

Selwyn District Council

# Summary Annual Report 2020/21

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Devil's Punchbowl, Arthur's Pass





# Welcome to

## Selwyn District Council's Summary Annual Report 2020/21

This summary provides an overview and summary of Selwyn District Council and group's activities and services for the year ended 30 June 2021. The information has been extracted from the full annual report for the year ended 30 June 2021 adopted by the Council on 22 December 2021. The full financial statements have been prepared in accordance with, and comply with, Tier 1 PBE reporting standards. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand and complies with PBE FRS 43 Summary Financial statements

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

The summary financial statements have been prepared in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council and its subsidiaries and associate is New Zealand dollars.

*The full Selwyn District Council Annual Report 2020/21 is available from Council offices and service centres, or online at [selwyn.govt.nz](https://www.selwyn.govt.nz).*

# From the Mayor and Chief Executive

Dear Selwyn ratepayers and residents

Waikirikir Selwyn has continued its position as one of the strongest economies across Aotearoa, with our GDP growing by 7% in comparison to a national average of 4.2% over the 2020/21 year.

Many New Zealanders are now choosing Selwyn as their preferred place to plant a business or raise a whānau. Residential building consents set new records, up 11.2% on an annual basis, and \$138 million of non-residential consents were lodged.

Growth has provided many opportunities and we have seen a huge increase in the level of community infrastructure over the past year including the upgrading of Tennyson Street in Rolleston, the Selwyn Sports Centre and many other significant projects, including Te Ara Ātea and the Toka Hapāi Health Hub which is opening in stages. We need to continue to ensure our growth is sustainably managed with supporting infrastructure. However our growth is also causing us some pain with the processing time for building consents taking longer than our usual standard and extra traffic on our roads meaning increases in expensive intersection and road-related improvements.

We are mindful of our diverse large and small communities and the need for continued climate change thinking and improving our environment.

Getting our strategic planning right to meet community aspirations requires a solid financial platform. Council confirmed an average rate increase of 4.9% over the next 10 years, allowing us to keep pace with community expectations on delivery and affordability. We have also maintained our AA+ Fitch credit rating, an indication that our financial management is among the leaders of the local government sector in New Zealand.

Revenue from all sources was \$171.2 million, ahead of our expected budget of \$158.6 million. This was boosted by development contributions received ahead of expectation and resource consents charges. The quality of life enjoyed by Selwyn's residents, the financial security of our Council and the business opportunities within our growing district have been underscored by statistics which consistently place Selwyn as one of New Zealand's top performing communities.

There is still uncertainty ahead with the COVID-19 pandemic – at the time of writing our borders remain closed and finding the right people for available jobs is proving difficult. In the local government space there are ongoing reviews into the Resource Management Act, the Future of Local Government and Three Waters, all of which will dramatically change the shape of local government in the future.

Thanks to everybody who has contributed to Waikirikir Selwyn's success. You are among more than 70,000 people who now call Selwyn home. Thanks for the way you contribute to our environment, our schools, our townships, our rural community, and our neighbourhoods by caring for yourself and your family and having a worldview that contributes to the wellbeing of others.



Sam Broughton, Mayor



David Ward, Chief Executive





*Mayor Sam Broughton and David Ward*



# Service performance

**69%**

of residents rated Council's  
performance as good or very good

**437,835**

visits to Selwyn Aquatic Centre  
and council pools

**8.8 million**

cubic metres of drinking water  
supplied to households

**44 km**

of road resealing completed





An underwater photograph showing a rocky seabed with numerous air bubbles rising towards the surface, creating a dynamic blue-toned scene.

## 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
- Providing rubbish and recycling services to more than 23,000 households. More than 85% of residents rated these services as good or very good.
- Providing and maintaining 524 reserves and playgrounds, and 706 hectares of recreation reserves. 85% of people living in Selwyn visited a park last year.
- Providing and running the Selwyn Aquatic Centre and community pools. A total of 437,835 admissions were recorded at the Selwyn Aquatic Centre and council pools – equivalent to 6.06 swims for each Selwyn resident.
- Providing and maintaining 25 community centres and halls. 76% of residents have used a community centre or hall this year.
- Operating a district network of libraries in Darfield, Lincoln, Leeston, Rolleston and a mobile outreach service, and assisting two volunteer libraries. 88% of users rated libraries services as good or very good.
- Issuing building and resource consents. During the year a total of 2,853 building consents were issued and 846 resource consent applications processed.
- Operating 27 community water supplies, supplying clean, safe drinking water to 77% of the district's population.

# Significant performance measures

The following is a selection of our performance measures from our significant activities. Overall the Council achieved 108 out of 139 performance measures (78%).

 <b>85%</b> of residents have used or visited a public park in the past 12 months. <i>(Target 80%)</i>	 <b>77%</b> of transportation service requests were responded to within 5 days. <i>(Target 75%)</i>
 <b>84%</b> of townships where all residents are serviced by a reserve within 500 metres. <i>(Target 70%)</i>	 <b>44 km</b> of sealed road network resurfaced during the year. <i>(Target 75km)</i>
 <b>6.06</b> swims per capita of District population. <i>(Target 4.5)</i>	 <b>94%</b> of residents rated the council's rubbish collection service as very good or good. <i>(Target 90%)</i>
 <b>100%</b> of all urgent dog callouts were attended to within 4 hours. <i>(Target 100%)</i>	 <b>99.9%</b> compliance with national standards for water standards for bacteria compliance. <i>(Target 99.5%)</i>
 <b>88%</b> of residents rating the performance of libraries in the resident survey as good or very good. <i>(Target 90%)</i>	 <b>77%</b> of the urban fire district area is within 135m of one hydrant and 270m of two. <i>(Target 60%)</i>
 The 2019/20 annual report was adopted on time. <i>(Target within statutory timeframes)</i>	 Total average operating cost per serviced property for water supply was <b>\$344.65</b> per annum <i>(Target \$330)</i>
 <b>69%</b> of residents rated the overall performance of Council as very good or good. <i>(Target 65%)</i>	 <b>0.425m<sup>3</sup></b> of water consumed per resident on average per day. <i>(Target 0.5m<sup>3</sup>)</i>
 <b>56%</b> of building consents were issued within statutory time frames. <i>(Target 95%)</i>	



