

Selwyn District Council

Annual Report 2022/23

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Adopted by Selwyn District Council on 6 December 2023

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





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 approximately 82,000 people across 6,381 square kilometres. This includes fast growing towns, plains and high country, as well as many farms and rural communities.

The Council's Long-Term Plan 2021–2031 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 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 Annual Report are reporting against the third year of the Selwyn District Council's Long-Term Plan 2021–2031.





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.

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)



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.

For more information on financial performance, see the Financial Reporting section starting at p. 73



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

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 be 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.

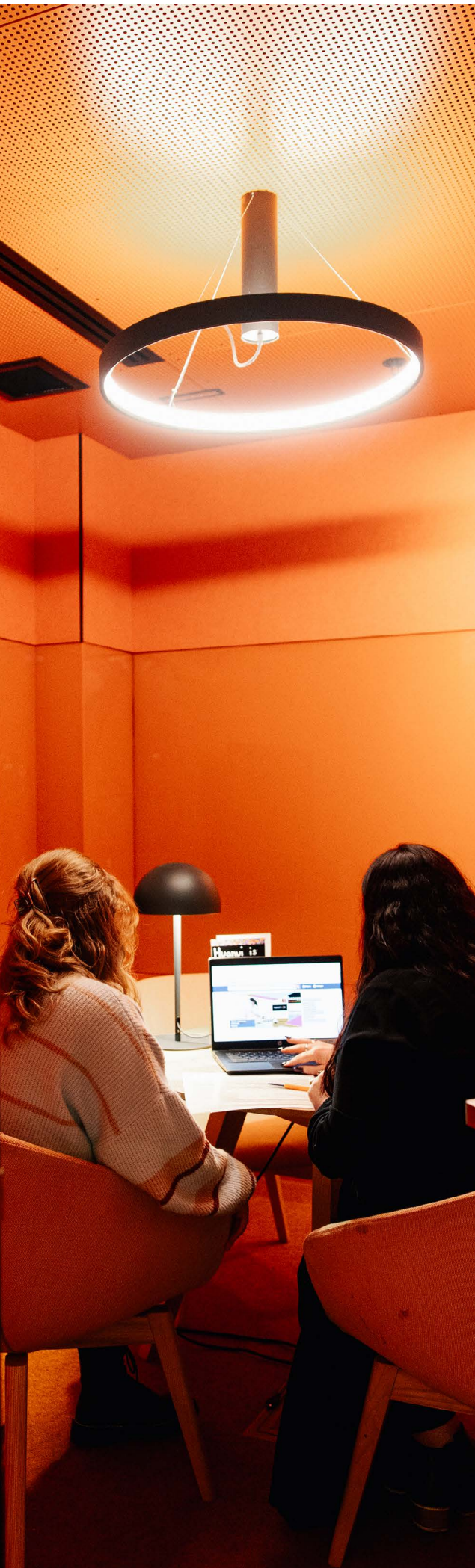
Council facilitated opportunities targeting community groups and clubs by increasing capacity, effectiveness and resilience, exceeded participant targets for another year. More than 142 events were delivered by Council across the district.

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
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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)

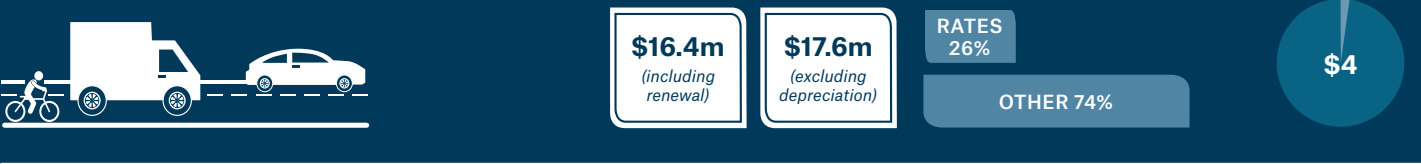
RATES 45%

OTHER 55%

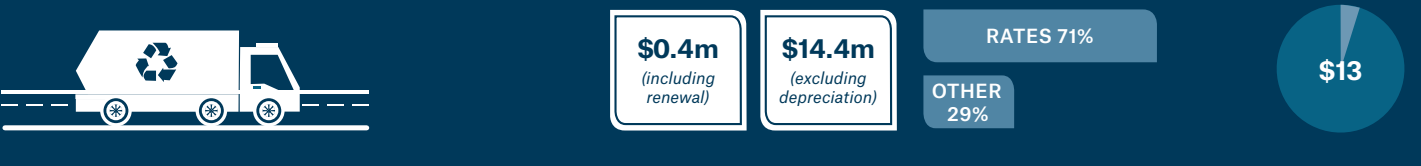
\$11

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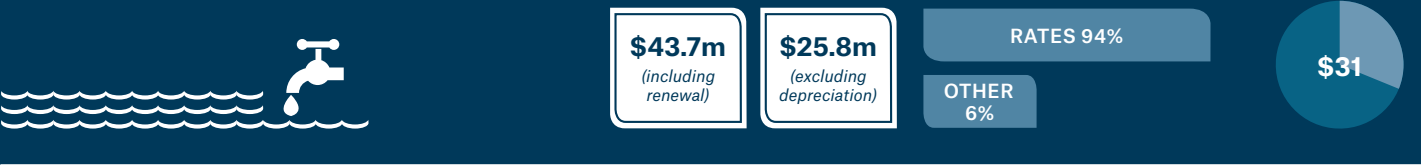
Transportation



Resource Recovery and Waste Management



5 Waters Services





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 2022/23 financial year were set out in the Selwyn District Council Long-Term Plan 2021–2031.

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 also provides the following information for each significant 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 Long-Term Plan 2021–2031 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.

In preparing the statement of service performance, Selwyn District Council has adopted PBE FRS 48 effective for the year ended 30 June 2023. The standard establishes requirements for improved reporting of services performance information to meet the needs of users of general financial statements, are both important components of a public benefit entity's general purpose financial report.

The performance information reported relate to the parent entity, there are no significant services or activities of the group delivered through subsidiaries.

Service Performance Measure Selection

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 Long-Term Plan 2021-2031 and the Annual Plan 2022/23. 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 Long-term Plan.

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 comment 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 24–71) constitutes Council's Statement of Service Performance information.

Note: negative numbers are shown in brackets ().

Community Services and Facilities

This year the Council provided:

1,106,518 'digital visits' to libraries


21,532 people attended Council events

92 initiatives funded through the Selwyn Community Fund

748 hectares of recreation reserves

591 reserves and playgrounds


Key results

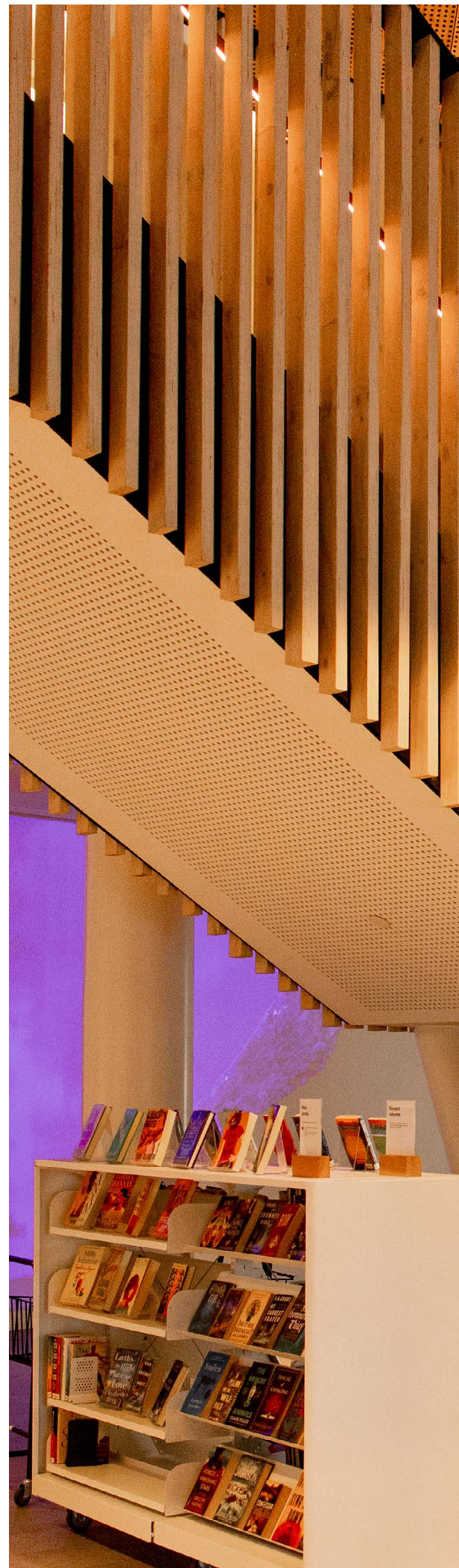
 **98%**
of residents are satisfied with libraries

 **1,045**
residents attended community capacity-building initiatives

 **75%**
satisfaction with cemeteries from funeral directors

 **80,340**
attendees at fitness programmes

 **460,865**
visits to Selwyn Aquatic Centre





Performance Highlights 2022/23

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 and, particularly Rolleston, population growth is creating increasing demand for sports space. Other notable results included:

- Land was acquired to extend Lincoln Domain to cater for both sports and passive recreation activities as well as enabling Meijer Drive to be extended through to Boundary Road.
- A survey of sports clubs indicated satisfaction with sports grounds at 85% compared with the target of 80% which is an improvement from 69% satisfaction in 2021/22. This improvement was largely due to Council setting up a dedicated team in 2022 to provide advice and support for sports clubs. It also reflects the continued investment by Council in new and upgraded sports and recreation facilities.
- Installation of lights for sports training commenced at Southbridge Park and Darfield Domain and will be completed later in 2023.
- Car park construction, upgrade and resurfacing work was undertaken at Foster Park, McHughs Forest Park, Weedons Domain, Sheffield Domain and Springston Reserve.
- A survey of campers using Council-managed campgrounds was not carried out due to closure from flood events and camping numbers being low.

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, Dunsandel and Leeston. Other new reserves and play facilities include:

- A new access reserve was developed through the commercial area in Prebbleton to link with the Rail Trail.
- A new playground and pump track were provided in Lincoln as part of subdivision development.
- An audit of the Council's playgrounds continues to show a high level of compliance at 95%, demonstrating Council's commitment to providing safe play environments for residents.
- The provision level for playgrounds is above the national median at 5.9 per 1,000 children.

Public Toilets

New and replacement public toilets were completed at Lincoln Township, Sheffield Domain, West Melton Domain and Hororātā Reserve with funding support from the Tourism Infrastructure Fund. Overall, the Council's provision level remains above the national median at 0.82 public toilets per 1,000 population.

The contract audit of public toilets indicated few (2) instances where the service did not meet expected standards and was an improvement from the previous year (6).

A new wastewater dump station for camper vans and caravans was also installed at I-zone in Rolleston.

Cemeteries

- A survey of Funeral Directors indicated 75% satisfaction with Council services and facilities.
- 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 not achieved (39%). This resulted from fees being held at the same level as the previous year but with operational cost escalations.
- The level of complaints (7) met the target of 10 or less and was an improvement on last year which indicates improved service for this activity.
- A one-hectare extension to Springston Cemetery to provide more burial capacity was completed including lawn areas, access road and car park.

Community Centres and Halls

Across the previous three years Council has been taking a more direct role in operating Council halls and community centres. As from 1 June 2022, Council had direct operational responsibility for 24 centres/halls plus Selwyn Sports Centre.

Results for the 22/23 year show a 28% increase overall in bookings across the network, totalling 10,007 bookings; with 48.28% of total operational expenditure being generated from bookings revenue, meeting Finance and Revenue Policy targets.

Aquatics and Fitness

97% of customers expressed satisfaction with aquatics facilities, services and programmes in the 22/23 Customer Satisfaction survey. Other notable results include:

- The number of visits to the pools was 479,706, an increase of 133,430 visits from last year.
- Selwyn Aquatic Centre, Darfield and Southbridge pools continued to maintain 100% Recreation Aotearoa Pool Safe accreditation.
- Learn to Swim participant numbers totalled 12,905, reaching all-time high levels of enrolment and surpassing 8,000 target
- There were 80,340 participants in fitness programmes (12,749 at Aqua Fitness and 67,591 at land-based programmes).
- Over the year 443 land fitness memberships were purchased and 153 pool fitness memberships.
- The Darfield Pool redevelopment has begun in earnest with the major works starting over winter 2023 for completion for the 2023/2024 season.
- The new heating, circulation, filtration and pool liner as well as enhanced surrounds will make a marked difference to the level of aquatic service in the Malvern ward.

In November 2022 the Sport Bookings and Events team was added to the Selwyn District Council structure. This team has three key functions, attracting sporting events, booking sports field usage and sport user group liaison.

This has been well received by sports clubs and over 108 clubs have been engaged with the team across the district since the team's inception. Since November 2022, Council has managed to secure national and regional sporting events to take place in Selwyn in 2024; National Tertiary 3x3 Basketball Champs, Under 15's South Island Rugby Tournament, Under 15's and Under 18's South Island Basketball Tournament as well as the National Boccia Competitions.





Libraries and Service Centres (Including Arts, Culture, and Heritage)

98% of customers expressed satisfaction with library/service centre network's services and programmes in the 22/23 Customer Satisfaction survey. Other notable results include:

- Active library membership increased by 13% in 22/23 to 30,137.
- E-loan issues increased this year by 9.4% with 81,349 issues.
- Across the year 28,170 participants attended a lifelong learning, arts and/or culture programme across library/service centre sites and the ECV vehicle (including watercolour, needle felting, fruit preserving, mindfulness and caring for chicken workshops).
- The number of 'digital visits' to Selwyn libraries (either logged into library website, using library computers, or accessing Wi-Fi) reached 1,106,518 this year.
- The number of library visits totalled 422,963 and exceeded target levels.

In 2022/2023 Council entered into a formal collaboration with central government agencies; providing information on the various central government agency services to residents, providing space for agency visits, meetings and workshops. This initiative is part of a nation-wide initiative called Heartlands, but the only one delivered by a Council and through all four of its library/service centres by staff at each of these centres.

Community and Economic Development (including event delivery)

- Council's "From The Land" visitor promotion website experienced increased use this year with 82,270 users.
- Selwyn district was represented at TRENZ (New Zealand's largest international visitor promotion event) in Christchurch. Council staff attended and met more than 70 delegates for direct conversations about Selwyn visitor promotion opportunities.
- Council staff attended "Meeting 2023", New Zealand's only national tradeshow for the business events industry and used the opportunity to launch its campaign to attract corporate hires and events to the Selwyn district.
- Council arranged three major visitor promotion campaigns in conjunction with business and community partners, including Ski Selwyn, Meet us in the Country, and Taste Selwyn. The annual "Taste Selwyn" campaign involved 16 Selwyn eateries and a range of local producers and artists. While online engagement through www.selwyn.nz attracted a record number of 12,000 visits in the month of this campaign and 1,500 delegates at TRENZ enjoyed the opportunity to taste food grown and crafted in Selwyn.
- Council continues to deliver the very popular Business Breakfasts and Business After 5 series, as well as the regular and equally popular "Wellbeing Forum" for community and government organisations delivering health, education and social services to Selwyn.
- 92 community-led initiatives were funded by the Selwyn Community Fund (Council's largest contestable fund).
- Council facilitated sessions for community groups/clubs wanting to increase capacity, performance and/or resilience attracted 1,045 participants.
- Council delivered events across the district attracted 21,532 attendees.

Service Targets for Community Services and Facilities

Objective	Performance Measure	Service Target	Achievement
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 1000 population is above the average for similar sized district authorities	≥3 ha	Achieved: 3.1 ha (2021/22: 3.11ha)
	Customer satisfaction with sports grounds as measured by an annual survey of users	≥80%	Achieved: 85% (2021/22: 69%)
	Visitor satisfaction with the standard of campgrounds provided as measured by intercept surveys conducted over the camping season	≥80%	Not measured as campgrounds usage has not recovered (2021/22: Not measured as campgrounds closed due to COVID)
TOWNSHIP RESERVES & STREETSCAPES			
To provide township reserves & streetscapes to enhance the landscape character of the District and 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%	Achieved: 84% (2021/22: 88%)
	The number of playgrounds per 1,000 children is above the national median for playground provision as measured through the Yardstick benchmark survey	>4	Achieved: 5.9 (2021/22: 6.4)
	Proportion of playgrounds that comply with the NZ safety standard (NZS 5828:2015) as measured by annual ROSPA 3 inspection	≥90%	Achieved: 95% (2020/21: 95%)

Objective	Performance Measure	Service Target	Achievement
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 increase per annum	≥5%	Achieved: +28% (10,007) (2021/22: +5%)
	The percentage of Council owned community centres / halls, by Ward, continue to generate revenue meeting or exceeding 20% of operating costs (excluding capital project costs) per annum	75%	Not Achieved: 54% (increase of 10% from previous year but some of the unstaffed rural halls continue to not meet this target. Overall the total proportion of revenue generated was 48% which meets Finance and Revenue Policy target) (2021/22: 39.95%)
	The % satisfaction from annual user surveys for:		
	a) Lincoln Event Centre (LEC)	a) ≥90%	Achieved: 98% (2021/22: 100%)
	b) Rolleston Community Centre (RCC)	b) ≥90%	Achieved: 98% (2021/22: 100%)
	c) West Melton Community Centre (WMCC)	c) ≥90%	Achieved: 98% (2021/22: 100%)
	d) Selwyn Sports Centre (SSC)	d) ≥90%	Achieved: 98% (2021/22: 100%)
	Total number of visits at LEC, RCC, WMCC, and SSC	≥350,000	Achieved: 458,574 (SSC attracted 277,540 of these visitors) (2021/22: 359,193)
	a) Lincoln Event Centre (LEC) = 60,000 pa		
	b) Rolleston Community Centre (RCC) = 30,000 pa		
	c) West Melton Community Centre (WMCC) = 30,000 pa		
	d) Selwyn Sports Centre (SSC) = 250,000 pa		

Objective	Performance Measure	Service Target	Achievement
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 SAC from User Survey	≥90%	Achieved: 97% (2021/22: 100%)
	Selwyn Aquatic Centre and Council operated pools in Ellesmere and Malvern achieve 100% compliance with New Zealand Recreation Association Pool safe accreditation	100%	Achieved: 100% (2021/22: 100%)
	Number of swims per capita of district population per year recorded at Selwyn Aquatic Centre, Darfield and Southbridge pools	>4.5	Achieved: 6.23 (2021/22: 5.15)
	Number visits per annum at the Selwyn Aquatic Centre	≥300,000	Achieved: 460,865 (2021/22: 346,276)
	Number of Learn to Swim participants per annum	≥ 8,000	Achieved: 12,905 (2021/22: 33,655)
	Number of fitness programmes participants delivered by Council across Selwyn delivered across Selwyn (per annum)	60,000	Achieved: 80,340 (Aquafitness = 12,749/ land fitness = 67,591) (2021/22: 72,189)
	The percentage of Council owned swimming pools generating revenue meeting or exceeding 20% of operating costs (excluding capital projects)	≥75%	Not Achieved: 40% (It should be noted that overall aquatics did meet the Revenue and Finance Policy target with 56% however for individual pools only SAC at 58%, and Darfield at 22%, met the target with Leeston at 19%, Southbridge at 16%, Sheffield at 9%) (2021/22: 60%)
PUBLIC TOILETS			
To provide public toilets to promote a healthy living environment for district residents and provide economic benefits in supporting local businesses & 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	Achieved: 0.82 (2021/22: 0.88)
	Number of "facility compliance failures" per annum identified by independent audit	≤6	Achieved: 2 (2021/22: 6)

Objective	Performance Measure	Service Target	Achievement
CEMETERIES			
To provide a network of cemeteries to meet the district's burial & remembrance needs	The level of satisfaction with cemetery maintenance and services as recorded in an annual survey of funeral directors	≥70%	Achieved: 75% (2021/22: 100)
	A cemetery is located within easy driving distance (10 km) of district townships	≥85%	Achieved: 88% (2021/22: 88%)
	The proportion of cemetery operating costs that is recovered from revenue received from fees and charges	≥45%	Not Achieved: 39% (Costs have increased faster than fees due to inflation). (2021/22: 49.70%)
	Number of complaints received per annum related to cemetery service	≤10	Achieved: 7 complaints were received during the year. (2021/22: 14 complaints were received during this year)
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%	Achieved: 98% (2021/22: 93%)
	Active Library membership increases annually	≥5% p.a.	Achieved: 13% (2021/22: 14%)
	Total number of "walk in" visits per annum to the four libraries / service centres: 1. Darfield 2. Leeston 3. Lincoln 4. Rolleston / Te Ara Ātea	≥280,000	Achieved: 422,963 (2021/22: 289,781)
	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	Achieved: 1,106,518 (2021/22: 619,196)
	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	Achieved: 28,170 (2021/22: 23,434)
	The number of community-based / led arts, culture and heritage initiatives facilitated / coordinated annually	≥20 initiatives	Achieved: 39 (2021/22: 28)
	The % satisfaction from user surveys for arts, culture and heritage initiative participants	≥90%	Achieved: 97% (2021/22: 93%)
	The % of overall rates / water and dog registration payments made at Library / Council Service Centres annually	≥20%	Achieved: 50% (2021/22: 51%)
	Total combined physical and digital items issued per annum is equal to or greater than 350,000	≥350,000	Achieved: 653,647 (2021/22: 562,340)

Objective	Performance Measure	Service Target	Achievement
COMMUNITY AND ECONOMIC DEVELOPMENT INCLUDING EVENT DELIVERY			
To build community connectedness, inclusivity & safety by providing opportunities, events & resources for volunteers & communities	More than 500 residents annually participate in Community capacity building initiatives targeted at Volunteers, clubs, groups & organisations delivered/resourced and/or facilitated by Council	≥ 500 participants	Achieved: 1045 (2021/22: 851)
To promote economic development by collaboration, networking, information sharing & encouraging visitors	Community capacity building participants are satisfied/very satisfied	≥ 90%	Achieved: 97% (2021/22: 98%)
	Initiatives targeted at newcomers are delivered/resourced and/or facilitated by Council annually	≥ 12	Achieved: 21 (2021/22: 21)
	Selwyn Youth Consultation/engagement activities are delivered/resourced and/or facilitated by Council (generally via Selwyn Youth Council)	≥ 6	Achieved: 25 (2021/22: 6)
	Community Events are delivered/resourced and/or coordinated by Council annually, targeting young people, families with children, older people & those facing additional barriers & participation numbers captured	≥ 100	Achieved: 143 (2021/22: 110)
	Participants in not less than 25 events are satisfied/very satisfied	≥ 90%	Achieved: 99% (2021/22: 98%)
	Community Grants Funding is delivered that enables community-led initiatives annually	≥ 35	Achieved: 92 (2021/22: 65)
	Initiatives to promote economic development/ local business and/or celebrate business excellence are delivered, resourced or facilitated annually	≥ 6	Achieved: 6 (2021/22: 5)
	Visitor Promotion campaigns are delivered resourced or facilitated annually	≥ 12	Achieved: 15 (2021/22: 3)
	"From the Land" visitor promotion website usage increases annually	≥ 10%	Achieved: 11% (2021/22: 17%)

Community Facilities Funding Impact Statement

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	14,935	13,887	14,224	
Targeted rates	14,955	15,815	16,400	
Subsidies and grants for operating purposes	219	70	555	
Fees and charges	7,268	8,458	8,378	
Internal charges and overheads recovered	3,298	2,192	2,267	
Local authorities fuel tax, fines, infringement fees, and other receipts	84	90	215	
Total operating funding (A)	40,759	40,512	42,039	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	23,001	22,815	26,691	Note 1
Finance costs	965	1,579	115	Note 2
Internal charges and overheads applied	7,508	7,609	8,371	
Other operating funding applications	69	72	154	
Total application of operating funding (B)	31,543	32,075	35,331	
Surplus / (deficit) of operating funding (A-B)	9,216	8,437	6,708	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	396	Note 3
Development and financial contributions	2,109	3,029	5,010	Note 4
Increase / (decrease) in debt	44,763	4,342	835	Note 5
Gross sales proceeds from sale of assets	6,383	2,585	2,300	
Total sources of capital funding (C)	53,255	9,956	8,541	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	29,973	17,735	16,061	Note 6
Capital expenditure to improve the level of service	4,874	1,391	3,489	Note 7
Capital expenditure to replace existing assets	5,560	1,915	3,000	Note 8
Increase / (decrease) in reserves	(6,647)	(5,365)	(10,980)	
Increase / (decrease) of investments	28,711	2,717	3,679	
Total applications of capital funding (D)	62,471	18,393	15,249	
Surplus / (deficit) of capital funding (C-D)	(9,216)	(8,437)	(6,708)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2022/23:

Note 1 Payments to staff and suppliers are higher than the LTP due to higher costs associated with growth in the district and higher demand for our facilities.

