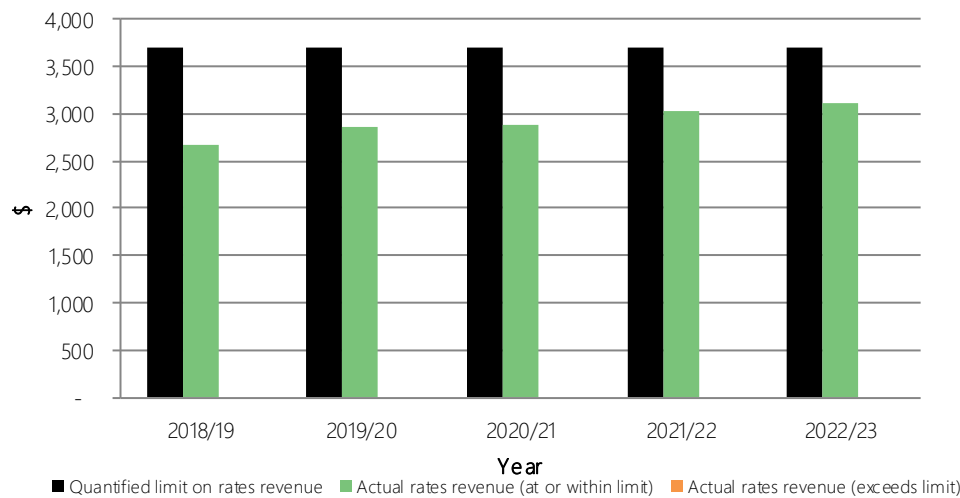
Rates affordability benchmark

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

The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is actual rates revenue (including GST) will not exceed \$3,700 per ratepayer.

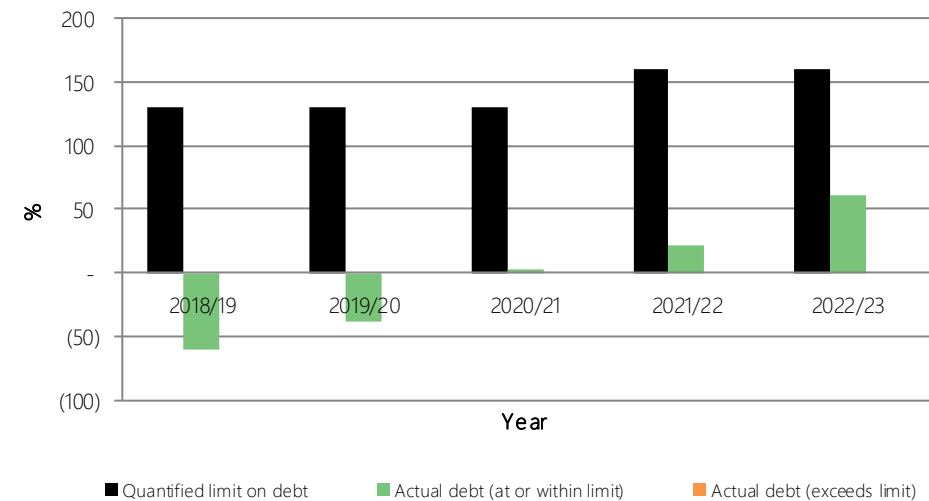


Debt affordability benchmark

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

Net borrowing as percentage of revenue

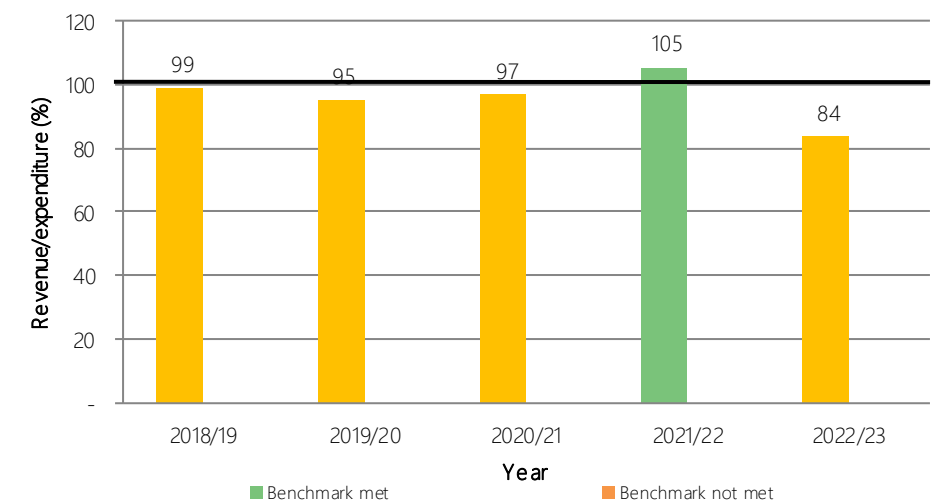
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net borrowings as a percentage of revenue will be less than 160%.



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).