Selwyn performed well in the financial year ended 30 June 2021 despite the impacts of the COVID-19 pandemic. The district economy performed better than expected, with continuing high levels of population and economic growth. The number of rating units grew by 2,998 (10.4%) to 31,766, making Selwyn one of the fastest-growing districts in New Zealand. The successes of the district combined with the strength of Council investments and the quality of Council operations are reflected positively in this year's performance.

## Group performance

The Selwyn District Council Group reported an after-tax surplus of \$52.4 million in the 2020/21 financial year, a decrease of \$26.7 million on the previous year. The Group's net assets at 30 June 2021 are \$1.9 billion.

*[Note: 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.]*

**The Council's core operating expenditure in the year was \$120.6 million, which compares favourably with the budget of \$120.8 million. The main variances compared with budget were:**

- Lower levels of borrowing, as a result of higher cash in-flows and the delayed start of some capital projects, have resulted in financing expenses being \$1.5 million lower than budget.
- The delay in completing some large capital projects has led to depreciation and amortisation expenditure being \$2.1 million below budget.
- Subsidised maintenance and operational expenditure is \$2.7 million higher than budget, due to additional work required to maintain our roading network.
- Expenditure associated with the May Flood Event \$1.9 million. Of this amount \$1.4 million relates to subsidised road maintenance as noted above.
- The Council's increased focus on the provision of high-quality water supply resulted in additional costs to deliver this service of \$1.0 million.

**The Council's core revenue in the year was \$171.2 million. This strong performance was \$12.6 million higher than the budget of \$158.6 million.**

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 resulted in rates revenue being \$0.9 million above budget.
- Housing development to support population growth has led to development contribution revenue being \$8.5 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.
- Also linked to the housing growth in the district is the collection of fees and charges for the provision of building and resource consents and land information memorandum (LIM) reports. The revenue generated from fees and charges was \$4.0 million higher than budget.
- Vested asset revenue is \$0.5 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.
- The Council's equity investments performed in line with expectation. Dividend revenue was \$0.3 million below budget, largely as a consequence of Orion New Zealand Limited delaying the declaration of their 2021 financial year interim dividend until September. This will be received during the 2022 financial year. The reduction in the dividend revenue received from Orion was partially offset by higher dividend revenue received from Sicon Limited.
- Land sales revenue was higher than budget by \$0.2 million due to the sale of land in the Izone Southern Business Hub being above what was budgeted.
- Gains from the movement in the fair value of investment property was \$1.6 million above budget largely due to the movement in the valuation of the Council's investment property.



# Progress on our key projects

In our Long-Term Plan 2018–2028 we consulted with the community on a number of significant new projects. Here's how some of these have progressed during the year to 30 June 2021.

## Te Ara Ātea and Rolleston town centre

Construction is well advanced on Te Ara Ātea – the new library and community facility in Rolleston – which will be open to the public before the end of 2021. Te Ara Ātea is a landmark project in the new town centre, which will include a town square and spaces for community gatherings, events and recreation, car parking as well as retail, hospitality and commercial development.

A number of roading projects critical to the town centre development were completed during 2020 and 2021, and planning for the new commercial, retail, hospitality and entertainment areas that surround Te Ara Ātea and the town square, is continuing.

## Selwyn Sports Centre

The new indoor courts complex at Foster Park, which will assist in meeting the rapidly growing need for indoor sports facilities in Selwyn, opened in May 2021. It includes eight courts, a multi-use space, an indoor walking track, changing rooms, administration areas and public toilets servicing the Foster Park fields and playground.

## Selwyn Aquatic Centre extension

Users of the Aquatic Centre are enjoying the new extension to the centre, with the new pool completed in June 2021. The new 10-lane, 25-metre pool is more than double the previous lane capacity and accommodates increasing demand from aquafitness, casual swimming, deep water and other activities.

## Toka Hapāi Selwyn Health Hub

Selwyn residents are beginning to enjoy improved access to health services, following the completion of the Toka Hapāi Selwyn Health Hub building in April 2021. The Council, the Canterbury District Health Board and Pacific Radiology have agreed plans for the hub, which will provide space for health providers and related services to locate in Selwyn. The Canterbury District Health Board is planning to have services open in early 2022.







## Service highlights

### Post-COVID economic rebound continues

Coming out of the COVID-19 lockdowns of early 2020, Selwyn's economy has rebounded strongly during the 2020/21 year. Although growth initially slowed due to lockdowns, gross domestic product (GDP) increased steadily throughout the year to record 7% growth overall – while national GDP grew by 4.2% over the same period.

Economic data shows employment has been growing faster than the national average, and together with GDP growth this has led to higher productivity and household incomes. Unemployment remains low and new businesses continue to locate in our district. Key factors in the productivity increase include population growth and a high dairy payout.

Increased confidence and activity in the building and housing sector has continued through from last year. During the year to 30 June a total of 2,853 building consents were issued and 846 resource consent applications processed – both figures well up on 2020 results. Non-residential consents to a value of \$138 million were lodged with the Council, in another sign of confidence from business to keep building in the district.