Note 2 Finance costs are lower than the LTP due to lower borrowings than originally budgeted. The lower borrowing is due to the reduction in the requirement to borrow due to the timing of major capital projects and the Council's strong cash position.

Note 3 Subsidies and grants for capital expenditure are higher than the LTP due to funding received from the Ministry of Business Innovation and Employment towards public toilet upgrades in the district.

Note 4 Development contributions revenue is higher than the LTP due to substantial growth in the district being higher than forecast.

Note 5 Debt has not increased as planned due to the timing of completion of major capital projects, including the development of the Rolleston Town Centre and the use of the council's cash investments to fund some capital projects through internal borrowing.

Note 6 Capital expenditure to meet additional demand is lower than the LTP largely due to the timing of completion of some major capital projects including the Development and Rolleston Town Centre development.

Note 7 Capital expenditure to improve the level of service is higher than the LTP due to changes in the timing of completion of some major capital project..

Note 8 Capital expenditure to replace existing assets is higher than the LTP due to the timing of completion of renewal projects.



Democracy

This year the Council...

Received **113** submissions on the Draft Annual Plan

Administered **\$1.4 million** in total grant funding

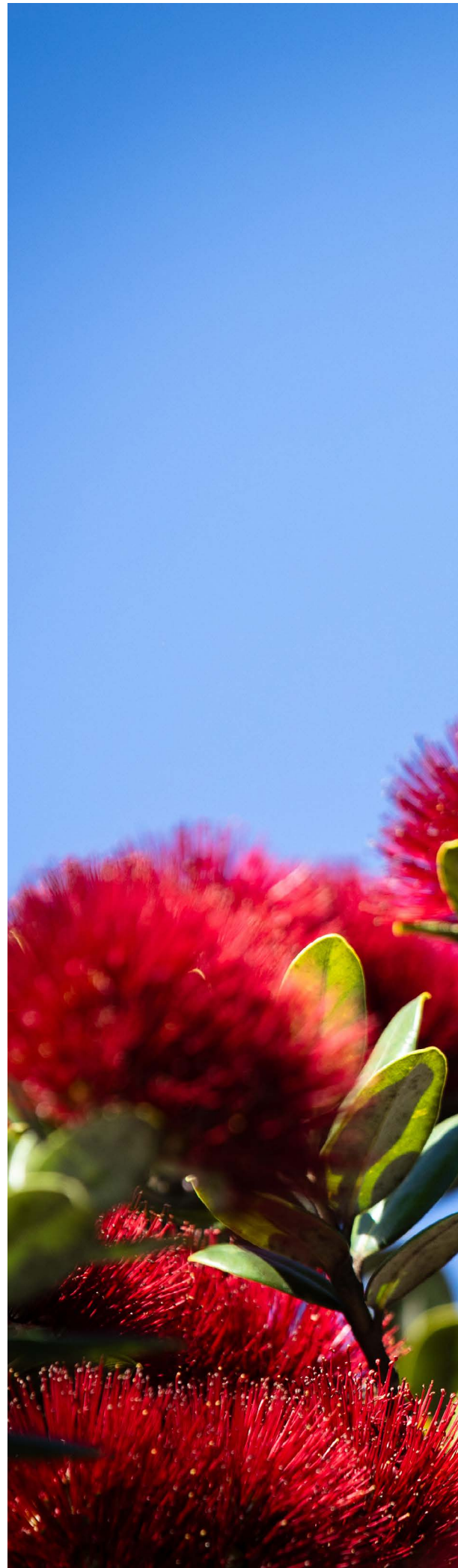
Key results



Public hearings were held on changes to the Annual Plan which resulted in 17 submitters presenting their submission in person



The Council's Representation Review was upheld by the Local Government Commission





Performance Highlights 2022/23

The 2022/2023 year was the third of the Council's Long-Term Plan 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 Annual Plan 2022/23, our Community Facilities, draft Castle Hill Village Reserves Management Plan, a travel plan for schools, several youth consultations and many other local and district-wide projects and proposals. Work on the proposed Selwyn District Plan continued with consultation on law changes that affected the plan and completion of hearings for public submissions on the plan. Consultation was held on clubs and the community on a longer-term plan to ensure appropriate spaces and places to support sports and recreation activities over the next 10 years.

Service Targets for Democracy

Objective	Performance Measure	Service Target	2022/23 Achievement
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. (2021/22 Not measured)
	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: Drop-in sessions were held with local councillors in each ward and the Mayor also held a live Facebook event. (2021/22: Achieved)

Democracy Funding Impact Statement

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	2,162	2,480	2,446	
Targeted rates	988	1,074	1,100	
Subsidies and grants for operating purposes	40	-	82	
Fees and charges	15	149	105	
Internal charges and overheads recovered	491	391	441	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	13	
Total operating funding (A)	3,696	4,094	4,187	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	3,480	3,668	2,759	Note 1
Finance costs	-	-	-	
Internal charges and overheads applied	1,145	1,117	1,329	
Other operating funding applications	249	256	146	
Total application of operating funding (B)	4,874	5,041	4,234	
Surplus / (deficit) of operating funding (A-B)	(1,178)	(947)	(47)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase / (decrease) in reserves	-	-	-	
Increase / (decrease) of investments	(1,178)	(947)	(47)	
Total applications of capital funding (D)	(1,178)	(947)	(47)	
Surplus / (deficit) of capital funding (C-D)	1,178	947	47	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2022/23:

Note 1 Payments to staff and suppliers are lower 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.

Environmental and Regulatory Services

This year the Council...

Processed **706** resource consent applications

Issued **2,688** building consents

Issued **2,392** code compliance certificates

Registered **17,326** of the district's dogs

Key results



77%

of resource consents issued on time



60%

of building consents issued on time



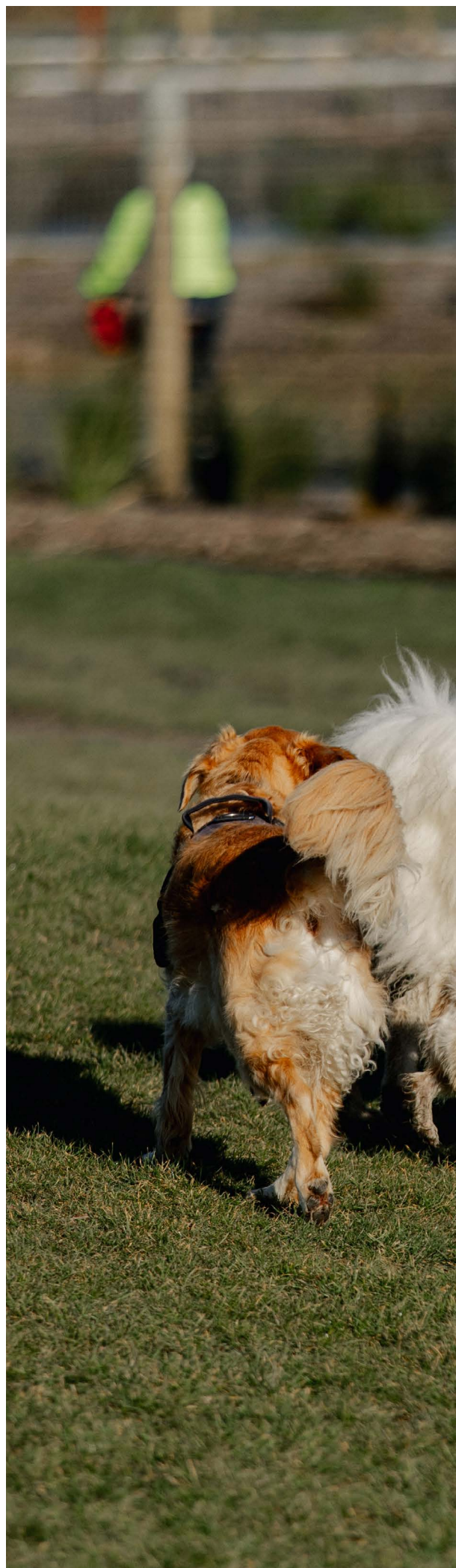
100%

of known dogs registered



100%

of registered food premises assessed







Performance Highlights 2022/23

Building

Strong growth across the district in the first half of the financial year was challenging to manage, particularly in meeting statutory timeframes for building consents. Council has actively engaged with the sector to ensure they are aware of extended timeframes and how they can help expedite their applications. Gradual improvement in statutory timeframe compliance has been occurring in the second half of the year as the volume of applications has softened due to market pressures, material costs, inflation, changes in building code requirements adding to an increase in build costs.

This is the second year we have measured the Building Warrant of Fitness audits and results are improving as the new process becomes established.

Regulatory

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.

COVID-19 restrictions in the first half of the year presented challenges to both the hospitality sector and to the Council's Environmental Health function. Despite these challenges, 100% of all targets for minimising adverse effects on the public were achieved. Similarly, all alcohol licence applications were processed in accordance with legislative requirements and timeframes.

The Compliance, Monitoring and Enforcement function also saw growth in the volume and complexity of cases. Council has successfully resolved and responded to all complaints, investigating them through to conclusion. New processes were introduced to streamline some monitoring, with 93% of all conditions monitored within one month of the call-up report being issued, and the remaining 7% monitored within the next calendar month, exceeding the KPI of 85%.

Following feedback from the community, the Parking Enforcement function was introduced with infringements issued for parking safety issues. Whilst a solutions-based approach continues to be applied, Council will look to introduce KPI's as data is captured in order to measure service delivery and response times.

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. The implementation of new Medium Density Residential Standards mandated by legislative change as well as the introduction of the National Policy Statement for Highly Productive Land added to the complexity of the workload and has resulted in some applications having timeframe over runs. Timeframe compliance as well as quality of outcome are specific focuses of continuous improvement projects.

Service Targets for Environmental and Regulatory Services

Objective	Performance Measure	Service Target	Achievement
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 provisions every 10 years	100%	Achieved: 100% (2021/22: 100%)
	Plan Changes are completed and made operative within 2 years of notification. NCS database updated and closed out	100%	Achieved: 100% (2021/22: 100%)
	Private plan changes have a decision made on them within 2 years of notification. NCS database updated and closed out	100%	Achieved: 100% (2021/22: 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: 100% (2021/22: 100%)
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%	Achieved: 100% (2021/22: 100%)
To encourage and support the restoration and enhancement of areas of indigenous biodiversity	Carry out or facilitate 2km of riparian margin planting in the district year	100%	Achieved: 100% (2021/22: 100%)
	Carry out or facilitate 5ha of indigenous vegetation planting in the district per year	100%	Achieved: 100% (2021/22: 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: 77% (High demand still impacted the delivery of consents during the year.) (2021/22: 98%)
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%	2022/23: Not applicable (no appeals resolved) (2021/22: 100%, one appeal resolved)
	Proportion of Resource Consent Applicants very satisfied or satisfied	85%	Not measured (High number of same applicants doing survey previously so unfair results.) (2021/22: Not measured)

Objective	Performance Measure	Service Target	Achievement
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: 60% (High demand still impacted the delivery of consents during the year) (2021/22: 41.6%)
	Carry out audit inspections of all known residential pools in the district within a 3 year cycle	33% of pools	Not achieved: 24% (Resourcing and timing of inspections. Likely to be caught up in 2023/24.) (2021/22: 32.8%)
	Audit a representative sample of commercial building warrant of fitness's in the district	10% of all current BWOFS audited annually	Achieved: 13% (2021/22: 6%)
	Proportion of Code Compliance Certificates issued within statutory time frames	95%	Achieved: 96% (2021/22: 93.8%)
	Proportion of Building Consent Applicants satisfied or very satisfied	90%	Not measured (High number of same applicants doing survey previously so unfair results.) (2021/22 not measured)
ANIMAL CONTROL			
To register all known dogs	Registration of all known dogs by 30 June each year	100%	Achieved 100% (2021/22: 100%)
To investigate all complaints in regard to dog control in a timely manner	Percentage of urgent callouts attended to within 2 hours	100%	Achieved 100% (2021/22: 100%)
	Percentage of non-urgent callouts attended to within 72 hours	100%	Achieved 100% (2021/22: 100%)

Objective	Performance Measure	Service Target	Achievement
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% (2021/22: 100%)
	Complaints only in writing will be actioned within 3 working days (subject to human risk level)	100%	Achieved 100% (2021/22: 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% (2021/22: 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% (2021/22: 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 he or she is not available a standard notification letter is sent on the same day	100%	Achieved 100% (2021/22: 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% (2021/22: 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% (2021/22: 100%)
ACOHOL 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% (2021/22: 100%)
	Proportion of all other uncontested licenses issued within 20 working days of the closing day of submissions	100%	Achieved 100% (2021/22: 100%)
MONITORING, COMPLIANCE AND ENFORCEMENT			
To monitor activities granted a resource Consent to maintain compliance	Monitoring of Resource Consents conditions are completed within 1 calendar month of the monitoring report being issued	85%	Achieved: 93% (2021/22: 90%)
	All complaints are recorded and investigated to conclusion	100%	Achieved 100% (2021/22: 100%)

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-notified (no hearing)	134	20	100%	86%	26
Land use consents – notified (with hearing)	1	130	100%	100%	117
Land use consent – notified (no hearing)	-	50	100%	100%	-
Land use consent – limited notification (with hearing)	4	100	100%	25%	128
Land use consent – limited notification (no hearing)	2	65	100%	50%	71
Land use consent – non-notified (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

for year ended 30 June 2022

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)	-	100	100%	80%	-
Subdivision consents – limited notification (no hearing)	2	65	100%	100%	64
Subdivision consents – non-notified (no hearing)	184	20	100%	95%	26
Land use consents – notified (with hearing)	1	130	100%	100%	156
Land use consent – notified (no hearing)	-	50	100%	100%	-
Land use consent – limited notification (with hearing)	2	100	100%	100%	99
Land use consent – limited notification (no hearing)	10	65	100%	100%	62
Land use consent – non-notified (no hearing)	604	20	100%	98.68%	18
Building consents	3,208	20	100%	42%	27
Full code of compliance certificates	2,252	20	100%	92%	5

Environmental and Regulatory Services Funding Impact Assessment

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	9,387	8,447	9,477	Note 1
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	126	130	200	
Fees and charges	9,181	9,427	9,816	Note 2
Internal charges and overheads recovered	1,994	1,334	1,385	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	6	
Total operating funding (A)	20,688	19,338	20,884	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	16,576	15,069	17,058	Note 3
Finance costs	-	-	-	
Internal charges and overheads applied	4,154	4,182	4,769	
Other operating funding applications	5	5	-	
Total application of operating funding (B)	20,735	19,256	21,827	
Surplus / (deficit) of operating funding (A-B)	(47)	82	(943)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	54	
Total sources of capital funding (C)	-	-	54	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	38	39	10	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase / (decrease) in reserves	34	34	195	
Increase / (decrease) of investments	(119)	9	(1,094)	
Total applications of capital funding (D)	(47)	82	(889)	
Surplus / (deficit) of capital funding (C-D)	47	(82)	943	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2022/23:

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 projects related to be the District Plan review.

Transportation

This year the Council...

Repaired **8,096** potholes

Completed **12,541 km** of grading on unsealed roads

Completed **72 km** of sealed and unsealed road renewals

Completed **3,300 m** of footpath renewals

Completed **350 m** of kerb and channel renewals

Completed **113 km** of culverts renewals

Constructed **2,623 m** of footpath extensions

Constructed **3,504 m** of shared path construction

Key results

 **88%**

of urban road network met quality target

 **98%**

of rural sealed road network met quality target

 **95%**

of footpaths met service standards







Performance Highlights 2022/23

Our transportation network continues to undergo change as travel patterns adapt to the increased utilisation of the Christchurch Southern Motorway and new urban and commercial developments across the district.

Major projects completed include Railway Road upgrading; Broadlands Drive raised safety platforms and improved Kea facilities; completion of the Weedons Ross Road widening and other projects across the district including new shared paths, footpaths and minor safety improvements.

The 2022/23 financial year was the second year of the National Land Transport Programme funding cycle. Council had a minor underspend on road maintenance which has been transferred to the 2023/24 financial year budget, but cost increases continue to be significant due to inflation and other related factors.

Other Notable Outcomes

Council continued to focus on the planning and implementing of walking and cycling opportunities alongside public transport in line with national and regional objectives.

Safety remained a key issue, with crashes at intersections being a concern. There was one fatality in 2022/23 (same as the previous year), and the same number of serious crash injuries. Waka Kotahi approved funding for the next stage of arterial intersection safety upgrades at Prebbleton under the Road to Zero national road safety programme. The designs for these roundabout installations were completed in early 2023 and these are now out to tender.

Continually increasing bitumen costs, contract cost fluctuations and the changes to legislation have impacted reseal delivery in 2022/23, with Council only completing 23.66km of resealing. We have planned to deliver on our target of 75km for the coming season but this could be similarly impacted given the continuing issues above.

While 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 occurring and capital works involving road excavation as well as some roads deteriorating under heavy traffic.

A new measure was introduced to monitor the condition of gravel roads. Contractor inspections include a range of factors, with the proportion of road rated as good or very good reported. The reported percentage of the unsealed network rated as good or very good was 63%. Council's target was 70%, 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.

The two Road to Zero projects at Shands/Hamptons and Shands/Trents intersections have been delayed and these are now scheduled to be completed in the coming financial year (2023/24).

Service Targets for Transportation

Objective	Performance Measure	Service Area	Service Target	Achievement
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 long term plan. (Mandatory Performance Measure)	All	>75% resolution within the timeframe specified	Not achieved: 70.30%. (Over the last year there has been a restructuring of staff and vacancies have been progressively filled. This means greater resources are available to address requests in future) (2021/22: 76%)
	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: 88% (Urban roughness continues to be affected by construction activities leaving patches and some uneven surface) (2021/22: 88%)
		Rural	≥95%	Achieved: 98% (2021/22: 98%)
		All roads	≥95%	Achieved: 96% (2021/22: 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	Not achieved: 23.66km (An increased focus on maintenance was required and this together with the increasing costs of resurfacing, meant only a small amount of resealing was completed) (2021/22: 50.23km)
	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: 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.) (2021/22: Dec 63%, June 54%)
	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 program or long term plan). (Mandatory Performance Measure)	Footpaths	≥80%	Achieved: 95% (2021/22: 91%)

Objective	Performance Measure	Service Area	Service Target	Achievement
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: 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.) (2021/22: 50%) (5 of 7 large capital projects completed in 2022/23)
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: 1 fatality and 18 serious injury crashes (2022/23: 1 fatality and 18 serious injury crashes) While the target has not been achieved, a no change result is a satisfactory result given the extent of population growth and Vehicle Kilometres Travelled (VKT) increases across the district
	Public Transport: The change from the previous financial year in the number of passenger utilising public transport to, from, or within the district	Public Transport Utilisation	Progressive increase in patronage numbers	Achieved: 344,845 (+90,690) (2021/22: 250,547)
	Active Transport (Walking): The length of new footpaths constructed	Active Transport	2,800m	Not achieved: 2,623m constructed (The length achieved fell slightly below the target due to increased delivery costs. Footpath construction provides new linkages, last year's programme has been accompanied by town centre and shared path projects. (2021/22: 2,258m)
	Active Transport (Cycling): The number of schools participating in the School Cycle Skills Education Programme		3 schools	Achieved: 20 schools (2021/22: Programme started 22/23)
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: 7 out of 8 (88%) (2021/22: 88%)

Transportation Funding Impact Statement

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	3,257	3,452	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	2,616	2,787	7,087	Note 1
Fees and charges	-	-	-	
Internal charges and overheads recovered	-	2066	2204	
Local authorities fuel tax, fines, infringement fees, and other receipts	290	299	570	
Total operating funding (A)	2,906	8,409	13,313	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	6,177	6,678	13,424	Note 2
Finance costs	815	1,198	1,540	
Internal charges and overheads applied	2,431	2,477	2,655	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	9,423	10,353	17,619	
Surplus / (deficit) of operating funding (A-B)	(6,517)	(1,944)	(4,306)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	8,794	7,778	4,323	Note 1
Development and financial contributions	1,542	1,324	3,042	Note 3
Increase / (decrease) in debt	20,890	9,826	21,571	Note 4
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	31,226	18,928	28,936	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	18,149	495	8,952	Note 5
Capital expenditure to improve the level of service	6,068	7,893	1,192	Note 6
Capital expenditure to replace existing assets	8,421	8,596	6,232	Note 7
Increase / (decrease) in reserves	(1,496)	739	2,723	
Increase / (decrease) of investments	(6,433)	(739)	5,531	
Total applications of capital funding (D)	24,709	16,984	24,630	
Surplus / (deficit) of capital funding (C-D)	6,517	1,944	4,306	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2022/23:

Note 1 Subsidies and grants for operating and capital expenditure is higher than the LTP due to higher levels of subsidies received from Waka Kotahi than originally budgeted, reflecting subsidised expenditure being slightly above budget.