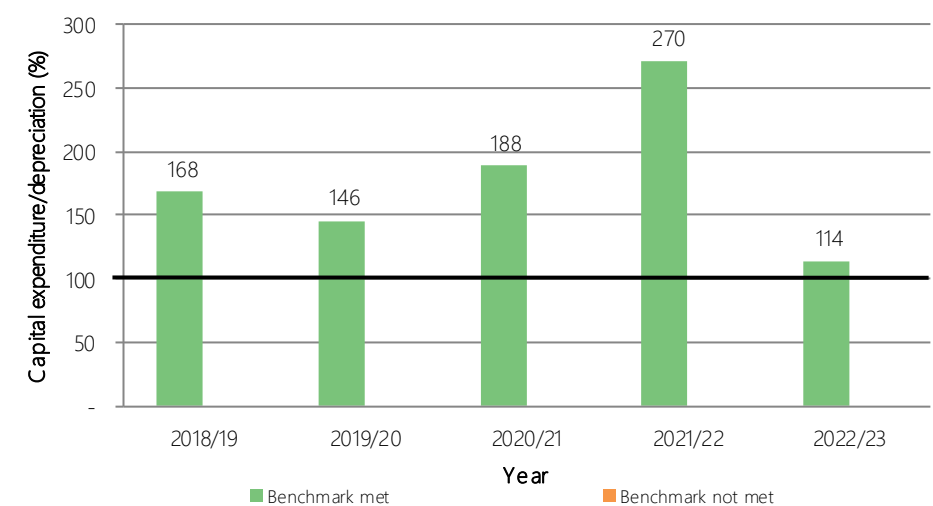
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

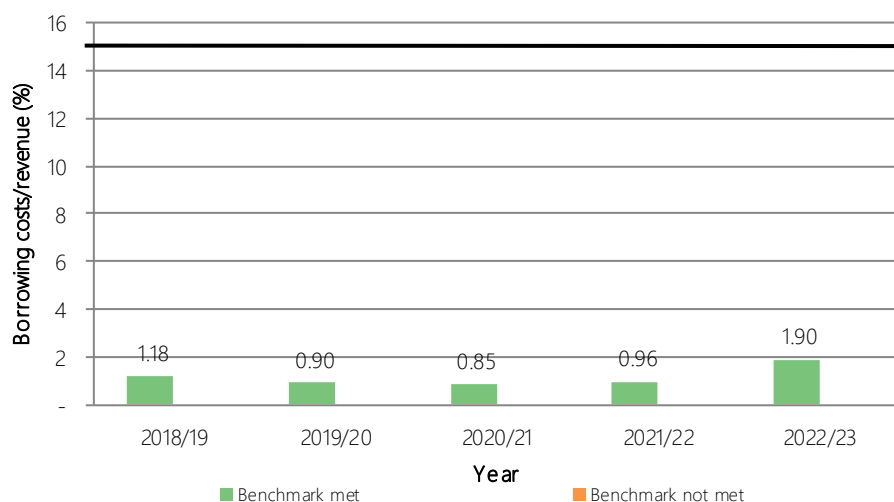
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt 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).

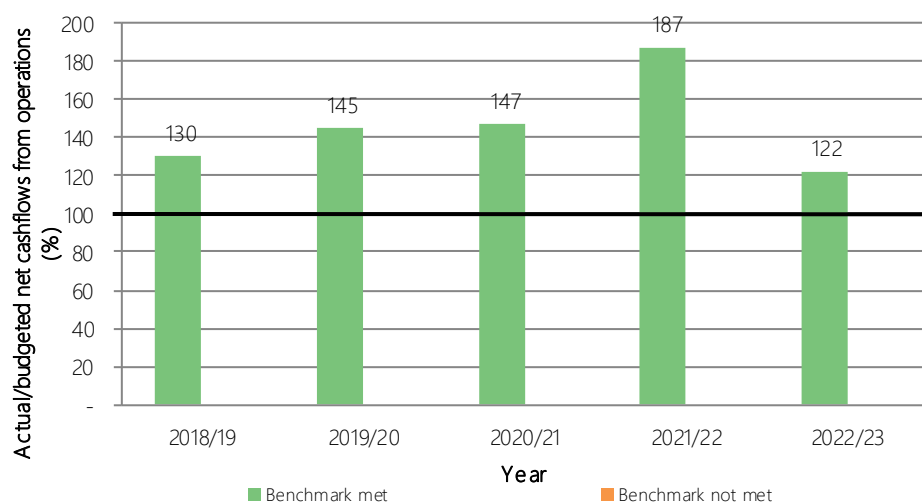
Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it means the debt servicing benchmark is met if it's borrowing costs equal or are less than 15% of its revenue.



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.



Independent Auditor's Report

To the readers of Selwyn District Council's summary of the annual report for the year ended 30 June 2023

The summary of the annual report was derived from the annual report of the Selwyn District Council (the District Council) and group for the year ended 30 June 2023.

The summary of the annual report comprises the following summary statements of the District Council and group on pages 6 to 8 and 24 to 31:

- The summary statement of financial position as at 30 June 2023.
- The summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2023.
- The notes to the summary financial statements that include accounting policies and other explanatory information.
- The summary statement of service provision.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43 *Summary Financial Statements*.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report, dated 6 December 2023.

Emphasis of matter – uncertainty over the water services reform programme

Our auditor's report on the full annual report includes an emphasis of matter paragraph, drawing attention to the disclosures about the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in note 32 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved. In addition, there is uncertainty around the water services reform legislation. With the change in government, it may be repealed or substantially amended.

Information about this matter is also disclosed on page 31 of the District Council's summary annual report.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43 *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43 *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were 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.

In addition to completing all legally required engagements in our capacity as the auditor, we reported on a limited assurance engagement under the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in the District Council or any of its subsidiaries.



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
20 December 2023

Selwyn District Council

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