Employment continued to grow, up by 0.8%, compared to a 0.7% drop in employment across Canterbury and a 0.1% drop nationally. Unemployment in Selwyn averaged 2.8% for the financial year, well below the national rate of 4.7%. It is estimated there are more than 7,000 businesses in Selwyn, with around 23,200 full time employees. Agriculture, manufacturing and construction remain major contributors to economic activity in the district.

Population growth also contributed to an active Selwyn housing market, with data showing the average house values in the district increasing by 21.1% over the year to June 2021. Increasing confidence in the economy saw consumer spending rise by 12.6% over the year, well ahead of the increase nationally of 7.7%.

The pandemic has had relatively little impact on tourism in Selwyn, with the amount spent by tourists remaining largely unchanged. Tourists spent about \$56 million in Selwyn in the year to June 2021, compared with \$57 million for the year to June 2019 and \$54 million last year.





Community Skate Park, West Melton

## Planning for the future

The Selwyn District Plan is a key document in helping the Council to plan for, and manage, the future growth of the district. The review of the District Plan has progressed significantly this year: the plan was formally notified in October 2020, and public hearings began in August 2021. The new operative plan is expected to be in place by late 2022.

The Council also works with its neighboring local authorities, Ngāi Tahu and other agencies on the Greater Christchurch Partnership, to plan for a strong local future. This year the partnership has developed a strategic document, Greater Christchurch 2050, which sets high-level priorities and directions to support sustainable growth over the next 30 years.

## Responding to community needs

A highlight for 2020/21 was the completion of the Selwyn Sports Centre in Rolleston. This is a multi-function indoor sports and recreation complex centre with eight indoor courts and flexibility to cater for events, exhibitions and other community uses. The centre recorded 84,000 visits in its first two months. We also made significant progress on the expansion of the Selwyn Aquatic Centre, with the opening of the new 10-lane, 25-metre pool and new changing facilities, providing much-needed extra capacity.

Toka Hapāi Selwyn Health Hub, funded by the Council as a commercial investment, was completed in April 2021, with radiology services open in July. District Health Board services, including a birthing unit, are on track to open in 2022. The new hub will bring improved access to a range of health services for Selwyn residents.

Construction of Te Ara Ātea, the new library and community facility in Rolleston, made substantial progress, despite some disruption from COVID-19. The building features sustainable design, with reduced energy use and locally sourced sustainable materials. It is scheduled to open to the public in late 2021 and will serve as a multifunctional civic centre, and a place of discovery, community gathering and sharing knowledge.

Te Ara Ātea will be the focal point of the emerging Rolleston town centre, which continues to take shape. Some of the community spaces are under construction, including an innovative sensory area, accessible kai gardens and feature poles decorated by local school children. Consultation was completed on changes to roading and design, and on the development of the Reserve. Alongside the community spaces, the Council has partnered with developers Cooper Developments and contractors Armitage Williams to create a vibrant retail, entertainment and hospitality precinct, Rolleston Fields. Planning for this area is well advanced and construction of the initial stages started in mid-2021.

Selwyn's network of parks and recreation space continues to expand, with six hectares of new reserves added this year. Notable developments have included the first stage of a new community park and skate facility in West Melton, an extension to Kirwee Reserve, a new dog exercise area at McHugh's Forest Park in Darfield, and an upgrade of Southbridge Reserve. In Lincoln, a new 450-metre walkway along the Liffey Stream was opened.

The Selwyn Libraries network has recorded strong growth in visits and issues, both digital and in-person. Library membership continues to grow and the range of events and programmes delivered in libraries is increasing – encompassing everything from orchestra performances to spoon carving, craft beer, rocket making and robotics. New digital initiatives introduced include the Township Trails heritage tours app and Selwyn Stories online.

Residents continued to enjoy access to a vibrant programme of public events throughout the year, despite occasional disruptions from COVID-19 restrictions. Nearly 4,000 people attended CultureFest events over several days, while Summer in Selwyn and KidsFest provided seasonal highlights. Other successful events included the Wellbeing Expo for older residents and the Selwyn Arts Festival.

The Council also supports newcomers to the district with events designed to bring people and communities together, including the Faces of Selwyn exhibition and podcast series, Putting Down Your Roots planting days, and hosting a Welcoming Communities workshop.

Economic development activities this year have included the continuing Selwyn Business Survey, and further growth in the Selwyn Business Network. The district's tourism brand, Selwyn – from the land, has continued to raise the district's profile as a visitor destination. Successful promotions this year included a 10-day Taste Selwyn food festival, a tourism summit and regional tourism events.

In September, a new online community directory was launched, with over 300 groups and organisations initially signed up, from sports clubs and social services, to arts, crafts and music groups. The service provides a searchable online directory of community groups in the district.

Community grants administered by the Council have supported local initiatives, with the Selwyn Community Fund allocating more than \$150,000 to 82 different ventures.

During the year the Council won the Transforming Service Delivery award at the national Taituarā Local Government Excellence Awards, for its customer services transformation project. This brought several separate customer channels together into a new purpose-built centre at the Council's Rolleston offices.

Council staff and community volunteers play a vital role in maintaining an active Civil Defence response capability. In June the organisation responded to a severe weather event, which saw significant flooding along Selwyn's rivers and damage and disruption to roads, water supplies and homes. Around 200 households were evacuated during the floods.

In August the Council recognised more than a hundred Selwyn community members for their acts of kindness and professionalism during the COVID-19 lockdown. The Covid Heroes campaign was run in conjunction with Te Taumutu Rūnanga and the Selwyn Times newspaper.