Note 2 Payments to staff and suppliers is higher than the LTP due to subsidised maintenance and operational expenditure being higher than originally budgeted.

Note 3 Development contributions revenue is higher than the LTP due to substantial growth in the District being higher than forecast.

Note 4 Debt is higher than the LTP due to the timing of completion of major projects.

Note 5 Capital expenditure to meet additional demand is higher than the LTP due to the timing of completing some capital projects, including projects related to the Rolleston Town Centre.

Note 6 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 7 Capital expenditure to replace existing assets are lower than the LTP due to timing of undertaking sealed road resurfacing and traffic service renewals being lower than budget.

Resource Recovery and Waste Management

This year the Council...

Collected waste and recycling from more than **25,900** households

Kerbside collections pick up:

12,000 tonnes of rubbish	5,100 tonnes of recycling	8,800 tonnes of organics
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34,900 tonnes of material processed through the Pines Resource Recovery Park

Key results



11%

reduction in total waste to landfill per capita



30%

reduction in contamination of kerbside recycling





Performance Highlights 2022/23

Resource Recovery and Waste Management in Selwyn is much more than just collecting rubbish. 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 2022/23, 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.

ReDiscover, the new education centre and a key stage of the project, was opened in April 2023. Our Waste and Sustainability Educator provides both outreach and on-site programmes to schools and local community groups. These programmes are designed around the themes of 'Reduce, Recycle and Recover' and the principles of a Circular Economy.

The kerbside collection service collected bins from almost 26,000 households. During the past year, an 11% reduction in total waste to landfill per capita was achieved, and contamination in kerbside recycling was reduced by 30%. This ensured more items could have a second life and reduced waste to landfill in landfill.

Service Targets for Resource Recovery and Waste Management

Objective	Performance Measure	Service Target	2021/22 Achievement
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: 2 substantiated formal complaint was received during the year. (2021/22: 1 substantiated formal complaint was 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: 11% decrease in kg per capita on previous year. (2021/22: 3% 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	Achieved: 14% decrease in kg per capita on previous year. (2021/22: 6% 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: 30% reduction in contamination levels on previous year. (2021/22: 15% reduction in contamination levels on previous year).

Resource Recovery and Waste Management Funding Impact Statement

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	
Targeted rates	9,101	9,636	10,727	Note 1
Subsidies and grants for operating purposes	68	70	10	
Fees and charges	2,971	3,375	4,421	Note 2
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	
Total operating funding (A)	12,140	13,081	15,158	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	10,965	11,670	13,457	Note 3
Finance costs	137	272	-	
Internal charges and overheads applied	613	625	686	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	11,715	12,567	14,143	
Surplus / (deficit) of operating funding (A-B)	425	514	1,015	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	10,971	(208)	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	10,971	(208)	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	3,955	76	385	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	50	-	-	
Increase / (decrease) in reserves	-	-	(334)	
Increase / (decrease) of investments	7,391	230	964	
Total applications of capital funding (D)	11,396	306	1,015	
Surplus / (deficit) of capital funding (C-D)	(425)	(514)	(1,015)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2022/23:

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 due predominantly to higher than forecast organic tonnes received at the Pines Resource Recovery Park. Revenue from the Reuse shop allowed for in the LTP was also not realised during the year due to project delays.

Note 3 Payments to staff and suppliers is higher than the LTP due to higher growth in the district.

5 Waters Services

This year the Council...

Provided drinking water to **80%** of the population

Provided wastewater to **67%** of the population

Supplied **8.89** million cubic metres of water to households

Treated **4.12** million cubic metres of wastewater

Maintained:

1,518 km
of water mains

680 km
of wastewater mains

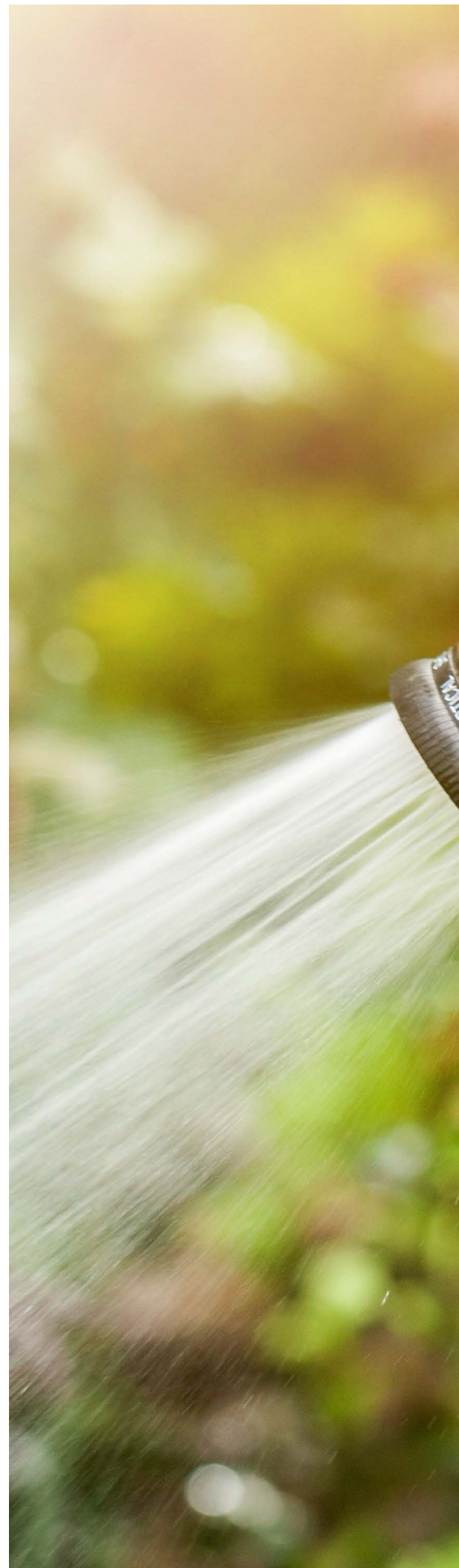
Key results

For the first 6 months of the year operating under the previous Drinking Water Standards for New Zealand 2005 (revised 2018) our water supplies were:

- **80%** compliant for protozoa treatment
- **99.98%** compliant for bacterial compliance (E.coli testing)

For the second half of the year under the new Drinking Water Quality Assurance rules, our water supplies were:

- **88%** compliant for protozoa treatment
- **100%** compliant for bacteria monitoring (E. coli testing)
- Average consumption of drinking water per day per resident **0.367m³**





Performance Highlights 2022/23

Safe Drinking Water

The drinking water compliance criteria changed part way through this year. The Council achieved 99.98% and 100% compliance respectively for E. coli in water leaving the treatment plant, and water in the distribution systems. Protozoa compliance at water treatment plants has increased from 80% to 88%. This positive result is an outcome of the water treatment plant upgrades and a multibarrier approach to treatment. All water treatment plants will have a protozoa and bacteria barrier (Ultraviolet light UV) in place by November 2023.

This measure was set before the introduction of the new rules by Taumata Arowai (effective from 14 November 2022, but reported against from 1 January 2023). Therefore, we are reporting our performance against two different requirements. Compliance against both requirements were independently assessed and verified.

From 1 July 2022 – 31 December 2022, performance was measured against Parts 4 and 5 of the Drinking Water Standards 2005, (revised 2018) with a target of 100% bacterial and protozoal compliance.

From 1 January 2023, new Drinking Water Quality Assurance Rules (DWQAR) reporting has started, as introduced by Taumata Arowai. These requirements measure compliance against the following criteria: Bacterial, protozoal, chemicals and cyanotoxin for treatment plants and microbiological, residual disinfection, disinfection by-products and plumbosolvent metal rules for distribution networks. Compliance is monitored and reported through on-line monitoring along with a sampling regime, with minimum samples specified for various zones. We adhered to the minimum sampling requirements and in some zones, we exceeded the sampling requirements.

Water Quantity

Selwyn residents tend to be high users of water, using an average of 0.367m³ of water per person a day in the 2022/23 year. 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

80% of residential properties in Selwyn are serviced with water and 67% of residential properties are serviced by the Council's wastewater systems.

Compliance with Resource Consents

During the 2022/23 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 three dry weather sewage and two wet weather overflows in 2022/23. The target was less than 1.4 overflows per 1,000 rated properties, which was met. The final result was 0.15 dry overflows and 0.10 wet overflows per 1000 rated properties.

Water Sustainability and Availability

Sustainable water management continues to be a focus for 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.

Service Targets for 5 Waters Services

Objective	Performance Measure	Service Target	2022/23 Achievement
LAND DRAINAGE			
To minimise nuisance effects from water services	The number of complaints received about the performance of the Land Drainage system, expressed per 1000 rated properties	Less than 10	Achieved: 2.25 (2021/22: 3.00)
To provide water services in a cost effective manner	Total average operating cost per serviced property for Land Drainage	≤\$160	Achieved: \$113.70 (2021/22: \$181.72)
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:		
	a) abatement notices;	a) Nil	Achieved: Nil (2021/22: Nil)
	b) infringement notices	b) Nil	Achieved: Nil (2021/22: Nil)
	c) enforcement orders; and	c) Nil	Achieved: Nil (2021/22: Nil)
	d) convictions	d) Nil	Achieved: Nil (2021/22: Nil)
	Received from Environment Canterbury. (Mandatory Performance Measure)		
To minimise nuisance effects from water services	The number of complaints received about the performance of the stormwater system, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 20	Achieved: 12.03 (2021/22: 8.72)
	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 1 hour for urgent flooding events	Achieved: Nil (2021/22: 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 (2021/22: 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 (2021/22: Nil)
	Total average rate per serviced property for Stormwater	≤\$105	Not achieved: \$122.00 (Target was set 3 years ago and inflation higher than forecast has occurred). (2021/22: \$113)

Objective	Performance Measure	Service Target	2022/23 Achievement
WASTEWATER			
To minimise nuisance effects from water services	Compliance with resource consents for discharge from the wastewater system measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions. Received from Environment Canterbury. (Mandatory Performance Measure)	a) Nil b) Nil c) Nil d) Nil	Achieved: Nil (2021/22: Nil) Achieved: Nil (2021/22: Nil) Achieved: Nil (2021/22: Nil) Achieved: Nil (2021/22: Nil)
	The total number of complaints received about sewage odour, blockages system faults and response to issues with its sewerage expressed per 1000 rated properties (Mandatory Performance Measure)	Less than 8	Achieved: 1.18 (2021/22: 1.72)
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 1 hour	Achieved: 35 minutes (2021/22: 47 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: 2 hours 20 minutes (2021/22: 2 hours 29 minutes)
To provide service capacity is provided 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: 67% (2021/22: 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 1000 rated properties (Mandatory Performance Measure)	Less than 1.4 overflow	Achieved: Wet 0.15, Dry 0.10 (2021/22: Wet 0.11, Dry 0.33)
To provide water services in a cost effective manner	Total average rate per serviced property for wastewater	≤\$550	Not achieved: \$586.00 (Target was set 3 years ago and inflation higher than forecast has occurred). (2021/22: \$564)

Objective	Performance Measure	Service Target	2022/23 Achievement
WATER SUPPLY			
To minimise nuisance effects from water services	<p>Compliance with resource consents for surface water takes for water supplies measured by the number of:</p> <p>a) abatement notices;</p> <p>b) infringement notices</p> <p>c) enforcement orders; and</p> <p>d) convictions.</p> <p>Received from Environment Canterbury</p>	<p>a) Nil</p> <p>b) Nil</p> <p>c) Nil</p> <p>d) Nil</p>	<p>Achieved: Nil (2021/22: Nil)</p> <p>Achieved: Nil (2021/22: Nil)</p> <p>Achieved: Nil (2021/22: Nil)</p> <p>Achieved: Nil (2021/22: Nil)</p>
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 1000 rated properties (Mandatory Performance Measure)	Less than 20	Achieved: 11.90 (2021/22: 10.2)
To address problems with water services in a timely manner and prioritised according to risk and need	<p>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:</p> <p>a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site;</p> <p>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)</p>	<p>a) Less than 24 hours</p> <p>b) Less than 120 hours</p>	<p>Achieved: 1 hour (2021/22: 57 minutes)</p> <p>Achieved: 2 hours 2 minutes (2021/22: 17 hours 51 minutes)</p>
	<p>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:</p> <p>a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site;</p> <p>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)</p>	<p>a) Less than 4 hours</p> <p>b) Less than 48 hours</p>	<p>Achieved: 60 minutes (2021/22: 28 minutes)</p> <p>Achieved: 2 hours (2021/22: 4 hours 26 minutes)</p>

Objective	Performance Measure	Service Target	2022/23 Achievement
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: 80% (2021/22: 79%)
	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)	20%	Not Achieved: 20.9% (Measure is close to achievement as slightly more water loss) (2021/22: 14%)
	The average consumption of drinking water per day per resident (Mandatory Performance Measure)	Less than 0.49m ³ per person per day within urban schemes	Achieved: 0.367m ³ (2021/22: 0.358m ³)
	The extent to which the drinking water supplies comply with the drinking water standards for bacteria compliance (Mandatory Performance Measure)	≥99.95% of monitoring samples comply, at both the treatment plant and within the reticulation, across the district	Not Achieved*: Treatment: 1 July 2022 to 31 December 2022 97%. 1 January 2023 to 30 June 2023 89%. Reticulation: 100% (2021/22: Treatment: 99.98%, Reticulation: 99.95%)
	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	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) (2021/22: 79%)
To provide water services in a cost effective manner	Total cost to provide 200m ³ of water to a 'on demand' serviced property	≤\$440	Achieved: \$432.00 (2021/22: \$387)

Objective	Performance Measure	Service Target	2022/23 Achievement
WATER RACES			
To minimise nuisance effects from water services	The total number of complaints received about continuity of supply, expressed per 1000 rated properties	Less than 50	Achieved: 9.8 (2021/22: 11.83)
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: a) Attendance time: from the time that personnel receives notification to the time that service personnel reach the site; b) Resolution time: the time that personnel receives notification to the time that service personnel confirm the resolution of the blockage or other fault	a) Less than 4 hours b) Less than 48 hours	Achieved: 35 minutes (2021/22: 27 minutes) Achieved: 2 hours 26 minutes (2021/22: 2 hours 41 minutes)
To provide water services in a cost effective manner	Total average operating cost per serviced property for water races	≤\$200	Achieved: \$109.51 (2021/22: \$99.85)
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: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions. Received from Environment Canterbury	a) Nil b) Nil c) Nil d) Nil	Achieved: Nil (2021/22: Nil) Achieved: Nil (2021/22: Nil) Achieved: Nil (2021/22: Nil) Achieved: Nil (2021/22: Nil)

**Note: Methodology has changed from previous years which reported on actual E. coli readings. Using this method the result at the treatment plants would have been 99.98%.*

Community Water Supplies Funding Impact Statement

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	
Targeted rates	9,066	10,056	10,318	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	208	219	109	
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	
Total operating funding (A)	9,274	10,275	10,427	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	5,275	5,568	9,275	Note 1
Finance costs	174	465	642	
Internal charges and overheads applied	1,955	1,993	2,096	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	7,404	8,026	12,013	
Surplus / (deficit) of operating funding (A-B)	1,870	2,249	(1,586)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	2,285	2,365	4,155	Note 2
Increase / (decrease) in debt	13,887	9,420	7,896	Note 3
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	16,172	11,785	12,051	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	9,526	4,764	5,160	Note 4
Capital expenditure to improve the level of service	7,833	5,591	9,009	Note 5
Capital expenditure to replace existing assets	6,419	3,874	7,880	
Increase / (decrease) in reserves	(7,556)	(2,835)	(5,198)	
Increase / (decrease) of investments	1,820	2,640	(6,386)	
Total applications of capital funding (D)	18,042	14,034	10,465	
Surplus / (deficit) of capital funding (C-D)	(1,870)	(2,249)	(1,586)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2022/23:

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 Development and financial contributions is higher than the LTP due to the higher than forecast substantial growth in the district.

Note 3 Movement in debt – the amount of borrowing required to fund this activity is lower than the LTP due to timing of completion of some capital projects.

Note 4 Capital expenditure to improve the level of service is higher than the LTP due to the timing of completion of water supply upgrades.

Note 5 Capital expenditure to replace existing assets is higher than the LTP due to the timing of completion of renewal projects.

Community Wastewater Funding Impact Statement

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	
Targeted rates	8,343	9,044	9,705	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	1,077	1,107	1,044	
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	
Total operating funding (A)	9,420	10,151	10,749	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	5,148	5,460	6,202	
Finance costs	657	926	294	
Internal charges and overheads applied	1,285	1,310	1,373	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	7,090	7,696	7,869	
Surplus / (deficit) of operating funding (A-B)	2,330	2,455	2,880	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	10,660	-	544	Note 1
Development and financial contributions	3,648	3,821	7,902	Note 2
Increase / (decrease) in debt	14,520	7,005	5,172	Note 3
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	28,828	10,826	13,618	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	24,403	7,707	15,551	
Capital expenditure to improve the level of service	4,558	3,409	2,027	Note 4
Capital expenditure to replace existing assets	3,694	2,700	3,101	Note 5
Increase / (decrease) in reserves	(1,153)	(1,123)	(4,677)	
Increase / (decrease) of investments	(344)	588	496	
Total applications of capital funding (D)	31,158	13,281	16,498	
Surplus / (deficit) of capital funding (C-D)	(2,330)	(2,455)	(2,880)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2022/23:

Note 1 Subsidies and grants for capital expenditure is higher than the LTP due to the timing of receipt of funding received from DIA for three waters stimulus funding for infrastructural development.

Note 2 Development contributions revenue is higher than the LTP due to the higher than forecast substantial growth in the district.

Note 3 Debt is lower than the LTP as the requirement to borrow is lower due to higher Council revenue than originally budgeted.

Note 4 Capital expenditure to meet additional demand is higher than the LTP largely due to the timing of completion of capital projects including the Darfield trunk sewer and Pines.

Note 5 Capital expenditure to improve the level of service is lower than the LTP largely due to the timing of completion of district wide capital projects.

Community Stormwater Funding Impact Statement

June 2022	June 2023	June 2023	
LTP	LTP	Actual	
\$'000	\$'000	\$'000	

SOURCES OF OPERATING FUNDING

General rates, uniform annual general charges, rates penalties	-	-	-	
Targeted rates	1,754	1,991	2,122	
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)	1,754	1,991	2,122	

APPLICATION OF OPERATING FUNDING

Payments to staff and suppliers	1,305	1,335	1,532	
Finance costs	62	62	39	
Internal charges and overheads applied	198	202	207	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	1,565	1,599	1,778	
Surplus / (deficit) of operating funding (A-B)	189	392	344	

SOURCES OF CAPITAL FUNDING

Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	244	251	301	
Increase / (decrease) in debt	-	-	(259)	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	244	251	42	

APPLICATIONS OF CAPITAL FUNDING

Capital expenditure to meet additional demand	10	-	-	
Capital expenditure to improve the level of service	2,043	973	502	
Capital expenditure to replace existing assets	216	123	30	
Increase / (decrease) in reserves	67	74	173	
Increase / (decrease) of investments	(1,903)	(527)	(319)	
Total applications of capital funding (D)	433	643	386	
Surplus / (deficit) of capital funding (C-D)	(189)	(392)	(344)	
Funding balance (A-B) + (C-D)	-	-	-	

There are no significant variances to explain between the 2022/23 actual and the Long-Term Plan 2022/23.

Water Races and Land Drainage Funding Impact Statement

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	34	37	37	
Targeted rates	3,475	3,578	4,042	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	474	491	316	
Internal charges and overheads recovered	185	187	189	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	
Total operating funding (A)	4,168	4,293	4,584	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	2,989	3,023	3,518	
Finance costs	-	-	-	
Internal charges and overheads applied	618	631	662	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	3,607	3,654	4,180	
Surplus / (deficit) of operating funding (A-B)	561	639	404	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	834	311	107	
Capital expenditure to replace existing assets	1,028	354	306	
Increase / (decrease) in reserves	7	16	22	
Increase / (decrease) of investments	(1,308)	(42)	(31)	
Total applications of capital funding (D)	561	639	404	
Surplus / (deficit) of capital funding (C-D)	(561)	(639)	(404)	
Funding balance (A-B) + (C-D)	-	-	-	

There are no significant variances to explain between the 2022/23 actual and the Long-Term Plan 2022/23.

Internal Council services

Support Services

Internal support and administration functions assist Council in its delivery of 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; Chief Executive's department, finance, information services, records management, asset management and service delivery.

Internal Council Services also cover the Council's corporate revenue, including dividends, interest and property leases. As 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

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 actually 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.

	June 2022	June 2023	June 2023	
	LTP	LTP	Actual	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	673	787	1,195	
Targeted rates	314	314	77	
Subsidies and grants for operating purposes	149	153	141	
Fees and charges	1,208	1,270	1,288	
Internal charges and overheads recovered	24,897	25,155	27,979	Note 1
Local authorities fuel tax, fines, infringement fees, and other receipts	5,729	5,863	7,773	Note 2
Total operating funding (A)	32,970	33,542	38,453	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	20,365	20,551	22,668	Note 3
Finance costs	6	1	-	
Internal charges and overheads applied	10,956	11,178	12,318	Note 1
Other operating funding applications	123	127	109	
Total application of operating funding (B)	31,450	31,857	35,095	
Surplus / (deficit) of operating funding (A-B)	1,520	1,685	3,358	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	(313)	(82)	4,785	Note 4
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	(313)	(82)	4,785	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	850	876	1,584	Note 5
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	480	258	656	
Increase / (decrease) in reserves	28	28	129	
Increase / (decrease) of investments	(151)	441	5,774	
Total applications of capital funding (D)	1,207	1,603	8,143	
Surplus / (deficit) of capital funding (C-D)	(1,520)	(1,685)	(3,358)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2022/23:

Note 1 Internal charges are higher than the LTP due to continued population growth.

Note 2 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 statement of service performance, 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 2023 fairly reflect the financial position and operations of the Selwyn District Council.



Sam Broughton
Mayor of Selwyn District



Sharon Mason
Chief Executive

6 December 2023

Financials – annual report disclosure statement for year ending 30 June 2023

What is the purpose of this statement?

The purpose of this statement is to disclose the Council’s financial performance in relation to various benchmarks to enable the assessment of whether 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.

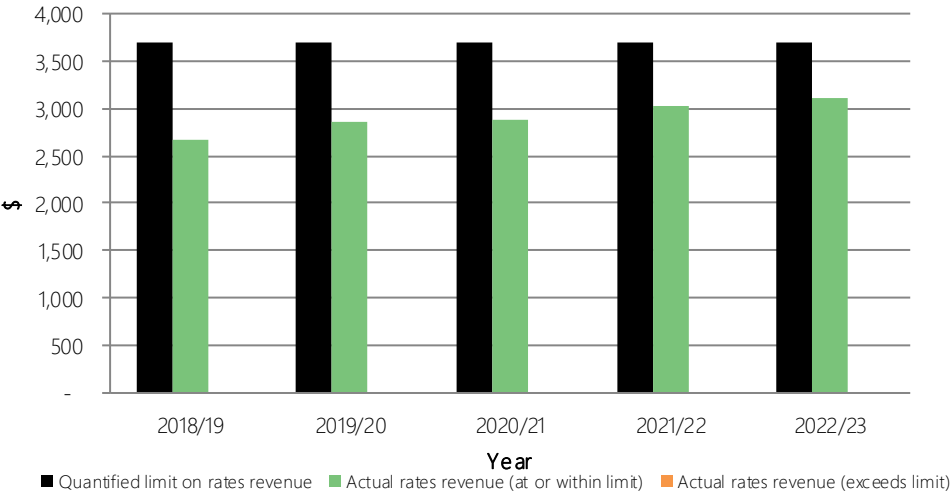
Rates affordability benchmark

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.

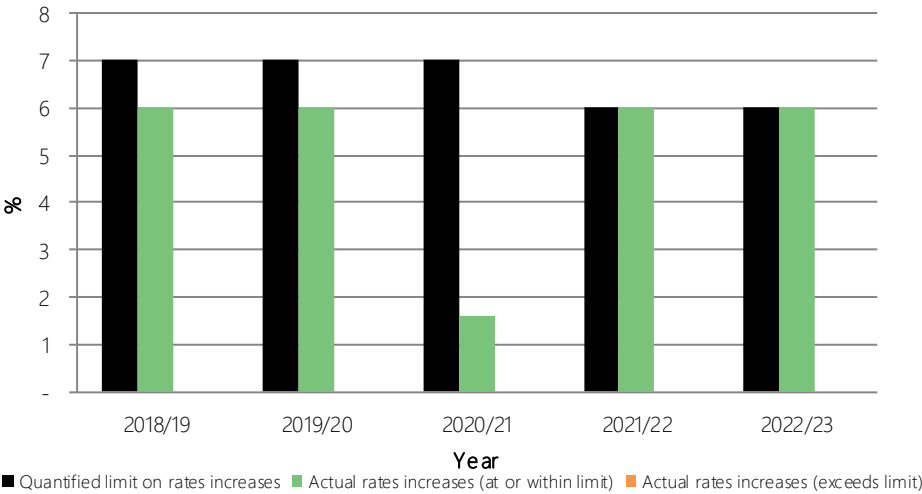
Rates (revenue) affordability

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.



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.

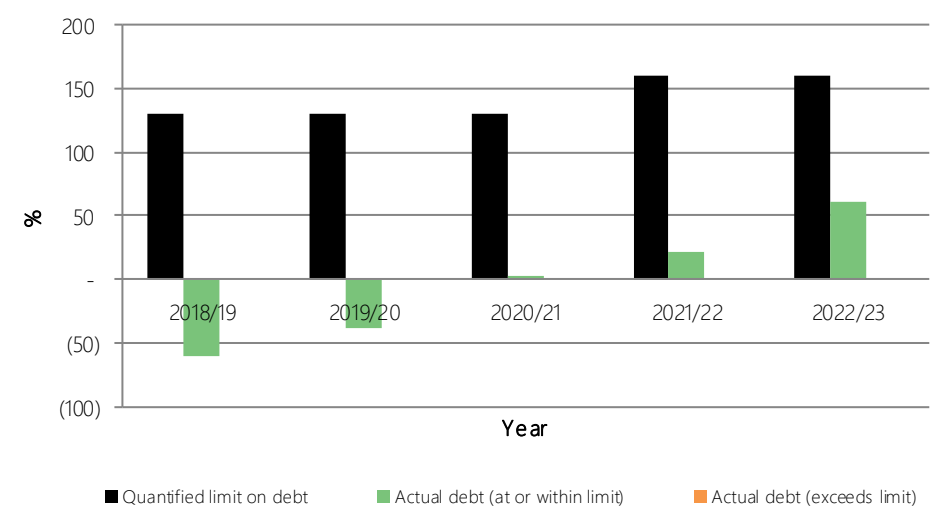


Debt affordability benchmark

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

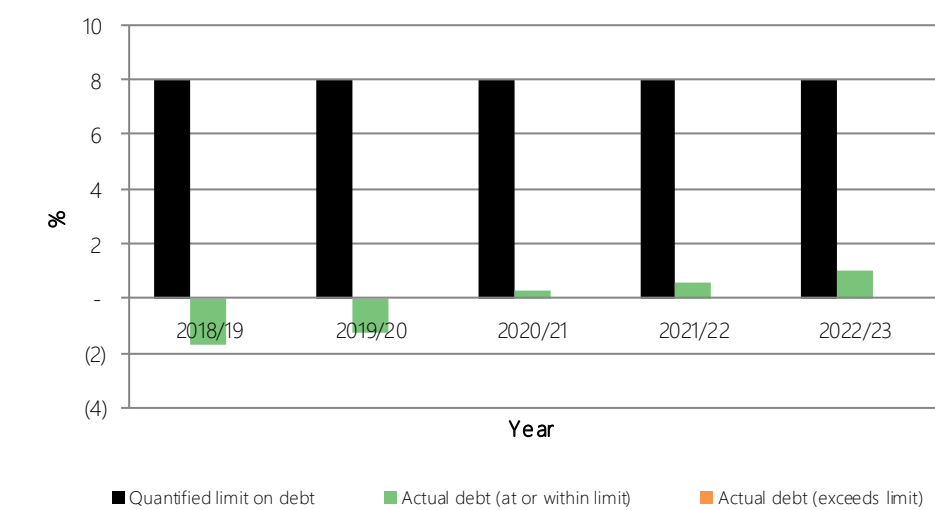
Net borrowing as percentage of revenue

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%.



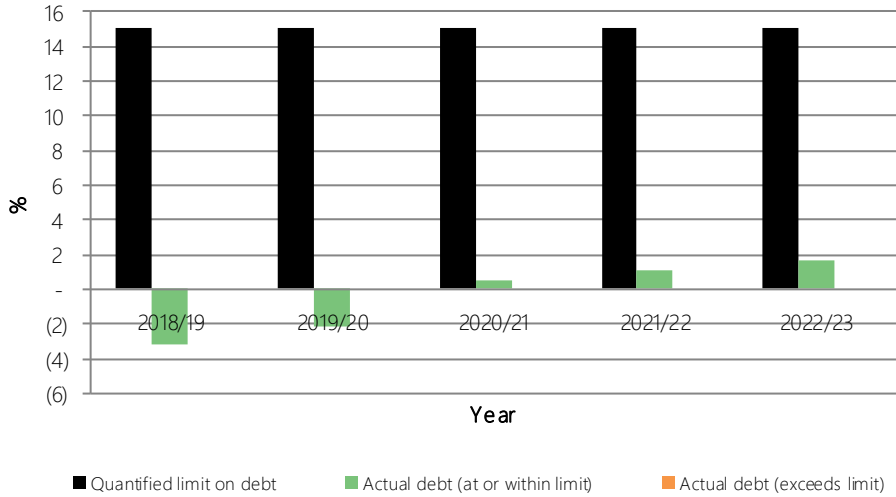
Net interest as percentage of total revenue

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%.



Net interest as percentage of rates revenue

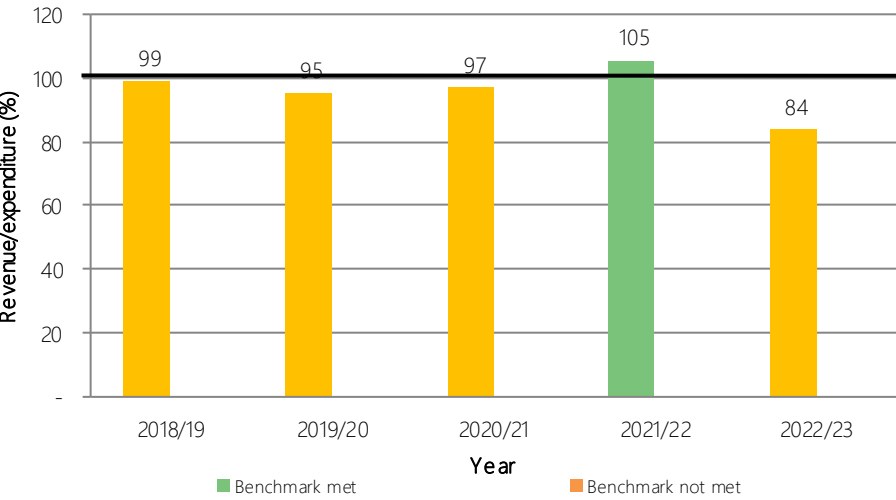
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest as a percentage of rates revenue will be less than 15%.



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.

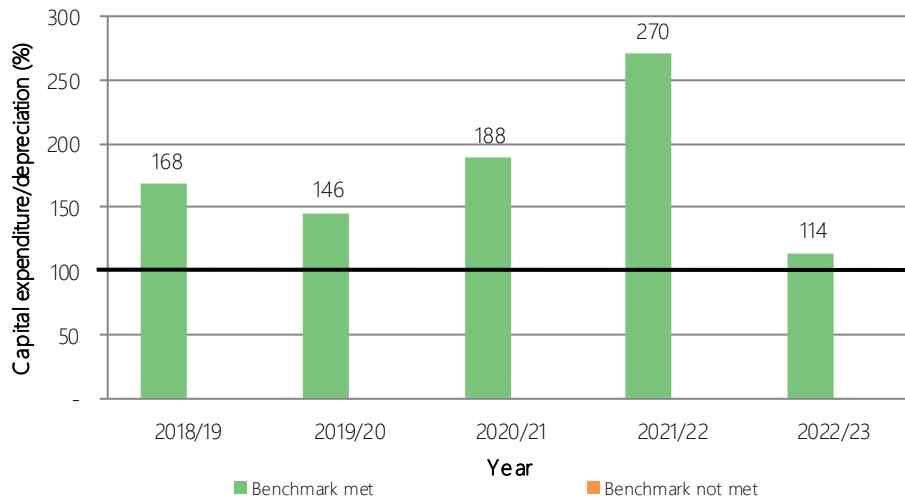


The Council did not meet the balanced budget benchmark during the 2018/19 to 2020/21 and 2022/23 financial years' largely due to the Council's decision to not fully fund depreciation (the Council generally funds renewals rather than depreciation).

Essential services benchmark

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

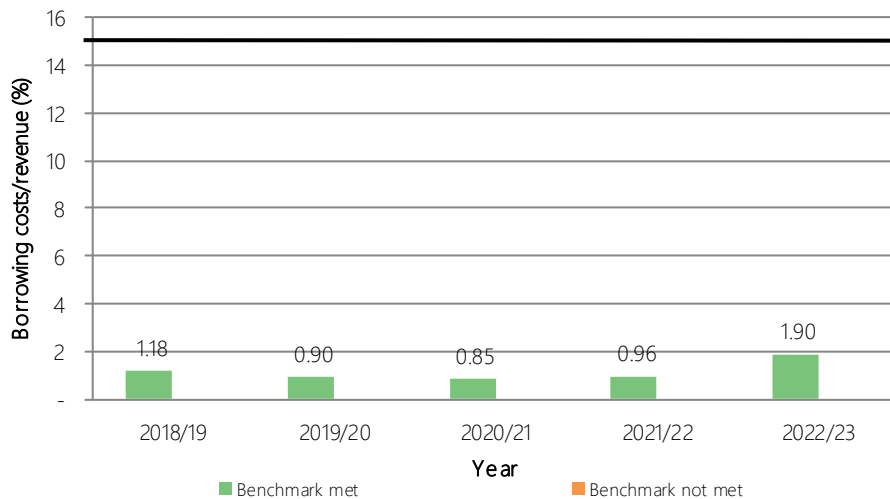
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

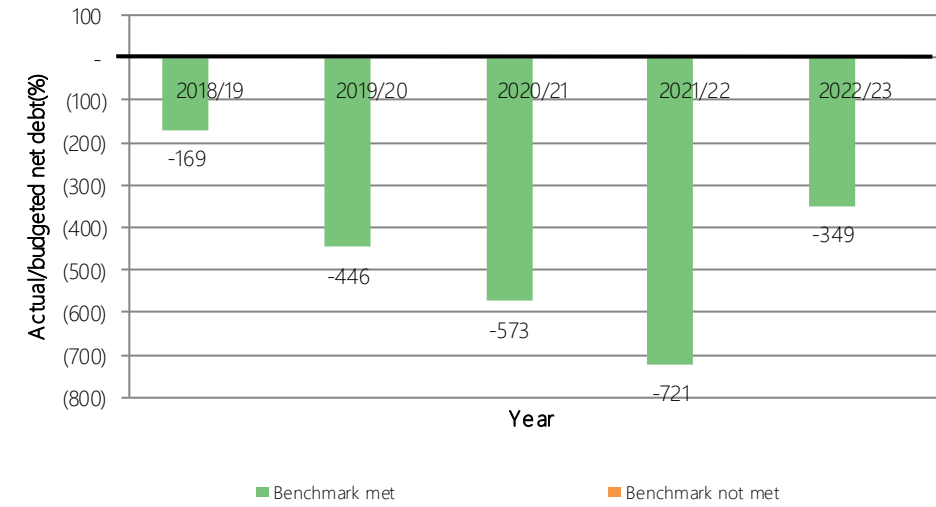
Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it means the debt servicing benchmark is met if it's borrowing costs equal or are less than 15% of its revenue.



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).

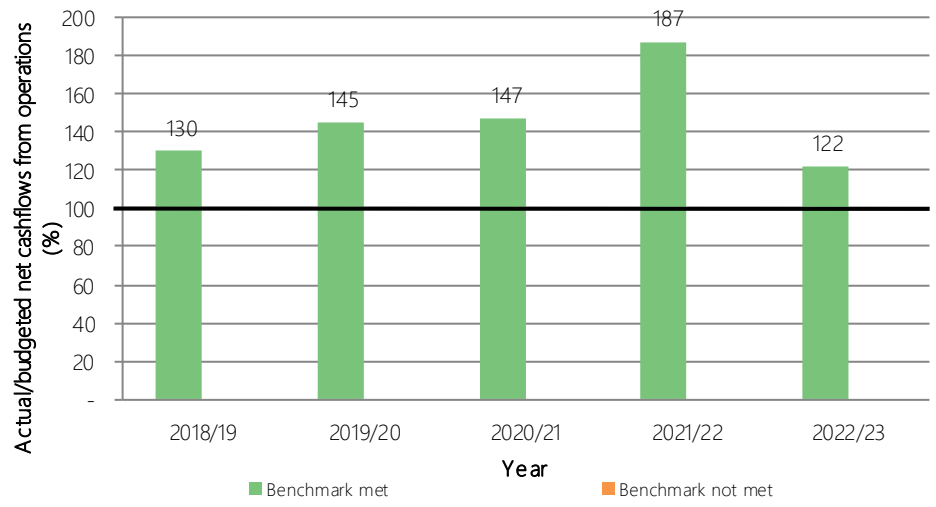
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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.



Selwyn District Council
Statement of comprehensive revenue and expense
for the year ended 30 June 2023

		Council	Council	Council	Group	Group
		Actual	Budget	Actual	Actual	Actual
		June 2023	June 2023	June 2022	June 2023	June 2022
	Notes	\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	3	85,322	83,243	78,502	85,315	78,495
Fees and charges	3	25,477	25,671	25,211	24,858	24,643
Development and financial contributions	3	20,410	10,791	34,502	20,410	34,502
Subsidies and grants	3	13,338	12,694	26,173	13,454	26,257
Interest revenue	3	1,181	601	560	1,473	592
Other revenue	3	48,145	40,156	57,697	86,957	91,082
Gains	3	4,815	-	14,839	3,907	15,003
Total revenue	2	198,688	173,156	237,484	236,374	270,574
Expenses						
Personnel costs	4	32,748	32,929	28,799	58,548	51,034
Depreciation and amortisation expense	16,17,18	44,763	38,523	36,031	47,885	39,412
Other expenses	5	85,720	75,065	73,299	91,059	77,545
Finance costs	6	2,629	2,756	1,413	2,629	1,416
Total expenses	2	165,860	149,273	139,542	200,121	169,407
Surplus / (deficit) before taxation		32,828	23,883	97,942	36,253	101,167
Income taxation expense / (benefit)	7	84	-	59	2,270	2,020
Surplus / (deficit) after taxation		32,744	23,883	97,883	33,983	99,147
Surplus / (deficit) attributable to:						
Selwyn District Council		32,744	23,883	97,883	33,983	99,147
Surplus / (deficit) after taxation		32,744	23,883	97,883	33,983	99,147
Other comprehensive revenue and expense						
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Fair value movement of unlisted shares	26	62,881	6,413	-	44,981	-
Gain / (loss) on infrastructure assets revaluation	26	27,211	51,443	485,279	27,211	485,279
Gain / (loss) on land and building revaluation	26	-	-	71,352	2,044	72,506
Deferred taxation on revaluation	7	-	-	-	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 revenue and expense 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

Explanations of major variances against budget are provided in Note 30.

The accompanying notes form part of these financial statements.

Selwyn District Council
Statement of financial position as at 30 June 2023

		Council	Council	Council	Group	Group
		Actual	Budget	Actual	Actual	Actual
		June 2023	June 2023	June 2022	June 2023	June 2022
	Notes	\$000	\$000	\$000	\$000	\$000
Current assets						
Cash and cash equivalents	8	20,447	10,231	21,538	31,943	30,585
Receivables	9	14,271	15,451	14,835	15,095	16,921
Derivative financial instruments	10	3,882	-	1,511	3,882	1,511
Inventory and work in progress	11	1,248	20	1,827	6,942	4,516
Other financial assets	12	10,205	20,000	21,287	10,205	21,287
Income taxation receivable	7	-	-	3	-	-
Non - current assets held for sale	13	-	5,107	-	112	134
Total current assets		50,053	50,809	61,001	68,179	74,954
Non-current assets						
Derivative financial instruments	10	11,968	1,635	11,216	11,968	11,216
Inventory and work in progress	11	807	-	807	807	807
Other financial assets	12	2,482	644	1,422	2,482	1,422
Investment in CCOs and other similar entities	12	195,605	140,010	132,724	153,605	108,624
Investment property	15	61,287	51,808	58,218	51,462	50,288
Property, plant, and equipment	16	2,556,824	2,063,066	2,452,425	2,583,100	2,475,339
Intangible assets	17	994	195	290	1,908	1,193
Forestry assets	19	125	393	130	125	130
Deferred tax	7	-	-	-	649	706
Total 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						
Payables and deferred revenue	20	26,011	30,903	28,564	27,496	29,132
Employee entitlements	21	3,732	-	3,540	6,261	5,638
Provisions	22	20	-	360	146	748
Income taxation payable	7	9	-	-	1,817	333
Derivative financial instruments	10	1,537	-	621	1,537	621
Borrowings	23	10,200	662	10,000	10,200	10,000
Total current liabilities		41,509	31,565	43,085	47,457	46,472
Non-current liabilities						
Employee benefit liabilities	21	127	-	135	137	142
Provisions	22	947	1,043	1,173	947	1,173
Deferred tax	7	31	-	21	1,932	2,350
Derivative financial instruments	10	7,173	1,550	6,097	7,173	6,097
Borrowings	23	105,000	144,574	65,200	105,000	65,200
Total non - current liabilities		113,278	147,167	72,626	115,189	74,962
Equity						
Accumulated funds	26	1,262,042	1,182,387	1,210,938	1,274,672	1,222,329
Fair value through other comprehensive revenue	26	149,279	92,936	86,398	116,278	71,297
Restricted reserves	26	26,582	47,289	44,529	26,582	44,529
Property revaluation reserve	26	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
Total liabilities and equity		2,880,145	2,308,560	2,718,233	2,874,285	2,724,679

Explanations of major variances against budget are provided in Note 30.

The accompanying notes form part of these financial statements.

Selwyn District Council

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
	Notes	\$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 comprehensive revenue and expense		122,836	81,739	654,514	108,394	656,932
Balance at 30 June	26	2,725,358	2,129,828	2,602,522	2,711,639	2,603,245
Total comprehensive revenue and expense 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

Explanations of major variances against budget are provided in Note 30.

The accompanying notes form part of these financial statements.

Selwyn District Council

Statement of cash flows for the year ended 30 June 2023

		Council	Council	Council	Group	Group
		Actual	Budget	Actual	Actual	Actual
		June 2023	June 2023	June 2022	June 2023	June 2022
	Notes	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities						
Receipts from customers		149,417	129,800	165,179	190,784	200,854
Agency receipts received		2,565	4,581	3,165	2,565	3,165
Interest received		1,195	601	513	1,487	545
Dividends received		6,046	5,262	5,891	4,046	3,891
Payments to suppliers and employees		(120,347)	(105,061)	(100,497)	(151,547)	(127,417)
Agency payments made		(2,565)	(4,581)	(3,165)	(2,565)	(3,165)
Interest (paid) / received		(1,879)	(2,756)	(1,462)	(1,879)	(1,465)
Income taxation (paid) / received		(62)	-	(43)	(1,324)	(2,353)
Goods and services taxation (net)		(413)	-	(339)	(663)	(77)
Net cash flow from operating activities		33,957	27,846	69,242	40,904	73,978
Cash flows from investing activities						
Receipts from sale of property, plant, and equipment		1,985	2,585	3,773	2,534	4,491
Receipts from sale of investments		20,037	-	27,893	20,037	27,893
Purchase of property, plant, and equipment		(85,121)	(112,539)	(99,900)	(90,168)	(103,768)
Purchase of intangible assets		(1,114)	-	(240)	(1,114)	(240)
Purchase of investment property		(835)	-	(1,486)	(835)	(1,486)
Acquisition of investments		(10,000)	-	(21,000)	(10,000)	(21,000)
Net cash flow from investing activities		(75,048)	(109,954)	(90,960)	(79,546)	(94,110)
Cash flows from financing activities						
Proceeds from borrowings		40,000	70,036	15,000	40,000	15,000
Repayment of borrowings		-	-	-	-	-
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 and cash equivalents at the beginning of the year		21,538	22,303	28,256	30,585	35,717
Cash and cash equivalents at the end of the year	8	20,447	10,231	21,538	31,943	30,585

Explanations of major variances against budget are provided in Note 30.