## Essential infrastructure

Alongside our services and facilities, the Council has maintained a comprehensive programme of investment in infrastructure to support the district's growing population.

Substantial roading works have been completed as part of the Rolleston town centre development this year, including the upgrade of Tennyson Street, construction of two new public carparks, street upgrades and pedestrian connections. New traffic signals were installed at the main town centre intersection, and the realignment of the Rolleston Drive entrance into the township was completed.

Construction of two major new roundabouts and other road works at the Springs Road/Marshs Road and Shands Road/Blakes Road intersections in Prebbleton have progressed this year. These are key parts of the arterial network that join to the new motorway.

A new 2.1 kilometre cycle and walk way between Doyleston and Leeston was opened, helping to improve connections between these townships. The Council also completed the replacement of 3,300 old street lights with new LED versions, which reduce power consumption and light pollution.

Continuing work on the Reconnect Project at the Pines Resource Recovery Park included a new, covered recycling area which was completed in April. A project to audit recycling bins on-street was successful in significantly reducing contamination of recycling loads.

More than \$15 million worth of improvements to drinking water, stormwater and wastewater systems has been completed this year. Upgrades to drinking water systems included three new water sources equipped with UV treatment to cater for growth in Lincoln, Prebbleton and Leeston, and a new deep bore in Darfield to supplement the existing supply. Nine water treatment plants were upgraded with UV treatment and water main renewals, and system upgrades were completed in Upper Selwyn Huts, Darfield, Malvern Hills, Arthur's Pass, Castle Hill and Hororata.

New wastewater infrastructure and upgrades included a new pipeline from Doyleston to Leeston, while 1.2 kilometres of old pipes were replaced in Prebbleton and Leeston. Stormwater protection projects included the next stages of the Leeston stormwater bypass, stormwater piping in Prebbleton, and improvements around Hororata township.



## Investing in our people

Our own organisation has experienced rapid growth in recent years and our people and services have evolved to meet changing community needs. Economic and population growth is set to continue and we are dealing with external disruption from local government reforms, as well as leading through the COVID-19 pandemic. Our kaimahi (staff) are our greatest asset, playing critical roles in maintaining essential services, adapting to the changing needs of our communities and delivering on our organisation's purpose: We are here to create vibrant, sustainable community, enabling a high quality way of life by delivering smart and innovative services, facilities and infrastructure.

We focus on developing capacity and capability within our organisation, supporting our people through external changes and embracing new ways of working – delivering a digital-first ambition; putting our customers at the centre; ensuring we are agile and efficient; and embedding our values in everything that we do. We have also continued with our learning programme on Te Reo Māori and developing a deeper understanding of Te Tiriti o Waitangi and how it applies to the Council's work.

A top priority is to continue to embed our health, safety and wellbeing culture to create an environment where our kaimahi are kept safe, well and empowered. We are committed to working with our staff, contractors and communities to manage our critical risks and to enable people to work well and live better.

The Council's first People Strategy was developed in 2020, designed to support delivery of our organisation strategy. We have delivered our first significant step in establishing strong foundations with implementation of our remuneration framework and development our Health, Safety and Wellbeing Strategy.

## Responding to the climate challenge

Climate change is one of the most pressing issues faced by central and local governments worldwide. It is internationally accepted that the climate is changing due to the increase in greenhouse gases in the atmosphere – with changes observed at global and regional levels.

The Council is responding to this challenge with actions on a number of fronts:

- In December 2020 we adopted our first climate change policy. This brings together several areas of work into a consolidated blueprint for action on climate change, and commits the Council to make climate change mitigation and adaptation central to its planning and decision-making.
- We've formed an expert group within the Council to examine climate change-related opportunities and risks, and develop an adaptation action plan that will feed into planning processes.
- With our regional partners, we're planning more detailed risk assessments, and developing cross-sector plans for adaptation to climate change.
- We have completed an initial assessment of flooding hazards in coastal and low-lying parts of the district, using computer-based flood modelling to predict the extent and depth of flooding.
- We have undertaken an assessment of our own carbon emissions (based on the 2018/19 year). This assessment, which will be published in 2022, forms a baseline against which future carbon emissions will be compared.

Among our own projects, the Selwyn Sports Centre has been built with solar panels that will provide up to 80 per cent of power use in summer and with innovative cladding that reduces the need for additional insulation. Te Ara Ātea, the anchor building of the new Rolleston Town Centre, has been built to a high environmental standard with innovations including sustainable materials and reduced energy use.

For more information on the Council's ongoing response to climate change visit [selwyn.govt.nz/climatechange](https://selwyn.govt.nz/climatechange)



## Major flood event

A significant storm event occurred at the end of May 2021, causing flooding that affected some of the Council's assets including reserves, roading, water and wastewater infrastructure. The Council has estimated that the cost to remedy the damage may be in the region of \$8.3 million. A substantial proportion of the repair costs is likely to be recovered through the Council's insurance policies, Waka Kotahi NZ Transport Agency and support and from the Government. By the end of the 2020/21 financial year the total expenditure impact of the flood event was \$1.9 million, which includes \$1.6 million spent on repairing damaged assets. For more information see Note 34 in the financial statements.

## Three waters reform

In July 2020, the Government launched a programme to reform local government's delivery of drinking water, wastewater, and stormwater services. These services are currently provided by local authorities and the Government has signalled its intent that these services will in future be provided by new, publicly-owned water service delivery entities.