The accompanying notes form part of these financial statements.

Selwyn District Council

Statement of cash flows for the year ended 30 June 2023 (continued)

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Surplus / (deficit) after taxation	32,744	97,883	33,983	99,147
<i>Add / (less) non - cash items:</i>				
Depreciation and amortisation expense	44,763	36,031	47,894	39,424
Vested assets revenue	(38,569)	(49,723)	(38,569)	(49,723)
(Gains) / losses in fair value of investment property	(1,938)	(2,668)	(878)	(2,588)
(Gains) / losses in fair value of forestry assets	5	263	5	263
Movement in non - current employee entitlements	(8)	-	(8)	-
Movement in provision for doubtful debts	34	(4)	34	(4)
Gains / losses on derivative financial instruments	(1,131)	(6,043)	(1,131)	(6,043)
Movement in deferred taxation	10	-	(510)	579
Total non - cash items	35,910	75,739	40,820	81,055
<i>Add / (less) movements in working capital items:</i>				
(Increase) / decrease in receivables	740	(1,523)	(2,522)	(3,399)
(Increase) / decrease in inventory & work in progress	579	(1,174)	2,275	(4,374)
Increase / (decrease) in payables	(2,289)	(2,076)	(1,491)	3,189
Increase / (decrease) in income tax payables	12	(44)	1,484	(1,025)
Increase / (decrease) in provisions	(226)	130	(226)	130
Increase / (decrease) in employee entitlements	192	330	626	725
Net movement in working capital items	34,918	71,382	40,966	76,301
<i>Add / (less) items classified as investing or financing activities:</i>				
(Gains) / losses on disposal of property, plant, and equipment	(961)	(2,140)	(1,046)	(2,323)
Net cash inflow / (outflow) from operating activities	33,957	69,242	39,920	73,978

Reconciliation of movements in liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of liabilities with cashflows that were, or future cashflows that will be, classified as a financing activity in the statement of cashflows.

	Borrowings	Derivatives	Total
	\$000	\$000	\$000
Balance at 1 July 2021	60,200	(35)	60,165
Cash inflows	15,000	-	15,000
Non-cash changes	-	6,044	6,044
Balance at 30 June 2022	75,200	6,009	81,209
Cash inflows	40,000	-	40,000
Non-cash changes	-	1,131	1,131
Balance at 30 June 2023	115,200	7,140	122,340
	Borrowings	Derivatives	Total
	\$000	\$000	\$000
Balance at 1 July 2021	60,200	(35)	60,165
Cash inflows	15,000	-	15,000
Non-cash changes	-	6,044	6,044
Balance at 30 June 2022	75,200	6,009	81,209
Cash inflows	40,000	-	40,000
Non-cash changes	-	1,131	1,131
Balance at 30 June 2023	115,200	7,140	122,340

Explanations of major variances against budget are provided in Note 30.

The accompanying notes form part of these financial statements.

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 2023. The financial statements were authorised for issue by Council on 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.

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 27. 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 ACCOUNTING POLICES

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 - 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.

Breakdown of revenue and expenditure for group of activities

	Council	Council	Council
	June 2023	Budget	June 2022
	\$000	\$000	\$000
Revenue			
Democracy	1,300	1,238	1,188
Community services and facilities	35,914	30,521	46,093
Environmental services	10,028	10,083	11,616
Transportation	15,859	13,895	19,783
Solid waste management	15,158	14,759	13,407
Community water supplies	14,593	12,847	15,920
Community waste water supplies	19,247	14,027	32,016
Stormwater	2,423	2,322	2,799
Water races and land drainage	4,360	4,506	4,018
Total activity revenue	118,882	104,198	146,840
General rates	30,415	30,089	26,950
Rates penalties	416	332	327
Other corporate revenue	10,406	5,276	13,644
Vested assets	38,569	33,261	49,723
Total revenue	198,688	173,156	237,484
Expenditure			
Democracy	4,234	4,698	3,638
Community services and facilities	43,324	39,479	37,857
Environmental services	21,914	19,990	19,455
Transportation	35,073	32,265	29,960
Solid waste management	14,360	13,949	12,349
Community water supplies	20,873	15,801	14,566
Community waste water supplies	15,128	14,059	12,550
Stormwater	3,457	3,013	2,747
Water races and land drainage	4,791	5,098	4,204
Other corporate expenditure	2,706	921	2,216
Total activity expenditure	165,860	149,273	139,542
Total operating expenditure	165,860	149,273	139,542

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.

	Actual	Actual
	June 2023	June 2022
	\$000	\$000
Surplus of operating funding	7,745	19,370
Operating surplus items not included in operating funding		
Depreciation and amortisation	(44,763)	(36,031)
Vested land and infrastructure from property development	38,569	49,723
Development and financial contributions	20,410	34,502
Subsidies and grants for capital expenditure	5,263	16,465
Other revenue and expense items	5,604	13,913
Surplus / (deficit) before taxation	32,828	97,942

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.

Waka Kotahi (NZ Transport Agency) roading subsidies

The Council receives funding assistance from Waka Kotahi, 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.

3 Revenue (continued)

Accounting policy

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.

3 Revenue (continued)

3(i) Breakdown of rates and further information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
General rates	30,415	26,950	30,408	26,943
Rates penalties	416	327	416	327
Targeted rates attributable to activities:				
- metered water supply	3,115	2,842	3,115	2,842
- community services and facilities	16,414	15,190	16,414	15,190
- democracy	1,100	999	1,100	999
- solid waste management	10,727	9,683	10,727	9,683
- community waste water supplies	9,716	10,854	9,716	10,854
- community water supplies	7,255	6,317	7,255	6,317
- stormwater	2,122	1,824	2,122	1,824
- water races and land drainage	4,042	3,516	4,042	3,516
Total annual rates income	85,322	78,502	85,315	78,495

The Council is required by the 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 2023 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

Rates remissions

Rates revenue is shown net 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.

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Total gross rates	85,378	78,573	85,371	78,566
Rates remissions	56	71	56	71
Total rates remissions	56	71	56	71
Total annual rates income (net of remissions)	85,322	78,502	85,315	78,495

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.

3 Revenue (continued)

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:

	June 2023	June 2022
Number of rating units	33,511	32,162
Total capital value of rating units	\$26.9 billion	\$26.7 billion
Total land value of rating units	\$13.6 billion	\$13.4 billion

3 (ii) Breakdown of fees and charges

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Building, resource management and policy charges	8,865	10,641	8,865	10,641
Connection and irrigation fees	290	245	290	245
Dog registration fees	657	618	657	618
Gravel reserve royalties	65	35	65	35
Property lease revenue	639	696	572	680
Land information memorandum fees	403	446	403	446
Facility rental and hire charges	853	685	853	685
Rental income from investment properties	2,720	2,485	2,168	1,933
Selwyn Aquatic Centre fees and charges	2,367	1,783	2,367	1,783
Solid waste fees and charges	4,421	3,713	4,421	3,713
Other fees and charges	4,197	3,864	4,197	3,864
Total fees and charges	25,477	25,211	24,858	24,643

Operating leases as a lessor

Investment property is leased under operating leases. The investment property leases have a non-cancellable term of 36 to 72 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Not later than one year	2,720	2,706	2,104	2,154
Later than one year and not later than five years	6,383	5,182	3,924	4,830
Later than five years	7,538	4,784	4,070	4,784
Total non-cancellable operating leases	16,641	12,672	10,098	11,768

No contingent rents have been recognised during the year.

3 (iii) Breakdown of subsidies and grants

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Waka Kotahi roading subsidies	11,323	15,613	11,323	15,613
Affordable water reform grants	601	9,528	601	9,528
Tourism infrastructure funding	396	-	396	-
Other grants	1,018	1,032	1,134	1,116
Total subsidies and grants	13,338	26,173	13,454	26,257

3 Revenue (continued)

3 (iv) Breakdown of interest revenue

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Interest earned from financial assets measured at amortised cost:				
- term deposits	1,181	560	1,473	592
Total interest revenue	1,181	560	1,473	592

3 (v) Breakdown of other revenue

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Dividend revenue	6,296	5,891	4,046	3,891
Land sales	2,220	1,028	2,220	1,028
Petrol tax	345	321	345	321
Vested land and infrastructure from property development	38,569	49,723	38,569	49,723
Other revenue - Council	715	734	715	734
Other trading revenue - CORDE (group)	-	-	41,062	35,385
Total other revenue	48,145	57,697	86,957	91,082

3 (vi) Breakdown of gains

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Disposal of property held for sale	-	1,947	-	1,947
Held for trading interest rate swaps (presented net)	1,131	6,043	1,131	6,043
Gain on disposal of property, plant and equipment	961	2,266	1,113	2,510
Gain on changes in fair value of investment property (Note 15)	2,723	3,953	1,663	3,873
Other gains	-	630	-	630
Total gains	4,815	14,839	3,907	15,003

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	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Salaries and wages	31,692	27,589	56,208	48,735
Superannuation plan employer contributions	864	768	1,714	1,462
Increase / (decrease) in employee entitlements	192	442	626	837
Total personnel costs	32,748	28,799	58,548	51,034

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.

	June 2023
	Number of
	employees
Less than \$60,000	305
\$60,001 - \$80,000	102
\$80,001 - \$100,000	85
\$100,001 - \$120,000	52
\$120,001 - \$140,000	18
\$140,001 - \$160,000	10
\$160,001 - \$200,000	9
\$200,001 - \$260,000	5
Total employees	586

Employee staffing levels and remuneration

	June 2022
	Number of
	employees
Less than \$60,000	310
\$60,001 - \$80,000	74
\$80,001 - \$100,000	74
\$100,001 - \$120,000	28
\$120,001 - \$140,000	11
\$140,001 - \$180,000	7
\$200,001 - \$380,000	5
Total employees	509

	June 2023	June 2023	June 2022	June 2022
	Full time	Number of	Full time	Number of
	equivalents*	employees	equivalents*	employees
Employees as at 30 June:				
Full time staff	309	309	242	242
Part time	93	221	94	205
Casual	6	56	6	62
Total employees and full time equivalents	408	586	342	509

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

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 2023, the Council made three severance payments to employees totalling \$15,000 (2022: six severance payments totalling \$74,200). The value of each of the severance payments was \$10,000, \$4,000 and \$1,000 (2022: \$26,461, \$18,200, \$14,789, \$7,250, \$6,000 and \$1,500).

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$435,847 (2022: \$364,859).

4 Personnel costs (continued)

Elected representatives' remuneration

Elected representatives received the following remuneration:

	June 2023	June 2023	June 2023
	Base salary	Hearing fees	Total
Selwyn District Council	\$	\$	\$
Mayor Sam Broughton	144,347	-	144,347
Councillor Malcolm Lyall	61,647	9,185	70,832
Councillor Debra Hasson	51,374	1,953	53,327
Councillor Bob Mugford	51,374	-	51,374
Councillor Nicole Reid	51,374	4,092	55,466
Councillor Grant Miller	51,374	-	51,374
Councillor Shane Epiha	51,374	-	51,374
Councillor Sophie McInnes	51,374	-	51,374
Councillor Elizabeth Mundt	38,351	-	38,351
Councillor Phil Dean	38,351	-	38,351
Councillor Lydia Gliddon	38,351	-	38,351
Councillor Jeff Bland	13,022	-	13,022
Councillor Mark Alexander	13,022	-	13,022
Councillor Murray Lemon	13,022	-	13,022
Councillor Jenny Gallagher	13,022	-	13,022
Total elected representatives' remuneration	681,379	15,230	696,609

	June 2023	June 2023	June 2023
	Base salary	Hearing fees	Total
Malvern Community Board	\$	\$	\$
Ken May (Chairperson)	15,541	-	15,541
Sean Ellis	6,423	-	6,423
Sharn Nu'u	6,423	-	6,423
Calvin Payne	6,423	-	6,423
Bruce Russell	6,423	-	6,423
Judith Pascoe	2,696	-	2,696
Karen Meares	2,696	-	2,696
John Morten	5,393	-	5,393
Bill Woods	2,696	-	2,696
Total elected representatives' remuneration	54,714	-	54,714

* Councillor Grant Miller is a Director of Transwaste (Canterbury) Limited and also received Director fees of \$40,089 (2022: \$39,111).

In April 2023 the Council purchased a Kia EV6 Air Long Range as the Mayor's vehicle. The Mayor has full private use of the vehicle. The vehicles value for the purpose of determining remuneration is \$68,511.

4 Personnel costs (continued)

	June 2022	June 2022	June 2022
	Base salary	Hearing fees	Total
Selwyn District Council	\$	\$	\$
Mayor Sam Broughton	136,500	-	136,500
Councillor Malcolm Lyall	52,112	10,320	62,432
Councillor Debra Hasson	43,431	7,680	51,111
Councillor Mark Alexander	43,431	5,180	48,611
Councillor Jeff Bland	43,431	-	43,431
Councillor Grant Miller	43,431	-	43,431
Councillor Bob Mugford	43,431	-	43,431
Councillor Nicole Reid	43,431	200	43,631
Councillor Murray Lemon	43,431	-	43,431
Councillor Jenny Gallagher	43,431	-	43,431
Councillor Shane Epiha	43,431	-	43,431
Councillor Sophie McInnes	43,431	-	43,431
Total elected representatives' remuneration	622,922	23,380	646,302

	June 2022	June 2022	June 2022
	Base salary	Hearing fees	Total
Malvern Community Board	\$	\$	\$
John Morten (Chairperson)	17,986	-	17,986
Karen Meares	8,993	-	8,993
Judith Pascoe	8,993	-	8,993
Bill Woods	8,993	-	8,993
Ken May	8,993	-	8,993
Total elected representatives' remuneration	53,958	-	53,958

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.

5 Other expenses (continued)

Breakdown of other expenses and further information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Fees to auditors:				
- fees to Audit NZ for audit of the financial statements and performance information	252	176	397	292
- fees to Audit NZ for assurance review of the debenture trust	8	7	8	7
Bad debts written off	35	6	35	6
Cost of sales	579	223	579	223
Directors' and elected members' remuneration	778	738	976	908
Grants	546	508	546	508
Expected credit loss allowance for receivables	47	5	47	5
Plant and equipment impairment	-	-	10	-
Loss on changes in fair value of investment property (Note 15)	785	1,285	785	1,297
Loss on disposal of assets	-	126	66	187
Operating lease expense	173	151	466	345
Loss on changes in fair value of forestry assets	5	276	5	276
Solid waste	13,709	11,805	13,709	11,805
Transportation	16,229	12,856	16,229	12,856
Valuation services	323	312	323	312
Other operating expenses	52,251	44,825	56,878	48,518
Total other expenses	85,720	73,299	91,059	77,545

Operating leases as a lessee

The Council and group lease buildings, and plant and equipment in the normal course of its business. Most of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Not later than one year	-	-	167	150
Later than one year and not later than five years	-	-	159	294
Later than five years	-	-	-	-
Total non-cancellable operating leases	-	-	326	444

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2022: \$nil).

Leases can be renewed at the Council and group's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the Council and group by any of the leasing arrangements.

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	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Interest expense:				
- interest on borrowings (at amortised cost)	2,629	1,413	2,629	1,416
Total finance costs	2,629	1,413	2,629	1,416

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.

7 Tax (continued)

Breakdown of taxes and further information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Relationship between tax expense and accounting surplus				
Surplus / (deficit) before tax	32,828	97,942	36,253	101,167
Taxation at 28%	9,192	27,424	10,151	28,327
Plus / (less) tax effect of:				
Permanent adjustments	(9,108)	(27,365)	(7,824)	(26,302)
Prior year adjustment	-	-	(57)	(5)
Tax expense	84	59	2,270	2,020
Components of tax expense				
Current tax	74	49	2,807	1,370
Adjustments to current tax in prior years	-	-	(57)	(5)
Deferred tax	10	10	(480)	655
Tax expense	84	59	2,270	2,020
Taxation expense attributable to:				
Continuing operations	84	59	2,270	2,020
Total taxation expense / (benefit)	84	59	2,270	2,020
Amounts charged directly to other comprehensive revenue and expense				
Deferred income taxation	-	-	(175)	-
Total	-	-	(175)	-
Taxation receivable / (provision)				
Opening balance 1 July	3	8	(333)	(1,309)
Plus: current taxation expense	(74)	(49)	(2,807)	(1,370)
Prior period adjustments	-	(8)	(1)	(16)
Plus: taxation paid	62	52	1,324	2,362
Taxation receivable / (provision)	(9)	3	(1,817)	(333)

7 Tax (continued)

Deferred taxation assets / (liabilities)

			Charged to	
	Opening		other comp-	Closing
	Balance	Charged to	rehensive	Balance
	1 July 2022	Surplus	income	30 June 2023
	\$000	\$000	\$000	\$000
Parent				
Deferred tax liabilities				
Investment property	(20)	(11)	-	(31)
Deferred taxation liabilities	(20)	(11)	-	(31)
Deferred taxation assets	-	-	-	-
Net deferred taxation balance	(20)	(11)	-	(31)

			Charged to	
	Opening		other comp-	Closing
	Balance	Charged to	rehensive	Balance
	1 July 2021	Surplus	income	30 June 2022
	\$000	\$000	\$000	\$000
Parent				
Deferred taxation liabilities				
Investment property	(10)	(10)	-	(20)
Deferred taxation liabilities	(10)	(10)	-	(20)
Deferred taxation assets	-	-	-	-
Net deferred taxation balance	(10)	(10)	-	(20)

7 Tax (continued)

			Charged to	
	Opening		other comp-	Closing
	Balance	Charged to	rehensive	Balance
	1 July 2022	Surplus	income	30 June 2023
	\$000	\$000	\$000	\$000
Group				
Deferred tax liabilities				
Property, plant & equipment	(239)	47	(175)	(367)
Accrued revenue	(1,755)	452	-	(1,303)
Retentions	(356)	94	-	(262)
Deferred taxation liabilities	(2,350)	593	(175)	(1,932)
Deferred tax assets				
Property, plant & equipment	37	(37)	-	-
Trade and other payables	308	(75)	-	233
Employee benefits and other accruals	361	55	-	416
Deferred taxation assets	706	(57)	-	649
Net deferred taxation	(1,644)	536	(175)	(1,283)

			Charged to	
	Opening		other comp-	Closing
	Balance	Charged to	rehensive	Balance
	1 July 2021	Surplus	income	30 June 2022
	\$000	\$000	\$000	\$000
Group				
Deferred taxation liabilities				
Property, plant & equipment	(161)	(48)	(30)	(239)
Accrued revenue	(1,003)	(752)	-	(1,755)
Retentions	(238)	(118)	-	(356)
Deferred taxation liabilities	(1,402)	(918)	(30)	(2,350)
Deferred tax assets				
Property, plant & equipment	37	-	-	37
Trade and other payables	114	194	-	308
Employee benefits and other accruals	287	74	-	361
Deferred taxation assets	438	268	-	706
Net deferred taxation	(964)	(650)	(30)	(1,644)

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.

Breakdown of cash and cash equivalents and further information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Cash at bank and on hand	20,439	21,530	31,935	30,577
Term deposits with maturities of less than 3 months at acquisition	8	8	8	8
Total cash and cash equivalents	20,447	21,538	31,943	30,585

Although cash and cash equivalents at 30 June 2023 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 Maori 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 on year overdue.

9 Receivables (continued)

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Rates receivable	3,191	2,724	3,184	2,724
Other receivables:				
- Other	4,506	6,673	9,891	10,354
- Receivables from subsidiaries and associates	337	95	(2,650)	29
Dividend receivable	2,250	2,000	-	-
Sundry receivables & prepayments	4,034	3,356	4,717	3,827
Gross receivables	14,318	14,848	15,142	16,934
Less: allowance for credit losses	(47)	(13)	(47)	(13)
Current portion	14,271	14,835	15,095	16,921
Total gross receivables comprise:				
Receivables from non - exchange transactions	5,830	4,975	593	2,909
Receivables from exchange transactions	8,488	9,873	14,556	14,025

Receivables from non-exchange transactions include outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates.

Receivables from exchange transactions include outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.

Rates receivable

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) 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 judgement, then the Council can apply to the Register of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: \$Nil (2022: \$Nil)
- Section 90B: \$Nil (2022: \$Nil)

Other receivables

The ECL rates for other receivables at 30 June 2023 and 1 July 2022 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.

There have been no changes since 1 July 2022 in the estimation techniques or significant assumptions in measuring the loss allowance.

9 Receivables (continued)

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

	Other receivables' days past due				
	Current	1 to 30	31 to 90	More than 90	Total
		days	days	days	
Council - 30 June 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 - 30 June 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
Council - 30 June 2022					
Expected credit loss rate	0.00%	0.00%	0.00%	0.54%	
Gross receivable amount (\$000)	6,431	257	280	2,429	9,397
Lifetime ECL (\$000)	-	-	-	13	13
Group - 30 June 2022					
Expected credit loss rate	0.00%	0.00%	0.00%	0.53%	
Gross receivable amount (\$000)	8,677	1,643	288	2,470	13,078
Lifetime ECL (\$000)	-	-	-	13	13

Movements in the allowance for credit losses as follows:

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Balance at 1 July measured under PBE IPSAS 29	13	17	13	17
Opening balance for credit losses at 1 July	13	17	13	17
Additional provisions made during the year	73	5	73	5
Receivables written off during the year	(39)	(9)	(39)	(9)
Balance at 30 June	47	13	47	13

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. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Breakdown of derivative financial instruments and further information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Current asset portion				
Interest rate swaps - cash flow hedges	3,882	1,511	3,882	1,511
Total current asset portion	3,882	1,511	3,882	1,511
Non-current asset portion				
Interest rate swaps - cash flow hedges	11,968	11,216	11,968	11,216
Total non-current asset portion	11,968	11,216	11,968	11,216
Total derivative financial instrument assets	15,850	12,727	15,850	12,727
Current liability portion				
Interest rate swaps - cash flow hedges	1,537	621	1,537	621
Total current liability portion	1,537	621	1,537	621
Non-current liability portion				
Interest rate swaps - cash flow hedges	7,173	6,097	7,173	6,097
Total non-current liability portion	7,173	6,097	7,173	6,097
Total derivative financial instrument liabilities	8,710	6,718	8,710	6,718

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.