Local authorities, including Selwyn, signed a Memorandum of Understanding with the Government under which they agree to work together in the first stage of the reform. This commits us to engage with the initial reform programme and share information on our three waters assets and operations.

The Government initially proposed a voluntary approach to reform, in which local authorities would be asked to decide whether to participate in the new service delivery system with an 'opt out' option available. However, subsequent to the 2020/21 balance date, and following feedback to Government from councils including Selwyn, the Government announced in October 2021 that it would introduce legislation in December 2021 that would mandate the reforms, to be put in place by July 2024. It also removed the option for councils to opt-out of the reforms.



*Kowai River, flooding event May 2021*



# 2021 Residents Survey

**69%**

Satisfied with overall  
Council performance

(2020: 63%)

**92%**

Agree Selwyn is a  
great place to live

(2020: 92%)

## Community facilities (users)

 **82%** Council swimming pools  
(2020: 87%)

 **87%** Parks and reserves  
(2020: 84%)


 **88%** Libraries  
(2020: 85%)

 **90%** Children's playgrounds  
(2020: 86%)

 **77%** Public halls  
(2020: 69%)

## Land transport (all residents)

 **50%** Cycleways  
(2020: 50%)


 **38%** Safer roads and footpaths  
(2020: 39%)

 **44%** Urban roads  
(2020: 42%)

 **24%** Rural roads  
(2020: 28%)

 **61%** Footpaths  
(2020: 52%)

## Waste management (users)

 **85%** Resource Recovery Park  
(2020: 82%)

 **88%** Organic collection  
(2020: 91%)

 **93%** Rubbish collection  
(2020: 94%)

 **85%** Recycling collection  
(2020: 90%)

## Water services (users)

 **88%** Wastewater  
(2020: 82%)

 **73%** Drinking water supply  
(2020: 76%)

 **59%** Urban stormwater  
(2020: 59%)

 **48%** Water races  
(2020: 48%)

# Residents survey

## Hearing from our community

Each year the Council conducts a survey of residents to ask their views on how the Council is performing.

Information from this survey is used in performance targets which measure the level of service provided by the Council and indicate trends over time. The survey is also used by Council departments to help develop, plan and improve the services they provide to the community, and provides a valuable way for residents to give feedback on how well Council is performing.

### Key results

In this year's survey, 69% of residents rated the Council's overall performance as good or very good, an increase of 6% from 2020. In questions about living in Selwyn, 92% of people said Selwyn was a great place to live, the same as in the last survey.

Among the services rated most highly by users were rubbish collection (93% rated good or very good), playgrounds (90%), libraries (88%), organics collection (88%), sewerage and wastewater (88%), parks and reserves (87%), recycling (85%), council-operated swimming pools (82%), while the Pines Resource Recovery Park was rated good or very good by 85% of people who had used the facility.









Community facilities continue to be well used and enjoyed by residents. Public halls have been used at least once in the past year by 76% of respondents, while 85% have visited a park or reserve and 63% have used the public library network.





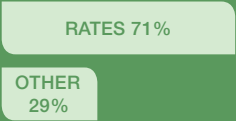


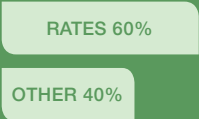




### How the survey works

The survey was carried out in July–August 2021 by an independent research company, and surveyed a total of 644 residents using telephone, cellphone and online surveys to provide a statistically representative sample of Selwyn's population. The survey typically has a margin of error of +/-3.8%.



# How your rates were spent 2020/21

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
<b>Community Facilities</b> 	<b>\$53.6m</b> <i>(including renewal)</i>	<b>\$23.4m</b> <i>(excluding depreciation)</i>	RATES 54% OTHER 46%	<b>\$33</b> 
<b>Community Services</b> 	<b>\$0m</b> <i>(including renewal)</i>	<b>\$3.1m</b> <i>(excluding depreciation)</i>	RATES 69% OTHER 31%	<b>\$4</b> 
<b>Democracy</b> 	<b>\$0m</b> <i>(including renewal)</i>	<b>\$3.4m</b> <i>(excluding depreciation)</i>	RATES 84% OTHER 16%	<b>\$5</b> 
<b>Environmental Services</b> 	<b>\$0m</b> <i>(including renewal)</i>	<b>\$15.9m</b> <i>(excluding depreciation)</i>	RATES 38% OTHER 62%	<b>\$11</b> 

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
<b>Transportation</b> 	<b>\$21.2m</b> <i>(including renewal)</i>	<b>\$12.5m</b> <i>(excluding depreciation)</i>	 <p>RATES 19%</p> <p>OTHER 80%</p>	 <p><b>\$8</b></p>
<b>Solid Waste Management</b> 	<b>\$2.2m</b> <i>(including renewal)</i>	<b>\$10.8m</b> <i>(excluding depreciation)</i>	 <p>RATES 71%</p> <p>OTHER 29%</p>	 <p><b>\$12</b></p>
<b>5 Waters Services</b> 	<b>\$25.5m</b> <i>(including renewal)</i>	<b>\$18.5m</b> <i>(excluding depreciation)</i>	 <p>RATES 60%</p> <p>OTHER 40%</p>	 <p><b>\$27</b></p>
<b>Izone</b> 	<b>\$0m</b> <i>(including renewal)</i>	<b>\$0.1m</b> <i>(excluding depreciation)</i>	 <p>OTHER 100%</p>	 <p><b>\$0</b></p>



# The year in review

**\$120.6** million

total expenditure  
(compared with budget of \$120.8 million)