10 Derivative financial instruments (continued)

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

	Less			
	than 1	1-2	3-8	
	year	years	years	Total
Council 2023				
Interest rate swaps - not hedge accounted				
Nominal amount (in \$000)	5,000,000	2,500,000	75,500,000	83,000,000
Average fixed rate	0.93%	0.80%	2.38%	2.16%
Group 2023				
Interest rate swaps - not hedge accounted				
Nominal amount (in \$000)	5,000,000	2,500,000	75,500,000	83,000,000
Average fixed rate	0.93%	0.80%	2.38%	2.16%
Council 2022				
Interest rate swaps - not hedge accounted				
Nominal amount (in \$000)	5,000,000	2,500,000	65,500,000	73,000,000
Average fixed rate	0.93%	0.80%	2.20%	2.00%
Group 2022				
Interest rate swaps - not hedge accounted				
Nominal amount (in \$000)	5,000,000	2,500,000	65,500,000	73,000,000
Average fixed rate	0.93%	0.80%	2.20%	2.00%

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	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Current commercial inventory:				
Land being developed for sale	1,218	1,797	1,218	1,797
Held for use in the provision of services	30	30	30	30
Gravel stocks	-	-	300	132
Other direct materials	-	-	575	908
Work in progress	-	-	4,819	1,649
Total current inventory	1,248	1,827	6,942	4,516
Non-current commercial inventory:				
Land being developed for sale	807	807	807	807
Total non - current inventory	807	807	807	807
Total inventory	2,055	2,634	7,749	5,323

The write-down of inventory during the year was \$nil (2022: \$nil). There have been no reversals of previous write-downs (2022: \$nil).

No inventory is pledged as security for liabilities (2022: \$nil), there is no inventory subject to retention of title clauses (2022: \$nil).

12 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 the 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.

12 Other financial assets (continued)

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.

12 Other financial assets (continued)

Breakdown of other financial assets and further information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Current portion				
Local Government Funding Agency borrower notes	205	205	205	205
Term deposits	10,000	21,000	10,000	21,000
Finance lease	-	82	-	82
Total current portion	10,205	21,287	10,205	21,287
Non - current portion				
<i>Investment in CCOs and similar entities</i>				
Unlisted shares in Transwaste (Canterbury) Limited	1,500	1,500	1,500	1,500
Unlisted shares in Orion New Zealand Limited	151,481	106,500	151,481	106,500
Unlisted shares in CORDE Limited	42,000	24,100	-	-
Unlisted shares in Local Government Funding Agency	187	187	187	187
Unlisted shares in Central Plains Water Limited	437	437	437	437
Total investment in CCOs and similar entities	195,605	132,724	153,605	108,624
<i>Other investments</i>				
Local Government Funding Agency borrower notes	2,445	1,400	2,445	1,400
Community loans	37	22	37	22
Total other investments	2,482	1,422	2,482	1,422
Total non - current portion	198,087	134,146	156,087	110,046
Total other financial assets	208,292	155,433	166,292	131,333

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 2023. 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 the discounted cash flows valuation methodology. The independent valuation was completed by Deloitte as at 30 June 2023.

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 2023.

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 2023.

Community loans

The fair value of community loans is \$37,000 (2022: \$22,000).

12 Other financial assets (continued)

Community loans

The face value of community loans is \$42,000 (2022: \$48,000).

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	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
At 1 July	22	29	22	29
Adjusted balance at 1 July	22	29	22	29
Loans repaid during the year (principal and interest)	(6)	(7)	(6)	(7)
Unwind of discount and interest charged	21	-	21	-
At 30 June	37	22	37	22

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.

No ECL has been recognised for term deposits as the loss allowance is trivial.

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.

The Council does not hold any collateral for any of its loan assets.

Equity investments (including shares in subsidiaries)

The Council has designated all of its equity investments at FVTOCRE. This measurement basis is considered more appropriate than through surplus or deficit because the investments have been made for long-term strategic purposes rather than to generate a financial return through trading.

Equity instruments designated at FVTOCRE comprise of:

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Unlisted shares in Transwaste (Canterbury) Limited	1,500	1,500	1,500	1,500
Unlisted shares in Orion New Zealand Limited	151,481	106,500	151,481	106,500
Unlisted shares in CORDE Limited	42,000	24,100	-	-
Unlisted shares in Local Government Funding Agency	187	187	187	187
Unlisted shares in Central Plains Water Limited	437	437	437	437
Total equity investments at FVTOCRE	195,605	132,724	153,605	108,624

13 Non-current assets held for sale

Accounting policy

Non-current 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.

Non-current 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 non-current assets held for sale and further information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Opening balance 1 July	-	-	134	109
Transfers to / (from) property, plant and equipment (Note 16)	-	-	26	37
Impairment	-	-	(10)	(12)
Disposals	-	-	(38)	-
Total non - current assets held for sale	-	-	112	134
Non-current assets held for sale are:				
Property, plant and equipment	-	-	112	134
Total non - current assets held for sale	-	-	112	134

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.

	Council	Council
	June 2023	June 2022
	\$000	\$000
Summarised statement of financial position of the associate		
Current assets	74	74
Current liabilities	65	65
Net assets	9	9
Summarised statement of comprehensive revenue and expense of the associate		
Revenue	87	87
Expense	87	87
Total comprehensive revenue and expense	-	-
Equity accounted share of entity's financial information		
Net assets	9	9
Proportion of Group's interest	50%	50%
Equity accounted carrying amount	5	5
Share of associate's contingent liabilities incurred jointly with CC	-	-
Contingent liabilities that arise because of several liability	-	-
Investment in Central Plains Water Trust at cost		

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	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Balance at 1 July	58,218	41,460	50,288	33,610
Additions from subsequent expenditure	835	1,486	-	1,486
Transfer from (to) property, plant and equipment	296	11,974	296	11,974
Net fair value gains / (losses) on valuation (Note 3vi & Note 5)	1,938	3,298	878	3,218
Balance at 30 June	61,287	58,218	51,462	50,288

The valuation of investment property was performed by 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 investment properties owned by the Council.

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

The capitalisation approach involves the determination of a sustainable net income from the property, and the application of a capitalisation rate (or market yield) as a measure of expected return from the property. Adjustments are made to the core value for items such as under/over renting, required capital expenditure or current/upcoming vacancy. The market comparison approach is then used as cross-check to establish the value of the property against recent sales of similar properties.

Discounted cashflow analysis looks to forecast cashflow performance from the property over a future horizon based on understanding and due diligence related to the property and the specific market in which it sits. Adopted forecasts incorporate as the valuation date reasonably foreseeable key lease events, capital expenditure and likely growth in rental rates, costs and changes in property values over the cashflow term. Discounted cash flow analysis is completed over a ten-year horizon to derive a net present value.

These approaches are based upon assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

Capitalisation and discount rates range from 5.3% to 8.0% (2022: 5.35% to 8.5%).

Information about the revenue and expenses in relation to investment property is detailed below:

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Rental revenue	2,720	2,485	2,156	1,933

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 is measured at fair value, and 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.

16 Property, plant, and equipment (continued)

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%
<i>Roading network</i>		
Formation / sub-grade	-	Not depreciated
Sub-base (sealed roads only)	-	Not depreciated
Base course	10 – 119 years	0.84% - 10%
Surface (sealed roads)	1 – 30 years	3.33% - 100%
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	20 – 100 years	1% - 2%
Traffic signs	10 years	10%
Street lights	20 years	5%
Street light poles	40 years	2.5%
Bridges	50 – 150 years	0.7% - 2%
Railings	20 – 40 years	2.5% to 5%

16 Property, plant, and equipment (continued)

<i>Water races</i>		
Structure	2 – 100 years	1% - 50%
Water race	2 – 100 years	1% - 50%
<i>Land drainage and Stormwater</i>		
Land drainage (structure)	5 – 100 years	1% - 20%
Land drainage (drain)	5 – 100 years	1% - 20%
<i>Water supplies</i>		
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%
<i>Sewerage systems</i>		
Building	100 years	1%
Chamber	95 years	1%
Lateral	1 to 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%
<i>Stormwater</i>		
Lateral	30 – 100 years	1% - 3%
Manholes	95 years	1%
Pipes	10 – 100 years	1% - 10%

16 Property, plant, and equipment (continued)

CORDE Limited

Asset class	Useful life	Annual depreciation rate
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.

16 Property, plant, and equipment (continued)

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 2022

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.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2022 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.

16 **Property, plant, and equipment (continued)**

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

The most recent valuation of roading assets was performed by an independent registered valuer, Robert Berghuis (BE (Elec), MPINZ) who is a senior valuer with Beca Valuation Limited and was effective as at 30 June 2023. The most recent valuation of water, sewerage, stormwater, land drainage and water race assets were performed by an independent registered valuer, John Vessey NZ Dip Eng, Dip Civil Eng Applied, CertETN a valuer at WSP and was effective as at 30 June 2022.

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 2023 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.

16 Property, plant, and equipment (continued)

	Land	Farm land	Buildings	Heritage assets	Plant and machinery	Library books	Work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount:								
Balance at 1 July 2021	228,502	6,794	143,334	70	28,532	5,688	23,248	436,168
Additions	23,961	8	12,536	-	1,528	512	705	39,250
Disposals	(1,060)	-	(602)	-	(23)	-	-	(1,685)
Net revaluation increase / (decrease)	60,254	340	3,760	-	-	-	-	64,354
Transfers	1,559	-	18,956	-	-	-	(20,515)	-
Transfers to investment property	(7,022)	(4,677)	(275)	-	-	-	-	(11,974)
Transfers to development property	(1,386)	-	-	-	-	-	-	(1,386)
Balance at 30 June 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)
Transfers	1,104	-	(111)	-	33	-	(2,550)	(1,524)
Transfers to 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

Accumulated depreciation:

Balance at 1 July 2021	-	-	(6,698)	(6)	(20,635)	(3,609)	-	(30,948)
Disposals	-	-	29	-	23	-	-	52
Net adjustments on asset revaluation	-	-	6,989	9	-	-	-	6,998
Depreciation expense	-	-	(4,373)	(3)	(1,998)	(431)	-	(6,805)
Balance at 30 June 2022	-	-	(4,053)	-	(22,610)	(4,040)	-	(30,703)
Disposals	-	-	-	-	120	-	-	120
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)
Net carrying amount at 30 June 2022	304,808	2,465	173,656	70	7,427	2,160	3,438	494,024
Net carrying amount at 30 June 2023	319,253	2,465	174,379	67	9,471	1,729	4,241	511,605

Movements in the carrying value for each class of property, plant and equipment are as follows:

16 Property, plant, and equipment (continued)

	Land	Farm land	Buildings	Heritage Assets	Plant and Machinery	Library Books	Work in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount:								
Balance at 1 July 2021	229,277	6,794	151,418	70	62,043	5,686	23,248	478,536
Additions	23,961	8	11,584	-	6,322	512	705	43,092
Disposals	(1,060)	-	(602)	-	(1,625)	-	-	(3,287)
Net revaluation increase / (decrease)	60,254	340	4,914	-	-	-	-	65,508
Transfers	1,559	-	18,956	-	-	-	(22,107)	(1,592)
Transfers (to) / from development property	(1,386)	-	-	-	-	-	-	(1,386)
Transfers (to) / from investment property	(7,022)	(4,677)	(275)	-	-	-	-	(11,974)
Transfers (to) / from assets held for sale	-	-	-	-	(166)	-	-	(166)
Balance at 30 June 2022	305,583	2,465	185,995	70	66,574	6,198	1,846	568,731
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	2,649	598,403
Accumulated depreciation:								
Balance at 1 July 2021	-	-	(7,674)	(6)	(40,643)	(3,607)	-	(51,930)
Disposals	-	-	29	-	1,090	-	-	1,119
Net adjustments on asset revaluation / transfers	-	-	6,989	9	-	-	-	6,998
Transfers to / (from) assets held for sale	-	-	-	-	129	-	-	129
Depreciation expense	-	-	(4,381)	(3)	(4,886)	(431)	-	(9,701)
Balance at 30 June 2022	-	-	(5,037)	-	(44,310)	(4,038)	-	(53,385)
Disposals	-	-	-	-	848	-	-	848
Transfers to / (from) assets held for sale	-	-	-	-	86	-	-	86
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)
Net carrying amount at 30 June 2022	305,583	2,465	180,958	70	22,264	2,160	1,846	515,346
Net carrying amount at 30 June 2023	320,028	2,465	183,576	67	25,775	1,729	2,649	536,289

16 Property, plant, and equipment (continued)

	Roading network	Water supplies	Stormwater systems	Sewerage systems	Land drainage	Water races	Refuse disposal	Work in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount:									
Balance at 1 July 2021	676,752	188,638	82,347	324,720	49,281	79,121	8,192	7,748	1,416,799
Additions	45,588	20,180	8,985	37,401	47	593	939	452	114,185
Net revaluation increase / (decrease)	64,635	148,688	33,426	98,203	13,250	71,375	(2,160)	-	427,417
Transfers	5,964	833	533	954	5	19	-	(8,308)	-
Balance at 30 June 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
Accumulated depreciation:									
Balance at 1 July 2021	(15,351)	(4,750)	(1,048)	(5,198)	(45)	(520)	(1,869)	-	(28,781)
Net adjustments on asset revaluation	31,726	9,810	2,252	10,867	121	1,044	2,042	-	57,862
Depreciation expense	(16,375)	(5,060)	(1,204)	(5,669)	(76)	(524)	(173)	-	(29,081)
Balance at 30 June 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 carrying amount at 30 June 2022	792,939	358,339	125,291	461,278	62,583	151,108	6,971	(108)	1,958,401
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

16 Property, plant, and equipment (continued)

Core infrastructure asset disclosures

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

				Most recent
				replacement
	Closing	Additions:	Additions:	cost estimate
	book	constructed	transferred	for revalued
	value	by Council	to Council	assets
	\$000	\$000	\$000	\$000
2023				
Water supply:				
- treatment plants and facilities	54,408	3,263	-	75,327
- other assets (such as reticulation systems)	313,562	11,317	3,800	435,219
Sewerage:				
- 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 drainage	129,762	41	6,106	148,959
Roads and footpaths	831,864	13,275	15,567	1,112,441
2022				
Water supply:				
- treatment plants and facilities	52,060	2,866	-	72,064
- other assets (such as reticulation systems)	306,279	13,140	5,007	420,102
Sewerage:				
- treatment plants and facilities	70,307	4,895	-	100,924
- other assets (such as reticulation systems)	390,971	23,790	9,670	460,470
Stormwater drainage	125,291	1,504	8,014	142,812
Roads and footpaths	792,939	31,263	20,289	1,031,851

Land under roads

Land under roads was valued based on fair value of adjacent land determined by 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 (2022: \$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.

16 Property, plant, and equipment (continued)

Capital commitments

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

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Community facilities	2,173	5,560	2,173	5,560
Property, plant, and equipment	-	-	907	1,182
Refuse	3,398	1,960	3,398	-
Transportation	1,642	330	1,642	330
Wastewater	-	3,140	-	-
Water supply	1,562	-	1,562	-
Total capital commitments	8,775	10,990	9,682	7,072

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:

	June 2023	June 2022
	\$000	\$000
The total value of all Council assets covered by insurance contracts	1,837,000	1,301,000
The maximum amount to which insured assets are insured	717,000	636,000
The total value of all Council assets covered by financial risk-sharing arrangements	1,170,000	715,000
Maximum amount available to the Council under financial risk-sharing arrangements	50,000	50,000
Total value of assets that are self-insured	12,500	12,500
Value of funds maintained for self-insurance	12,500	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 2023 \$11.8 million.
- General insurance reserve as at 30 June 2023: \$0.7 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:

17 Intangible assets (continued)

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	Group	Group	Group	Group	Group
	Computer	Computer	Brand	Customer	Mining	Group	Group
	Software	Software	Name	List	Licences	Goodwill	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost							
Balance at 1 July 2022	2,161	2,348	1,357	1,234	-	3,266	8,205
Additions	1,114	1,151	-	-	-	-	1,151
Balance at 30 June 2023	3,275	3,499	1,357	1,234	-	3,266	9,356
Balance at 1 July 2021	1,921	2,080	1,357	1,234	-	3,266	7,937
Additions	240	268	-	-	-	-	268
Balance at 30 June 2022	2,161	2,348	1,357	1,234	-	3,266	8,205
Accumulated amortisation and impairment							
Balance at 1 July 2022	1,871	2,025	1,357	1,234	-	2,396	7,012
Amortisation charge	410	436	-	-	-	-	436
Balance at 30 June 2023	2,281	2,461	1,357	1,234	-	2,396	7,448
Balance at 1 July 2021	1,726	1,857	895	1,234	-	2,396	6,382
Amortisation charge	145	168	462	-	-	-	630
Balance at 30 June 2022	1,871	2,025	1,357	1,234	-	2,396	7,012
Carrying amounts							
Balance at 1 July 2021	195	223	462	-	-	870	1,555
Balance at 30 June and 1 July 2022	290	323	-	-	-	870	1,193
Balance at 30 June 2023	994	1,038	-	-	-	870	1,908

17 Intangible assets (continued)

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 2023. (2022: \$nil).

Impairment

There is no impairment of intangible assets at 30 June 2023. (2022: \$nil).

Critical accounting estimates and assumptions

Goodwill

Goodwill of \$870,000 (2022: \$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 4.63%

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	Council	Council
	June 2023	Budget	June 2022
	\$000	\$000	\$000
Directly attributable depreciation and amortisation expense by group of activity			
Community services and facilities	7,397	7,328	6,210
Democracy	-	8	6
Environmental services	131	126	137
Internal Council services	1,401	921	597
Solid waste management	217	295	173
Stormwater	1,676	1,277	1,204
Transportation	17,129	16,375	16,375
Wastewater	7,226	6,069	5,669
Water races and land drainage	800	780	600
Water supply	8,786	5,344	5,060
Total depreciation and amortisation	44,763	38,523	36,031

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

Fair value of forestry assets

Independent registered valuer, Terry O'Neill, Qualified Forester, has valued forestry assets as at 30 June 2023. This valuation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs. It takes into consideration environmental, operational, and market restrictions. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 7.0% (2022: 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; and
- 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 \$125,275
- Low discount rate (5.0%) \$139,755 – 112% higher
- High discount rate (9.0%) \$105,574 – 84% lower
- Low log prices (less 10%) \$47,143 – 38% lower
- High log prices (up 10%) \$204,685 – 163% higher

Breakdown of forestry assets and other information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Balance at 1 July	130	393	130	393
Increases due to purchases	-	13	-	13
Gains / (losses) attributable to physical changes	20	24	20	24
Gains / (losses) attributable to price changes	(25)	(300)	(25)	(300)
Balance at 30 June	125	130	125	130

The Council owns 95.3 hectares of pinus radiata forest, comprising trees that are at varying stages of maturity ranging from 3 to 35 years. There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

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.

Breakdown of payables and other information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Payables and deferred revenue under exchange transactions:				
Trade payables and accrued expenses	12,160	11,949	18,779	19,032
Deposits and retentions	4,919	6,786	6,796	8,936
Amounts due to subsidiaries and associates	7,011	8,665	-	-
Payables and deferred revenue under non-exchange transactions:				
Revenue received in advance	870	304	870	304
Rates revenue received in advance	1,052	860	1,052	860
Total payables and deferred revenue	26,012	28,564	27,497	29,132

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

21 Employee entitlements

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.

21 Employee entitlements (continued)

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	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	1,250	918	2,052	1,553
Annual leave	2,470	2,285	4,096	3,657
Sick leave	12	12	113	103
Restructuring costs	-	325	-	325
Total current portion	3,732	3,540	6,261	5,638
Non-current portion				
Retirement and long service leave	127	135	137	142
Total non-current portion	127	135	137	142
Total employee entitlements	3,859	3,675	6,398	5,780

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 2023 and 2033). 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 \$1.2 million (2022: \$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% (2021: 0.66%) 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.

Breakdown of provisions and other information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Current portion				
Contractual rework	-	-	101	128
Infringement provision	-	-	25	260
Weathertightness and other legal claims	20	360	20	360
Total current portion	20	360	146	748
Non-current portion				
Landfill provision	947	1,173	947	1,173
Total non-current portion	947	1,173	947	1,173
Total provisions	967	1,533	1,093	1,921

22 Provisions (continued)

Weathertightness and other legal claims

The Council is aware of one legal claim in relation to homes in the area at year end (2022: three claims). A provision has been made for the claim where a reliable estimate of the potential cost to the Council can be made. Where it is not possible to make a reliable estimate, no provision has been recognised.

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.

Restructuring provision

The Council approved a detailed and formal restructuring plan for the Executive Leadership Team (ELT), which was announced in April 2022. The restructuring started in May 2022 and was completed in June 2022. The restructuring has resulted in a reduction in ELT from eight to five full-time staff employed by Selwyn District Council. The restructuring plan and associated payments were completed in October 2022.

Contractual rework (Group)

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:

	Contractual	Infringement	Other legal	Landfill
	rework	provision	claims	provision
Council and group	\$000	\$000	\$000	\$000
Balance at 1 July 2021	128	260	360	1,043
Additional provisions	55	-	-	130
Amounts used	(82)	(235)	-	-
Unused amounts reversed	-	-	(340)	-
Balance at 30 June / 1 July 2022	101	25	20	1,173
Discount unwind	-	-	-	(226)
Balance at 30 June / 1 July 2023	101	25	20	947

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	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Current portion				
Secured loans	10,200	10,000	10,200	10,000
Total current portion	10,200	10,000	10,200	10,000
Non-current portion				
Secured loans	105,000	65,200	105,000	65,200
Total non - current portion	105,000	65,200	105,000	65,200
Total borrowings	115,200	75,200	115,200	75,200

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 either separate or general rates of the Council.

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 (2022 - \$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 (2022 - \$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

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

23 Borrowings (continued)

Movements in internal borrowings are as follows:

	Opening	Repayment o	New	Closing
	balance	borrowings	borrowings	balance
June 2023	\$000	\$000	\$000	\$000
Broadfield Loan Reserve	14	(7)	-	7
Commercial Building Loan	741	-	-	741
Dafield Medical Centre Loan	-	(23)	348	325
Dog Pound Loan	325	(20)	-	305
Dunsandel Community Centre Loan	649	(25)	-	624
Foster Park Loan	1,993	(228)	-	1,765
Halkett Community Centre 25 Year Loan Reserve	12	(6)	-	6
Health Hub - Internal Laon	-	(335)	17,253	16,918
Hororata Reserve Loan	104	(6)	-	98
Investment Farming Property Loan	1,340	(64)	-	1,276
Lakeside Hall Loan	185	(7)	-	178
Leeston Community Centre Loan Reserve	761	-	330	1,091
Lincoln Events Centre Loan	1,639	(188)	-	1,451
Lincoln Library Loan	3,691	(170)	-	3,521
McHughs Plantation Loan Reserve	1,006	(81)	-	925
Rhodes Park Community Centre Loan	1,035	(54)	-	981
Selwyn Aquatic Centre Loan	6,942	(354)	14,936	21,524
Selwyn District Park Loan	2,241	(125)	-	2,116
Selwyn Sports Centre Loan	15,071	(465)	-	14,606
Te Ara Atea - Loan	-	(313)	16,132	15,819
Weedons Pavillion Loan	103	(6)	-	97
West Melton Community Centre Loan	2,440	(90)	-	2,350
Total internal borrowings	40,292	(2,567)	48,999	86,724

	Opening	Repayment o	New	Closing
	balance	borrowings	borrowings	balance
June 2022	\$000	\$000	\$000	\$000
Broadfield Loan Reserve	21	(7)	-	14
Commercial Building Loan	-	-	741	741
Dog Pound Loan	344	(19)	-	325
Dunsandel Community Centre Loan	674	(25)	-	649
Foster Park Loan	-	(223)	2,216	1,993
Halkett Community Centre 25 Year Loan Reserve	18	(6)	-	12
Investment Farming Property Loan	-	-	1,340	1,340
Kirwee Pavillion/Hall Reserve Loan Reserve	15	(15)	-	-
Leeston Community Centre Loan Reserve	761	-	-	761
Lincoln Events Centre Loan	-	(183)	1,822	1,639
Lincoln Library Loan	3,858	(167)	-	3,691
McHughs Plantation Loan Reserve	1,084	(78)	-	1,006
Rhodes Park Community Centre Loan	1,087	(52)	-	1,035
Selwyn Aquatic Centre Loan	-	(345)	7,287	6,942
Selwyn District Park Loan	2,363	(122)	-	2,241
Selwyn Sports Centre Loan	-	(455)	15,526	15,071
West Melton Community Centre Loan	-	(87)	2,527	2,440
Total internal borrowings	10,225	(1,784)	31,459	39,900

Interest on internal loans for each activity is disclosed as finance costs in the individual Funding Impact Statements

24 Construction contracts (Group)

Accounting policy

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less losses, the net amounts are presented as a liability.

Breakdown of construction contracts

	Group	Group
	June 2023	June 2022
	\$000	\$000
For contracts in progress as at 30 June:		
Contract costs incurred	4,206	26,315
Recognised surpluses / (deficits)	672	4,236
Progress billings	4,877	30,550
Gross amount due from customers	617	411
Advances received	692	3,510
Retentions receivable	356	627
Retentions payable	(54)	(176)
Construction Contract Revenue	47,933	48,209

25 Contingencies

Contingent liabilities

Financial guarantees

The Council has a contingent liability in respect of a guarantee that it has provided for a bank loan to the Rolleston Rugby Club. The loan is for a 15-year period commenced on 15 September 2008 and has a value of \$105,000. There is currently no indication that the guarantee will be called.

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, one matter under that Act indicating potential liabilities had been brought to the Council's attention. 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.

The Council is exposed to potential future claims (which have not yet been advised) until the statutory limitation period expires. Claims must be made within 10 years of construction or alteration of the dwelling for the claim to be eligible under the Weathertight Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims. The Council does not have insurance cover for any of the claims for which it has not made a provision. The Council is funding the cost of weather tightness claims through general rates and has allowed funding of \$150,000 in the 2022/23 financial year.

New Zealand Mutual Liability Riskpool scheme ('Riskpool')

Selwyn District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. On the 10 November 2023 Selwyn District Council received notification from Riskpool of a call on Members to pay a contribution to fund the deficits for Fund years 7, 10, 11 and 12. Selwyn District Council's share of the call will be \$80,923 (excl GST) which is payable on 20 December 2023.

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. On 2 March 2023, 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 and affirmed the short-term ratings at 'A-1+'. All credit ratings have a stable outlook.

As at 30 June 2023, the Council is one of 30 local authority shareholders and 71 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.

At 30 June 2023, the LGFA had borrowings totalling \$17.684 billion (2022: \$15.789 billion). PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required.

25 Contingencies (continued)

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 18.

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 \$337,946 (2022 - \$739,840) are committed as at 30 June 2023.

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 2023.

(2022: The Council has a contingent asset for revenue arising from the May flood event that has not been recognised at balance date. This includes possible additional insurance proceeds and subsidy from Waka Kotahi NZ Transport Agency. It is estimated additional insurance proceeds will be in the vicinity of \$1.1 million and additional funding from Waka Kotahi NZ Transport Agency will be \$1.7 million.).

CORDE Limited (Group)

CORDE is not aware of any contingent assets at 30 June 2023 (2022: \$nil).

26 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 through other comprehensive revenue and expense.

Breakdown of equity and further information

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Accumulated funds				
Balance at 1 July	1,210,938	1,084,650	1,222,329	1,094,777
Adjusted balance at 1 July	1,210,938	1,084,650	1,222,329	1,094,777
Transfers to restricted reserves	(39,808)	(44,990)	(39,808)	(44,990)
Transfer from property revaluation reserves on disposal	413	496	413	496
Transfers from restricted reserves	90,492	72,899	90,492	72,899
Surplus / (deficit) for the year	32,744	97,883	33,983	99,147
Balance at 30 June	1,294,779	1,210,938	1,307,409	1,222,329

26 Equity (continued)

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Restricted reserves				
Balance at 1 July	44,529	72,438	44,529	72,438
Transfers to accumulated funds	(90,492)	(72,676)	(90,492)	(72,899)
Transfers from accumulated funds	39,808	44,767	39,808	44,990
Balance at 30 June	(6,155)	44,529	(6,155)	44,529

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Property revaluation reserve				
Balance at 1 July	1,260,657	704,522	1,265,090	707,801
Net revaluation gains / (losses)	27,211	556,631	29,255	557,785
Deferred taxation on revaluation	-	-	175	-
Transfer to accumulated funds on disposal of property	(413)	(496)	(413)	(496)
Balance at 30 June	1,287,455	1,260,657	1,294,107	1,265,090
Property revaluation reserves for each asset class consist of:				
Land and buildings	185,705	186,118	192,357	190,551
Farm land	4,376	4,376	4,376	4,376
Roading	368,432	341,221	368,432	341,221
Water supplies	244,528	244,528	244,528	244,528
Stormwater	54,499	54,499	54,499	54,499
Sewerage	254,450	254,450	254,450	254,450
Land drainage	41,733	41,733	41,733	41,733
Water races	133,732	133,732	133,732	133,732
Balance at 30 June	1,287,455	1,260,657	1,294,107	1,265,090

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Fair value through other comprehensive revenue and expense reserve				
Balance at 1 July	86,398	86,398	71,297	71,297
Net change in fair value	62,881	-	44,981	-
Balance at 30 June	149,279	86,398	116,278	71,297
Represented by:				
Unlisted shares in Orion New Zealand Limited	115,258	70,277	115,258	70,277
Unlisted shares in CORDE Limited	33,001	15,101	-	-
Unlisted shares in Transwaste (Canterbury) Limited	1,020	1,020	1,020	1,020
Balance at 30 June	149,279	86,398	116,278	71,297

26 Equity (continued)

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	Balance			Closing
	of reserve	1 July 2022	Deposits	Withdrawals	30 June 2023
	fund	\$'000	\$'000	\$'000	\$'000
Water Supply					
Darfield Water Supply Capital Rate Reserve	A	(1,281)	1	(165)	(1,445)
Darfield Water Supply Water Quality Upgrade	C	978	1,077	-	2,055
Kirwee Water Supply Equipment Reserve	A	-	532	-	532
Leeston Water Supply Reserve	A	(511)	162	(642)	(991)
Lincoln Water Supply Reserve	A	(775)	397	(183)	(561)
Malvern Hills Rural Water Supply Reserve	A	-	652	(583)	69
Prebbleton Water Supply Reserve	A	2,212	332	(842)	1,702
Rolleston Water Supply Reserve	A	3,124	1,655	(2,763)	2,016
Southbridge Water Supply Reserve	A	185	158	-	343
Water Supplies Renewal Reserves	A	(1,212)	2,457	(7,880)	(6,635)
West Melton Water Supply Reserve	A	14	437	-	451
Total water supply reserves		2,734	7,860	(13,058)	(2,464)

26 Equity (continued)

Wastewater					
Darfield Wastewater Grant Existing Reserve Fund	A	4,201	352	(1,080)	3,473
Darfield Wastewater Capital Reserve Fund	A	(7,935)	-	(2,030)	(9,965)
Ellesmere Sewerage Renewal Reserve	B	-	-	(276)	(276)
Rolleston Sewerage Reserve	A	-	-	(17)	(17)
Sewerage Renewal Reserve	B	3,296	1,484	(3,101)	1,679
Springston/Aberdeen Special Fund Reserve	D	77	2	-	79
Tai Tapu Sewerage Reserve	A	248	20	(31)	237
West Melton Sewerage Reserve	A	(109)	-	-	(109)
Total wastewater reserves		(222)	1,858	(6,535)	(4,899)
Stormwater					
Leeston Stormwater Reserve	A	173	5	-	178
Stormwater District Renewal Reserve	A	940	198	(30)	1,108
Total stormwater reserves		1,113	203	(30)	1,286
Water races and land drainage					
Bealey River River Protection Reserve	D	26	1	-	27
Greenpark Land Drainage Reserve	A	24	1	-	25
Hororata River Land Drainage Reserve	A	19	1	-	20
Irwell Land Drainage Reserve	A	2	-	-	2
L2 River Land Drainage Reserve	A	51	2	-	53
L2 River Land Drainage De-silting Reserve	C	122	4	-	126
L2 River Land Drainage Machinery Reserve	C	188	5	(1)	192
Leeston Land Drainage Reserve	C	45	1	-	46
Osbourne Land Drainage Renewal Reserve	B	(412)	-	-	(412)
Taumutu Culverts Land Drainage Reserve	A	55	1	-	56
Wairiri Valley Land Drainage Reserve	A	5	-	-	5
Water Race Renewal Reserve	A	1,369	308	(301)	1,376
Total land drainage and water race reserves		1,494	324	(302)	1,516

26 Equity (continued)

	Purpose	Balance			Closing
	of reserve	1 July 2022	Deposits	Withdrawals	30 June 2023
	fund	\$'000	\$'000	\$'000	\$'000
Community services and facilities					
Albert Anderson Fund	D	7	-	-	7
Art Acquisition Reserve	D	54	1	(4)	51
Broadfield Loan Loan Reserve	E	(14)	7	-	(7)
Darfield Domain Reserve	A	12	-	(12)	-
Darfield Medical Centre Loan	E	-	23	(348)	(325)
Darfield Township Reserve	A	1,065	24	(530)	559
District Community Centre Reserve	A	94	14	-	108
District Reserve Contributions Reserve	A	102	19	-	121
District Township Reseve	A	79	2	-	81
Dunsandel Community Centre Loan	E	(649)	25	-	(624)
Ellesmere Reserve Board Reserve	A	182	5	(11)	176
Ex Ellesmere - Ellesmere Clay Loan Reserve	A	5	1	(3)	3
Foster Park Loan	E	(1,993)	228	-	(1,765)
Glentunnel/Coalgate Capital Equipment Reserve	A	16	-	(16)	-
Halkett Community Centre 25 Year Loan Reserve	E	(12)	6	-	(6)
Health Hub - Internal Loan	E	-	335	(17,253)	(16,918)
Hororata Reserve CPW Shares Hororata Reserve	D	(104)	6	-	(98)
Insurance Reserve Fund Reserve	A	715	21	-	736
Izone Special Fund	A	12,969	787	-	13,756
Lakeside Community Centre Loan Repayment Fund	A	(185)	7	-	(178)
Leeston Community Centre Loan Repayment Fund	A	(761)	-	(330)	(1,091)
Leeston Park Special Fund Reserve	A	24	1	-	25
Leeston Township Est NA Osbourne Reserve	D	79	2	-	81
Lincoln Events Centre Loan	E	(1,639)	188	-	(1,451)
Lincoln Library Loan	E	(3,691)	170	-	(3,521)
McHughs Plantation Loan Reserve	E	(1,006)	81	-	(925)
Metal Pits Reserve	D	300	6	(243)	63
Reserve Contrib.Southwest Selwyn Area	A	447	272	(290)	429
Reserve Contrib.Northwest Selwyn Area	A	1,775	393	(252)	1,916
Reserve Contrib.Eastern Selwyn Area	A	22,954	19,819	(1,894)	40,879
Reserve Contrib.Springs Ward	A	16,168	170	(16,338)	-
Rhodes Park Community Centre Loan	E	(1,035)	54	-	(981)
Rolleston Com Centre Capital Fund	A	175	5	-	180
Rolleston Community Fund	D	199	5	(37)	167
Rolleston Headquarters Building Renewal Reserve	C	4,170	875	-	5,045
Selwyn Aquatic Centre Loan	E	(6,942)	354	(14,936)	(21,524)
Selwyn District Education Fund Reserve	D	148	5	-	153
Selwyn District Park Loan	E	(2,241)	125	-	(2,116)
Selwyn Sports Centre Loan	E	(15,071)	465	-	(14,606)
Southbridge Advisory Committee Reserve	A	30	1	-	31
Tai Tapu ex Paparua Library Reserve	D	14	1	-	15
Te Ara Atea - Loan	E	-	313	(16,132)	(15,819)
Weedons Reserve Loan Repayment Reserve	A	(103)	6	-	(97)
West Melton Community Centre Ex Paparua Reserve	A	2	1	-	3
West Melton Community Centre Scholarship Reserve	C	47	1	(2)	46
West Melton Community Centre Loan	E	(2,440)	90	-	(2,350)
Total community services and facilities reserves		23,946	24,914	(68,631)	(19,771)

26 Equity (continued)

	Purpose	Balance			Closing
	of reserve	1 July 2022	Deposits	Withdrawals	30 June 2023
	fund	\$'000	\$'000	\$'000	\$'000
Environmental services					
Dog Pound Loan	E	(325)	20	-	(305)
Weather Tightness Insurance Reserve	D	(224)	150	-	(74)
Total environmental services reserves		(549)	170	-	(379)
Internal council services					
MAB Discretionary Fund Reserve	D	11	27	-	38
Commercial Building Loan	E	(741)	-	-	(741)
Investment Farming Property Loan	E	(1,340)	64	-	(1,276)
Earthquake Self Insurance - Earmarked Funds	D	-			
Pre 1989 Contributions Reserve	D	74	2	-	76
Zone 5 Special Fund	D	19	-	(18)	1
Total internal services reserves		9,835	147	(18)	9,964
Transportation					
		-			
Undergrounding Reserve	A	3,547	103	(179)	3,471
Total transportation		12,609	3,500	(777)	15,332
Solid waste					
Operational Assets Replacement Fund Reserve	B	(7,240)	202	(385)	(7,423)
Waste Minimisation Fund Reserve	B	809	605	(756)	658
Total solid waste		(6,431)	807	(1,141)	(6,765)
Total restricted reserves					
		44,529	39,783	(90,492)	(6,180)

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 LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA 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 that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

27 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 (2022: \$nil) and met other operating costs of the trust totalling \$50 (2022: \$50).

CORDE Limited

The Council entered into transactions with CORDE during the year.

	June 2023	June 2022
	\$000	\$000
CORDE Limited		
Rates, royalties, interest and lease revenue received	626	575
Dividend revenue	2,250	2,000
Contract services received from CORDE	58,100	53,556
Accounts receivable	93	66
Accounts payable and accrued expenses	6,593	8,665
Retentions payable	418	357

Corde Transactions with Key management Personnel

During the year, Directors, the Chief Executive Officer, and other senior management personnel, as part of a normal customer relationship, may have been involved in minor transactions with the SDC (such as payment of rates, purchase of rubbish bags etc.).

Delta Utility Services a company associated with Director SW Grave provided goods and services to CORDE amounting to \$nil (2022-\$12,079). Balance outstanding at 30 June 2023 was \$nil (2022 - \$nil).

Chartered Accountants Australia and New Zealand an organisation associated with M D W Harrington provided goods and services to CORDE amounting to \$nil (2022 - \$735). Balance outstanding on 30 June 2023 was \$nil (2022 - \$845).

Harrington Co Limited an organisation associated with M D W Harrington provided director services to CORDE amounting to \$41,167 (2022 - \$37,917). Balance outstanding at 30 June 2023 was \$nil (2022-\$nil).

Diversity Limited an organisation associated with B Kepes provided director services to CORDE amounting to \$14,000 (2022-\$nil). Balance outstanding at 30 June 2023 was \$4,025. (2022 - \$nil).

Workplace Support, an organisation associated with DF Wilson provided goods and services to CORDE to the value of \$14,844 (2022 - \$9,547). Balance outstanding at 30 June 2023 was \$3,837 (2022 - \$nil).

Engineering New Zealand an organisation associated with D L Bridgman provided goods and services to CORDE amounting to \$1,460 (2022-\$1,825). Balance outstanding on 30 June 2023 was \$nil (2022 - \$nil).

Integrated Electrics Limited an organisation associated with D Perham provided goods and services to CORDE amounting to \$nil (2022 \$912). Balance outstanding on 30 June 2023 was \$nil (2022 - \$nil).

NZ Trucking Association an organisation associated with K Winsloe provided goods and services to CORDE amounting to \$2,000 (2022-\$2,000). Balance outstanding on 30 June 2023 was \$2,300 (2022 - \$2,300).

Grays Cartage an organisation associated with A Guiney, provided goods and services to CORDE to the value of \$560,133 (2022-\$925,242). Balance outstanding at 30 June 2023 was \$18,587 (2022 - \$101,472).

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2022 - \$nil).

Corde key management personnel compensation

	June 2023	June 2022
	\$000	\$000
Salaries and other short term employee compensation	2,192	1,826
Post employment benefits	89	70
Total	\$ 2,281	\$ 1,896

Central Plains Water Trust

The Council makes payments on behalf of the Trust, which then reimburses the Council.

	June 2023	June 2022
	\$000	\$000
Central Plains Water Trust		
Payments to suppliers on behalf of the Trust	214	172
Accounts receivable	251	37

In addition to the above transactions, the Council has provided accounting services to the Trust at no charge.

Key management personnel compensation

	June 2023	June 2022
Councillors		
Remuneration	\$ 696,609	\$ 646,302
Full-time equivalent members	11	12
Senior Management Team, including the Chief Executive, Executive and Independent Audit & Risk Sub-Committee Member		
Short-term employee benefits	\$ 1,520,967	\$ 1,847,651
Termination benefits	\$ -	\$ 325,485
Total senior management team remuneration	\$ 1,520,967	\$ 2,173,136
Full-time equivalent personnel	6	7
Total full-time equivalent personnel	17	19
Total key management personnel remuneration	\$ 2,217,576	\$ 2,819,438

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.

28 Events after balance date

Storm event

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.

29A Financial instrument categories

The following tables are comparisons of carrying amounts of the Group's financial assets and liabilities in each of the financial instrument categories:

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Mandatorily measured at FVTSD				
Derivative financial assets - not hedge accounted	15,850	12,727	15,850	12,727
Borrower notes	2,650	1,605	2,650	1,605
Total financial assets at FVTSD	18,500	14,332	18,500	14,332
Amortised cost				
Cash and cash equivalents	20,447	21,538	31,943	30,585
Receivables	11,127	12,124	11,958	14,210
Term deposits	10,000	21,000	10,000	21,000
Finance lease	-	82	-	82
Community loans	37	22	37	22
Total financial assets at amortised cost	41,611	54,766	53,938	65,899
FVTOCRE				
Unlisted shares	195,605	132,724	153,605	108,624
Total financial assets at FVTOCRE	195,605	132,724	153,605	108,624

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
FINANCIAL LIABILITIES				
Mandatorily measured at FVTSD				
Derivative financial liabilities - not hedge accounted	7,173	6,097	7,173	6,097
Total financial liabilities at FVTSD	7,173	6,097	7,173	6,097
Amortised cost				
Payables	25,141	28,260	26,626	28,828
Secured loans	115,200	75,200	115,200	75,200
Total financial liabilities at amortised cost	140,341	103,460	141,826	104,028

29B 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	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Financial assets				
Derivative financial assets - Level 2	15,850	12,727	15,850	12,727
Unlisted borrower notes - Level 3	2,650	1,605	2,650	1,605
Unlisted shares - Level 3	195,605	132,724	153,605	108,624
Financial liabilities				
Derivative financial liabilities - Level 2	7,173	6,097	7,173	6,097

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

Valuation techniques with significant non-observable inputs (level 3)

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Balance at 1 July	134,329	133,909	110,229	109,809
Purchases	-	420	-	420
Valuation movements	63,926	-	63,926	-
Balance at 30 June	198,255	134,329	110,229	110,229

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

29C Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Council and group have a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The 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.

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 held at fixed interest rates expose the Council to fair value interest rate risks.

The Council's policy is to maintain between 50% and 95% of its borrowings in fixed rate instruments. Selwyn District Council is subject to fair value interest rate risk on its deposits, but the risk is minimised as the deposits are for a maturity period of less than one year.

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. The Council and group's exposure to changes in market interest rates primarily arises from borrowings issued at variable interest rates.

Generally, the Council and group raises long-term borrowings at floating rates. The Council's liability management policy requires it to maintain at between 50% and 95% of its borrowings at fixed rates of interest.

To achieve this, the Council and group uses interest rate swaps. Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council or group borrowed at fixed rates directly. Under the interest rate swaps, the Council and group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

29D Financial instrument risks (continued)

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.

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

Maximum exposure to credit risk

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
Cash at bank and term deposits	30,447	42,538	41,943	51,585
Receivables	9,644	10,521	10,475	12,607
Community loans	37	22	37	22
Unlisted borrower notes	2,650	1,605	2,650	1,605
Derivative financial instrument assets	15,850	12,727	15,850	12,727
Total credit risk	58,628	67,413	70,955	78,546

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in Note 25.

Credit risk exposure by credit risk rating grades, excluding receivables

The gross carrying amount of financial assets, excluding receivables, by reference to Standard and Poor's credit ratings are provided below:

	Council	Council	Group	Group
	June 2023	June 2022	June 2023	June 2022
	\$000	\$000	\$000	\$000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits				
AA -	30,447	42,538	41,943	51,585
Total cash at bank and term deposits	30,447	42,538	41,943	51,585
Derivative financial instrument assets				
AA -	15,850	12,727	15,850	12,727
Total derivative financial instrument assets	15,850	12,727	15,850	12,727
Borrower notes				
AAA	2,650	1,605	2,650	1,605
Total borrower notes	2,650	1,605	2,650	1,605
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Community loans				
Existing counterparty with no defaults in the past	37	22	37	22
Total community loans	37	22	37	22

29D Financial instrument risks (continued)

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the 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. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy.

The Council has a maximum amount that can be drawn down against its multi option credit facility of \$10 million (2022: \$10 million) against which it had drawn \$nil (2022: \$nil). There are no restrictions on the use of this facility.