**\$68.7** million

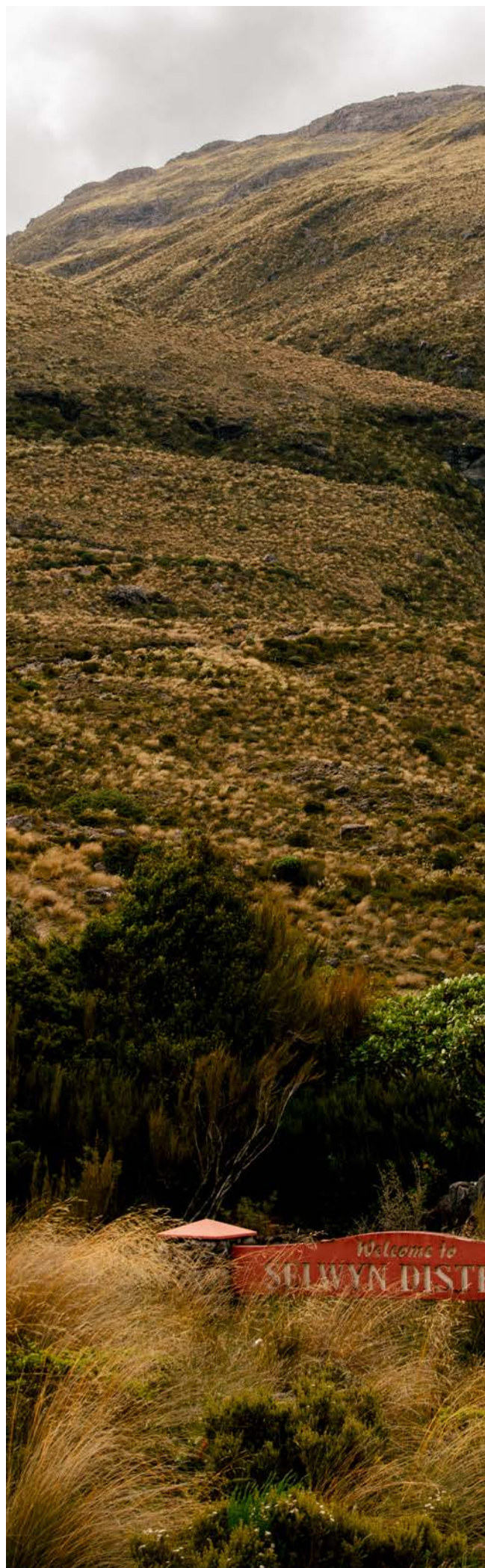
rates revenue levied  
(compared with budget of \$67.8 million)

**\$24.7** million

received in development  
contributions revenue  
(compared with budget of \$16.2 million)

**\$1.95** billion

total council net assets  
(2020 \$1.82 billion)





# Summary of financial statements

Selwyn has continued to experience high levels of population and economic growth during the 2020/21 financial year. The financial results for the year reflect the success of the district as a whole.

**Expenditure** for the year was \$120.6 million compared with the budget of \$120.8 million.

**Revenue** for the year was \$171.2 million compared with the budget of \$158.6 million.

**Rates revenue** was \$0.9 million above budget due to higher levels of population growth in the district compared with those projected in the budget.

**Dividend revenue** was \$0.3 million below budget this was largely a consequence of Orion New Zealand Limited delaying the declaration of their 2021 financial year interim dividend until September. This will be received during the 2022 financial year. The reduction in the dividend revenue received from Orion was partially offset by higher dividend revenue received from Sicon Limited.

**Development contributions** revenue \$8.5 million above budget as the level of housing development in the district continues to be more rapid than expected. Development contributions are collected from developers to fund the building of infrastructure assets to service the additional demand created from this housing growth.

**Fees and charges** revenue \$4.0 million above budget due to building and resource consent revenue being higher than forecast due to growth in the district.

**Vested asset revenue** \$0.5 million higher than budget due to the higher than expected level of subdivision 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 \$0.2 million due to the sale of land in the Izone Southern Business Hub being above what was budgeted.





Washpen Falls

## Impact of Covid-19

On 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as COVID-19, with the outbreak declared a pandemic on 11 March 2020.

During Level 4 and Level 3 alert levels around 90% of our staff are able to work from home in a business as usual mode. During Level 2, most of our business activity resumes with the required health and safety protocols in place and our staff return to their usual place of work. Level 1 predominantly sees a return to pre COVID-19 activity.

The Selwyn District was in Level 2 during August and September 2020 and February and March 2021. During the 2021 financial year there was an impact on the Council's achievement of its performance targets during the year. The impact on the performance targets are explained in the relevant activity sections of the annual report.

The Council's investment property portfolio was revalued as at 30 June 2021. The valuer has highlighted there is currently valuation uncertainty caused by the COVID-19 pandemic.

## Sicon Limited

The effect on the revenue and expenses in 2021 was not material to Sicon Limited. In April 2020, Sicon Limited applied for and received a wage subsidy of \$1.65 million as part of the New Zealand Government's COVID-19 Economic Response Package. This was on the basis of meeting all of the criteria, including a forecast reduction in revenue of at least 30%, in any one month during the period April to June 2020, compared to the prior year. The Company made a repayment of the wages.



## Balance sheet

The value of Council's net assets at 30 June 2021 is \$1.95 billion, this is an increase of \$0.13 billion from \$1.82 billion at the close of the prior year.

## Assets

**Cash** and cash equivalents held at year end is higher than budgeted by \$16.1 million.

**Receivables** is higher than budget by \$5 million partly due to a higher rates receivable balance at year end, timing of receipt of GST returns and higher dividend receivable from Sicon Limited.