CORDE Limited has a maximum amount that can be drawn down against its overdraft, commercial flexi and flexible credit facility of \$3.3 million (2022: \$3.3 million). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities, excluding derivatives

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

	Carrying	Contractual	Less than		More than
	amount	cash flows	1 year	1 - 5 years	5 years
	\$000	\$000	\$000	\$000	\$000
Council 2023					
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					
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
Council 2022					
Payables	27,400	27,400	27,400	-	-
Secured loans	75,200	62,544	5,576	41,780	15,188
Total	102,600	89,944	32,976	41,780	15,188
Group 2022					
Payables	27,968	27,968	27,968	-	-
Secured loans	75,200	62,544	5,576	41,780	15,188
Total	103,168	90,512	33,544	41,780	15,188

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 25.

29D Financial instrument risks (continued)

Contractual maturity analysis of derivative financial instrument assets and liabilities

The table below analyses the Council and group's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into their 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 payments.

	Carrying	Contractual	Less than		More than
	amount	cash flows	1 year	1 - 5 years	5 years
	\$000	\$000	\$000	\$000	\$000
Council 2023					
Net settled derivative asset (interest rate swap)	7,140	7,904	2,415	5,123	366
Total	7,140	7,904	2,415	5,123	366
Group 2023					
Net settled derivative asset (interest rate swap)	7,140	7,904	2,415	5,123	366
Total	7,140	7,904	2,415	5,123	366
Council 2022					
Net settled derivative liability (interest rate swap)	6,009	6,825	912	5,505	408
Total	6,009	6,825	912	5,505	408
Group 2022					
Net settled derivative liability (interest rate swap)	6,009	6,825	912	5,505	408
Total	6,009	6,825	912	5,505	408

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	Contractual	Less than		More than
	amount	cash flows	1 year	1 - 5 years	5 years
	\$000	\$000	\$000	\$000	\$000
Council 2023					
Cash and cash equivalents	20,447	20,447	20,447	-	-
Receivables	9,644	9,644	9,644	-	-
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	-	-
- Local Government Funding Agency Borrower Notes	2,650	3,185	351	2,371	463
- Community loans	37	37	37	-	-
Total	49,918	51,217	42,894	7,494	829
Group 2023					
Cash and cash equivalents	31,943	31,943	31,943	-	-
Receivables	10,475	10,475	10,475	-	-
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	-	-
- Local Government Funding Agency Borrower Notes	2,650	3,185	351	2,371	463
- Community loans	37	37	37	-	-
Total	62,245	63,544	55,221	7,494	829

29D Financial instrument risks (continued)

	Carrying	Contractual	Less than		More than
	amount	cash flows	1 year	1 - 5 years	5 years
	\$000	\$000	\$000	\$000	\$000
Council 2022					
Cash and cash equivalents	21,538	21,538	21,538	-	-
Receivables	12,124	12,124	12,124	-	-
Net settled derivative asset (interest rate swap)	6,009	6,009	890	4,238	881
Other financial assets:					
- Term deposits	21,000	21,000	21,000	-	-
- Local Government Funding Agency Borrower Note:	1,605	1,736	235	1,118	383
- Finance lease	82	83	83	-	-
- Community loans	22	22	22	-	-
Total	62,380	62,512	55,892	5,356	1,264
Group 2022					
Cash and cash equivalents	30,585	30,585	30,585	-	-
Receivables	14,210	14,210	14,210	-	-
Net settled derivative asset (interest rate swap)	6,009	6,009	890	4,238	881
Other financial assets:					
- Term deposits	21,000	21,000	21,000	-	-
- Local Government Funding Agency Borrower Note:	1,605	1,736	235	1,118	383
- Finance lease	82	83	83	-	-
- Community loans	22	22	22	-	-
Total	73,513	73,645	67,025	5,356	1,264

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council and group's financial instrument market risk exposures at balance date.

	-50 bps		+100 bps	
		other		other
	Surplus	equity	Surplus	equity
Council 2023				
FINANCIAL ASSETS				
Cash and cash equivalents	(102)	-	(204)	-
Term deposits	(50)	-	(100)	-
Derivative financial assets - not hedge accounted	(1,496)		(3,062)	
Total financial assets interest rate risk sensitivity	(1,648)	-	(3,366)	-
FINANCIAL LIABILITIES				
Secured loans	161	-	322	-
Total financial liabilities interest rate risk sensitivity	161	-	322	-
Total interest rate risk sensitivity	(1,487)	-	(3,044)	-
Group 2023				
FINANCIAL ASSETS				
Cash and cash equivalents	(160)	-	319	-
Term deposits	(50)	-	100	-
Derivative financial assets - not hedge accounted	(1,496)	-	(3,062)	-
Total financial assets interest rate risk sensitivity	(1,706)	-	(2,643)	-
FINANCIAL LIABILITIES				
Secured loans	161	-	322	-
Total financial liabilities interest rate risk sensitivity	161	-	322	-
Total interest rate risk sensitivity	(1,545)	-	(2,321)	-

29D Financial instrument risks (continued)

	-50 bps		+100 bps	
		other		other
	Surplus	equity	Surplus	equity
Council 2022				
FINANCIAL ASSETS				
Cash and cash equivalents	(108)	-	215	-
Term deposits	(105)	-	210	-
Derivative financial assets - not hedge accounted	(2,246)	-	(2,949)	-
Total financial assets interest rate risk sensitivity	(2,459)	-	(2,524)	-
FINANCIAL LIABILITIES				
Secured loans	325	-	(650)	-
Total financial liabilities interest rate risk sensitivity	325	-	(650)	-
Total interest rate risk sensitivity	(2,134)	-	(3,174)	-
Group 2022				
FINANCIAL ASSETS				
Cash and cash equivalents	(153)	-	306	-
Term deposits	(105)	-	210	-
Derivative financial assets - not hedge accounted	(2,246)	-	(2,949)	-
Total financial assets interest rate risk sensitivity	(2,504)	-	(2,433)	-
FINANCIAL LIABILITIES				
Secured loans	325	-	(650)	-
Total financial liabilities interest rate risk sensitivity	325	-	(650)	-
Total interest rate risk sensitivity	(2,179)	-	(3,083)	-

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 50 bps is equivalent to a decrease in interest rates of 0.5%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50bps/+100bps (2022: -100bps/+100bps).

30 Explanations of major variances against budget

Explanations for major variations from the Council's budget figures in its 2022/23 annual plan are as follows:

Statement of comprehensive revenue and expense

The Council's core operating expenditure in the year was \$165.9 million. This compares unfavourably with the budget of \$149.3 million. The main variances compared with budget were:

- 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.

Council Revenue

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 main variances compared with budget were:

- The robust nature of the Selwyn economy and continued population growth have been a significant factor behind the positive revenues. The main variances compared with budget were:
- Higher than anticipated population growth in the district has resulted in rates revenue being \$2.1 million above budget.
- Housing development to support population growth has led to 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.
- Subsidies and grants revenue was higher than the budget of \$0.6 million due to the recognition of affordable water reform grant funding.
- 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.
- 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.
- Gains from the fair value movement in the valuation of the Council's interest rate swaps was \$1.1 million above budget due to the movement in the valuation of the Council's financial instruments.

Statement of financial position

The value of Council's net assets at 30 June 2023 is \$2.9 billion, this is an increase of \$0.2 billion from \$2.7 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 \$1.2 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 \$9.8 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.

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.

31 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

32 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.

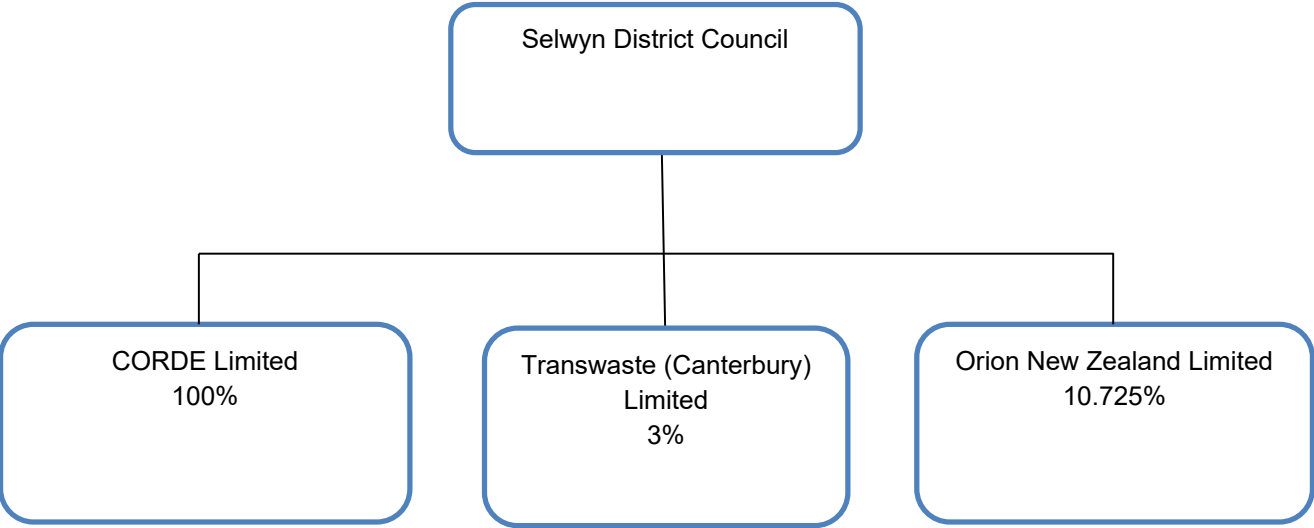
APPENDIX 1 OTHER LEGISLATIVE DISCLOSURES

Funding impact statement for whole of Council

Selwyn District Council Funding Impact Statement for the year ended 30 June 2023 (whole of Council)

	June 2022	June 2022	June 2023	June 2023
	LTP	Actual	LTP	Actual
	\$'000	\$'000	\$'000	\$'000
Sources of operating funding				
General rates, uniform annual general charges, rate penalties	26,552	27,277	28,894	30,831
Targeted rates	47,997	51,225	51,508	54,491
Subsidies and grants for operating purposes	3,218	9,708	3,210	8,075
Fees and charges	22,401	25,211	24,496	25,477
Interest and dividends from investments	5,729	6,451	5,862	7,477
Local authorities fuel tax, fines, infringement fees, and other rece	374	1,097	390	1,101
Total operating funding (A)	106,271	120,969	114,360	127,452
Application of operating funding				
Payments to staff and suppliers	95,282	99,831	95,837	116,585
Finance costs	2,816	1,412	4,504	2,629
Other operating funding applications	446	356	460	493
Total application of operating funding (B)	98,544	101,599	100,801	119,707
Surplus / (deficit) of operating funding (A-B)	7,727	19,370	13,559	7,745
Sources of capital funding				
Subsidies and grants for capital expenditure	19,454	16,465	7,778	5,263
Development and financial contributions	9,828	34,502	10,790	20,410
Increase / (decrease) in debt	104,718	15,000	30,303	40,000
Gross sales proceeds from sale of assets	6,383	6,601	2,585	2,354
Total sources of capital funding (C)	140,383	72,568	51,456	68,027
Applications of capital funding				
Capital expenditure to meet additional demand	86,904	71,599	31,692	47,703
Capital expenditure to improve the level of service	26,210	17,524	19,567	16,326
Capital expenditure to replace existing assets	25,867	16,248	17,820	21,205
Increase / (decrease) in reserves	(16,716)	(27,909)	(8,432)	(17,947)
Increase / (decrease) of investments	25,845	14,476	4,368	8,485
Total applications of capital funding (D)	148,110	91,938	65,015	75,772
Surplus / (deficit) of capital funding (C-D)	(7,727)	(19,370)	(13,559)	(7,745)
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 2023 is set out below:

	Status	Actual 2023 \$'000	Target 2023 \$'000
Financial performance targets:			
Revenue	Achieved	\$99,867	\$60,967
Net profit before tax	Achieved	\$7,831	\$3,501
Return on equity	Achieved	20.0%	>9.7%
Ratio of equity to total assets	Not achieved	55%	>59.1%
Total equity	Achieved	\$28,115	>\$26,023
Liquidity	Achieved	1.7:1	1.6:1
Ratio of consolidated equity to total assets	Not achieved	56%	59.1%
Dividend paid	Achieved	\$2,250	≥\$1,200
Key performance targets:			
Return after tax to opening equity	Achieved	22.7%	≥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	74.6%	70%
Training & development as a % of payroll costs	Achieved	4.5%	≥1.5%

Summary of financial performance

	Actual 2023 \$000	Actual 2022 \$000
Revenue	99,867	91,149
Expenditure	92,036	84,817
Surplus / (deficit) before taxation	7,831	6,332
Surplus / (deficit) after taxation	5,620	4,424
Dividend	2,250	2,000

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 2023 is set out below:

Financial performance targets:

	Actual 2023	Target 2023	Actual 2022
Profitability			
Electricity delivery revenue (\$m)	230	232	230
Other revenue (\$m)	93	96	81
Revenue growth (%)	3.9	6.5	2.9
Operating margin (%)	8.1	9.7	9.8
Earnings before interest, tax, depreciation & amortisation (\$m)	103	112	111
EBITDA growth (%)	(6.6)	(4.1)	1.3
Debt to EBITDA (times)	4.4	4.1	3.5
Earnings before interest and tax (\$m)	46.1	47.7	58.2
Profit after tax (\$m)	21.6	22.1	35.5
Capital structure			
Interest expense (\$m)	16.4	14.8	12.1
Debt (including Transpower finance leases) (\$m)	498	508	420
Equity (\$m)	842	682	793
Equity to total assets (%)	51	49	54
Net gearing (%)	37	43	35
Interest cover (times)	2.8	3.2	4.8
Return to shareholders			
Dividends (\$m)	32.0	32.0	31.0
Dividend yield (%)	3.9	4.7	4.2
Return to invested capital (%)	3.6	4.2	5.2
Profit after tax to average equity (%)	2.6	3.2	4.8

Note that some measures from FY22 have been restated due to the restatement of prior year profit from \$32.6 million to \$35.5 million.

Performance targets - Network reliability

	Actual 2023*	Target 2023	Actual 2022*	DPP Normalised 2023	DPP Normalised 2022	Industry Weighted Average 2022
Orion network interruptions						
Duration of supply interruptions in minutes per year per connected customer (SAIDI)						
- Planned	25.93	39.68	24.92	19.97	24.91	
- Unplanned	43.37	84.71	52.95	43.28	42.90	
- Total SAIDI	69.30	124.39	77.87	63.25	67.81	258
Number of supply interruptions per year per connected customer (SAIFI)						
- Planned	0.0731	0.1496	0.0744	0.0734	0.0744	
- Unplanned	0.5059	1.0336	0.6016	0.5056	0.6016	
- Total SAIFI	0.5790	1.1832	0.6760	0.5790	0.6760	2.0

Approximate number of connections at 31 March 2023 was 220,800 (2022: 215,700)

Notes:

1. The SAIDI and SAIFI network reliability targets are regulated limits.
2. 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.
3. 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.
4. The Commerce Commission sets performance limits for our network reliability, pursuant to our default price-quality path (DPP). The Commission assesses our actual performance against those limits, after 'normalising' for the impacts of 'major events' and allowing for a set of incentive-based adjustments.
5. Columns marked with an asterisk (*) are stated gross – before normalising for major events.

Performance Targets - Health and safety

1. Events that did or could have resulted in serious injury to Orion Group employees. Target: <4
Status: Achieved
2. Events that did or could have resulted in serious injury to Orion service providers. Target: <4
Status: Achieved
3. Events that did or could have resulted in serious injury to the public, excluding car vs pole incidents. Target: Nil. Status: Not achieved

Key initiatives - Re-imagining the Future Network

1. Gain access to customers' smart meter data. Status: Not complete
2. Integrate data from our low voltage network into our systems. Status: Complete
3. Trial non-traditional network solutions. Status: Complete

Key initiatives – Customer Inspired

1. Continue to develop our new Customer Relationship Management platform (CRM). Status: Partially complete
2. Further develop our customer and community engagement programme to give greater voice to our stakeholders' views in our decision making. Status: Ongoing
3. Build genuine relationships with local rūnanga. Status: Ongoing
4. Continue our community support and align with our Group Strategy. Status: Complete

Key initiatives – Lead and grow

1. Establish an Energy Hub and Energy Futures Lab to facilitate sector collaboration. Status: Ongoing
2. Review and enhance the Orion Energy Accelerator programme to run for a second year. Status: Complete
3. Establish a renewable energy service and advisory offerings. Status: Complete
4. Connetics to deliver new products and services. Status: Complete

Key initiatives – Accelerating Capability

1. Enhance our remuneration framework. Status: Complete
2. Support our leaders – Orion. Status: Complete
3. Support our leaders – Connetics. Status: Complete
4. Create opportunities for our people to grow. Status: Ongoing
5. Support CCHL's Future of Activity initiative. Status: Incomplete
6. Energy Academy to accelerate industry capability develop. Status: Complete

Key initiatives – Powering the Low Carbon Economy

1. Achieve our carbon reduction targets. Status: Not achieved
2. Measure and reduce our Scope 3 carbon emissions. Status: Partially achieved
3. Migrate process heat users away from fossil fuels. Status: Ongoing
4. Plant indigenous forest to offset emissions. Status: Complete
5. Connetics to establish a robust environmental management system. Status: Complete
6. Produce Task Force on Climate-related Financial Disclosures (TCFD) report. Status: Delayed delivery

Key initiatives – Key projects

1. Construct a new Grid Exit Point and zone substation at Norwood and associated 66kV lines. Status: Ongoing
2. Replace our end-of-life 11kV switchgear at Heathcote zone substation with modern vacuum breakers. Status: Incomplete
3. Build and commission a new zone substation at Milton St and connect it with new 66kV XLPE cables to existing 66kV sub-transmission network at Bromley zone. Status: Ongoing

Summary of financial performance

	Actual 2023 \$000	Actual 2022 \$000
Revenue	323,425	313,017
Expenditure	295,756	264,507
Surplus / (deficit) before taxation	27,669	48,510
Surplus / (deficit) after taxation	21,618	35,526
Ordinary dividend	32,000	31,000

Financial interests – Selwyn District Charitable Trust

Relationship to the Council

On the 22nd 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 2023 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 (2022: \$nil) in donation revenue. The Trust has distributed \$nil (2022: \$nil) to the Selwyn District Council during the year.

At year end there was \$nil (2022: \$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 2023 \$000	Actual 2022 \$000
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 2023 will be included in the Trust's annual report.

Summary of financial performance

	Actual 2023 \$000	Actual 2022 \$000
Revenue	87	87
Expenditure	87	87
Surplus / (deficit) before taxation	-	-

Financial interests – Tramway Reserve Trust

Relationship to the Council

On the 18th 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 2022 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 2023 \$000	Actual 2022 \$000
Revenue	-	-
Expenditure	-	-
Surplus / (deficit) before taxation	-	-

Independent Auditor's Report

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

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

We are also required to report on:

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

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

We completed our work on 6 December 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 79 to 159:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2023;
 - the results of their operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on page 160, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan;
- the statement of service provision (referred to as “significant activities”) on pages 22 to 71:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 34, 39, 47, 53, 57, 66 to 69 and 71, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s long-term plan; and
- the funding impact statement for each group of activities on pages 34, 39, 47, 53, 57, 66 to 69 and 71, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 74 to 78, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

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

Emphasis of matter - uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 32 on page 159, which outlines developments in the Government's water services reform programme.

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

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan or long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the significant activities, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information is defined as all information in the annual report other than the audited information and the disclosure requirements and our auditor's report thereon.

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

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have completed a limited assurance engagement under the District Council's debenture trust deed.

Other than the audit, our report on the disclosure requirements, and the limited assurance engagement, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



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

Council information

Mayor and Councillors contact details (as at 30 June 2023)

Mayor		Deputy Mayor	
Sam Broughton	027 223 8345 sam.broughton@selwyn.govt.nz	Malcolm Lyall	027 433 9964 malcolm.lyall@selwyn.govt.nz
Selwyn Central Ward		Springs Ward	
Mark Alexander	027 526 6388 mark.alexander@selwyn.govt.nz	Debra Hasson	027 435 5055 debra.hasson@selwyn.govt.nz
Jeff Bland	027 399 9206 jeff.bland@selwyn.govt.nz	Grant Miller	027 381 7032 grant.miller@selwyn.govt.nz
Sophie McInnes	021 552 877 sophie.mcInnes@selwyn.govt.nz		
Nicole Reid	027 548 6157 nicole.reid@selwyn.govt.nz		
Malvern Ward		Ellesmere Ward	
Jenny Gallagher	027 552 7403 jenny.gallagher@selwyn.govt.nz	Shane Epiha	027 561 7035 shane.ephia@selwyn.govt.nz
Bob Mugford	021 216 5722 bob.mugford@selwyn.govt.nz	Murray Lemon	027 541 3305 murray.lemon@selwyn.govt.nz

Community Board Members contact details (as at 30 June 2023)

Malvern Community Board			
John Morten (Chairperson)	027 200 2578 john.morton@selwyn.govt.nz	Judith Pascoe	021 152 2900 judith.pascoe@selwyn.govt.nz
Ken May	021 453 459 ken.may@selwyn.govt.nz	Bill Woods	021 608 2030 bill.woods@selwyn.govt.nz
Karen Meares	021 147 1824 karen.meares@selwyn.govt.nz		

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 District Council Offices
www.selwyn.govt.nz	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 8338
Lincoln Library/Service Centre Gerald Street LINCOLN 7608 Phone: (03) 347 2876	Te Ara Atea Tennyson Street ROLLESTON 7614 Phone (03) 347 2880
Auditors	Bankers
Audit New Zealand PO Box 2 CHRISTCHURCH 8140 On behalf of the Auditor-General	Westpac PO Box 2721 CHRISTCHURCH 8140
Solicitors	Sister districts/cities
Buddle Findlay PO Box 322 CHRISTCHURCH 8140	Akitakata, Hiroshima, Japan Yubetsu, Northern Hokkaido, Japan Toraja Utara, South Sulawesi, Indonesia Coventry, Rhode Island, USA Shandan, Gansu Province, China

Council controlled trading organisations

Council companies

CORDE Limited (100% owned by Selwyn District Council)	
85 Hoskyns Road ROLLESTON	
Phone:	(03) 318 8320
Fax:	(03) 318 8578
Email:	corde@corde.co.nz
Website:	www.corde.co.nz
Board	
Steve Grave (Chair)	
Murray Harrington	
Donna Bridgman	
Pat McEvedy	

Other council organisations

Central Plains Water Trust (50% owned by Selwyn District Council)	
PO Box 90 ROLLESTON 7643	
Phone:	(03) 347 2800
Fax:	(04) 347 2799
Trustees	
Pat McEvedy (Chair)	
Elle Archer	
Les Wanhalla	
Olive Webb	
Rob Lawrence	
Viv Smart	

Selwyn District Council

2 Norman Kirk Drive, Rolleston
PO Box 90, Rolleston 7643
0800 SELWYN (735 996)
selwyn.govt.nz