**Inventory** is higher than budgeted by \$1.4 million due to the timing of sale of land at Izone.

**Property, plant and equipment** is higher than budget by \$64.4 million due to the timing of completion of some large capital projects and the waters valuation movements being \$78 million as Waters being moved to an annual revaluation cycle

**Investment in council controlled organisations** is higher than budget by \$14.2 million due to valuation movements in the Council's investments in Orion New Zealand Limited and Sicon Limited above budget.

**Investment Property** is higher than budget by \$12.6 million due to the completion of the health hub building in Rolleston.

## Liabilities

**Borrowings** are lower than budget by \$45.7 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.

**Payables and deferred revenue** is higher than budget by \$6.5 million largely due to revenue received in advance of \$4.7 million from the Department of Internal Affairs in relation to the proposed 3 waters reform. This funding has been allocated to the construction of a wastewater conveyance pipeline from the townships of Darfield and Kirwee to the Pines water treatment plant.

## Cash flow

The Council has a positive **operating** cash flow of \$60.1 million. The operating cash flow is used to fund the capital expenditure programme and repay debt.

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

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

## Events after balance date

### Council

#### COVID-19

On the 17th August 2021 one new case of COVID-19 was identified in the Coromandel Peninsula. From midnight on 17 August 2021 all of New Zealand including the Selwyn District went into a Level 4 lockdown. On Tuesday 31 August 2021 all of New Zealand excluding Auckland moved to level 3. The impact of this lockdown on the Council was minimal.

#### Three Water Reforms

On the 27th October 2021, the New Zealand Government announced its intention that it will establish four publicly owned water entities that will manage the provision of three-water (water supply, wastewater and storm water) services across New Zealand.

The Government has announced that it intends to mandate the transfer of all Council owned three-water assets to one of the four proposed new water entities on 1 July 2024. As of that date the Selwyn District Council will no longer be responsible for the provision of three-water services.

The Government has established a working group of local government, iwi and water industry experts to work through elements of entities design. The group will work through the enhancements to entity design and look at the governance and accountability arrangements of the entities.

The proposed legislation has not yet been introduced to Parliament; therefore, specific details are not known and unable to be quantified.

#### Storm Event July 2021

A significant storm event occurred at the end of July 2021. The storm caused damage in the Selwyn District that affected some of the Council's roading infrastructure assets. Waka Kotahi NZ Transport have since approved \$1.7 million in funding of a total estimated damage of \$3.2 million.



# Summary statement of comprehensive revenue and expense

for the year ended 30 June 2021

	Council	Council	Council	Group	Group
	2020/21	Budget	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000	\$000
Total revenue	171,195	158,599	190,619	201,953	220,212
Other expenditure	(120,295)	(119,037)	(112,613)	(147,330)	(138,544)
Finance costs	(330)	(1,787)	(920)	(333)	(972)
Operating surplus/(deficit) before taxation	50,570	37,775	77,086	54,290	80,696
Income taxation expense (benefit)	45	-	(70)	1,931	1,683
Surplus/(deficit) after taxation	50,525	37,775	77,156	52,359	79,014
<b>Other comprehensive revenue and expense</b>					
<i>Items that will be reclassified to surplus/(deficit)</i>					
Financial assets at fair value	-	-	20,821	-	18,971
Realisation of assets	-	-	-	-	-
<i>Items that will not be reclassified to surplus/(deficit)</i>					
Gain/(loss) on infrastructure assets revaluation	78,141	-	93,869	78,141	93,869
Gain on land and building revaluation	-	-	-	765	123
Deferred taxation on revaluation	-	-	-	-	-
Total other comprehensive income	78,141	-	114,690	78,906	112,963
Total comprehensive revenue and expense	128,666	37,775	191,846	131,265	191,976
<i>Total comprehensive income attributable to:</i>					
Selwyn District Council	128,666	37,775	191,846	131,265	191,976
Non-controlling interest	-	-	-	-	-
Total comprehensive revenue and expense	128,666	37,775	191,846	131,265	191,976

## Summary statement of changes in equity

for the year ended 30 June 2021

	Council	Council	Council	Group	Group
	2020/21	Budget	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	1,819,342	1,762,067	1,627,496	1,815,048	1,623,072
Total comprehensive revenue and expense for the year	128,666	37,775	191,846	131,265	191,976
Contributions from minority interest	-	-	-	-	-
Balance at 30 June	1,948,008	1,799,842	1,819,342	1,946,313	1,815,048
<i>Components of equity:</i>					
General funds	1,084,650	1,074,487	1,037,237	1,094,777	1,045,530
Fair value through other comprehensive revenue reserve	86,398	37,913	86,398	71,297	71,297
Special funds	72,438	73,195	66,009	72,438	66,009
Asset revaluation reserve	704,522	614,247	629,698	707,801	632,212
Non-controlling interest	-	-	-	-	-
Total equity	1,948,008	1,799,842	1,819,342	1,946,313	1,815,048

## Summary statement of financial position

for the year ended 30 June 2021

	Council	Council	Council	Group	Group
	2020/21	Budget	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000	\$000
Current assets	71,210	49,194	93,712	84,810	105,307
Non-current assets	1,970,941	1,879,121	1,790,309	1,962,175	1,780,658
<b>Total assets</b>	<b>2,042,151</b>	<b>1,928,315</b>	<b>1,884,021</b>	<b>2,046,985</b>	<b>1,885,965</b>
Current liabilities	36,350	21,000	28,004	41,473	33,293
Non-current liabilities	57,793	107,474	36,675	59,199	37,624
<b>Total liabilities</b>	<b>94,143</b>	<b>128,474</b>	<b>64,679</b>	<b>100,672</b>	<b>70,917</b>
Selwyn District Council	1,948,008	1,799,842	1,819,342	1,946,313	1,815,048
Non-controlling interest	-	-	-	-	-
<b>Total equity</b>	<b>1,948,008</b>	<b>1,799,842</b>	<b>1,819,342</b>	<b>1,946,313</b>	<b>1,815,048</b>
<b>Total liabilities and equity</b>	<b>2,042,151</b>	<b>1,928,316</b>	<b>1,884,021</b>	<b>2,046,985</b>	<b>1,885,965</b>

## Summary statement of cash flows

for the year ended 30 June 2021

	Council	Council	Council	Group	Group
	2020/21	Budget	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000	\$000
Net cash flow from operating activities	60,774	41,379	46,581	63,302	57,725
Net cash flow from investing activities	(74,427)	(110,017)	(58,336)	(77,271)	(59,828)
Net cash flow from financing activities	25,000	70,707	20,000	25,000	20,000
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,347</b>	<b>2,069</b>	<b>8,245</b>	<b>11,031</b>	<b>17,897</b>
Cash, cash equivalents at the end of the year	28,256	12,412	16,909	35,717	21,686

## Summary funding impact statement

for the year ended 30 June 2021

	2020/21	2020/21	2019/20	2019/20
	Actual	Budget	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
Total operating funding (A)	104,504	96,993	97,175	95,971
Total application of operating funding (B)	88,205	85,799	83,165	83,925
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>16,299</b>	<b>11,194</b>	<b>14,010</b>	<b>12,046</b>
Total sources of capital funding (C)	61,239	104,047	55,385	108,481
Total applications of capital funding (D)	77,538	115,241	69,395	120,527
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(16,299)</b>	<b>(11,194)</b>	<b>(14,010)</b>	<b>(12,046)</b>
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Annual report disclosure statement

## Summary for the year ended 30 June 2021

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

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

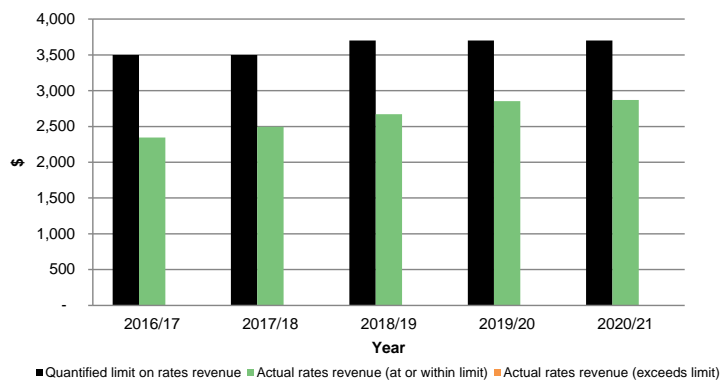
## Rating base information

The number of rating units within the district at the end of the preceding financial year: 30,500

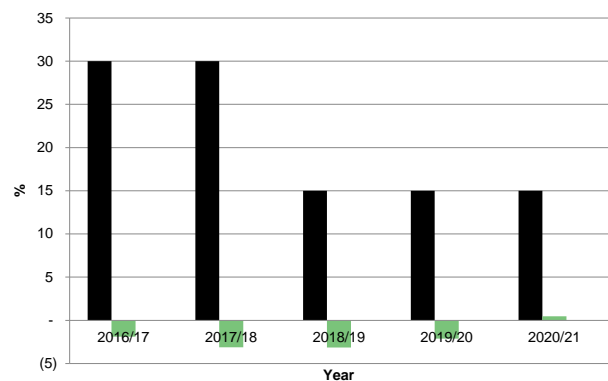
The total capital value of rating units within the district at the end of the preceding financial year: \$25.5 billion

The total land value of rating units at the end of the preceding financial year: \$13.2 billion

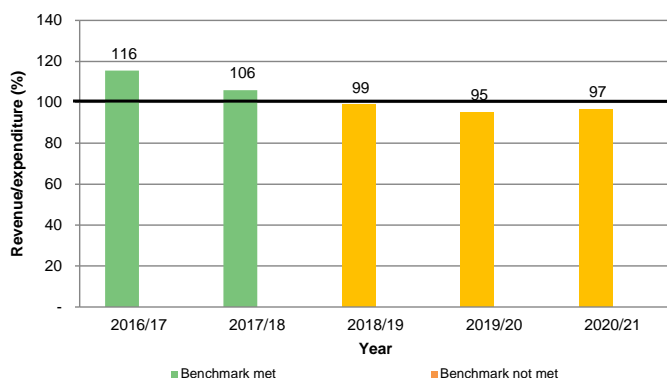
### Affordability benchmarks



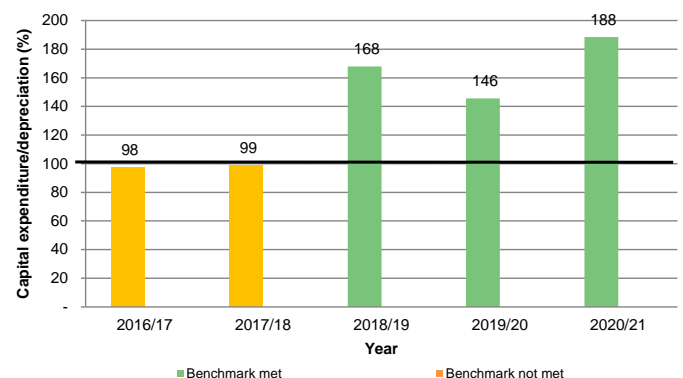
### Debt affordability benchmark



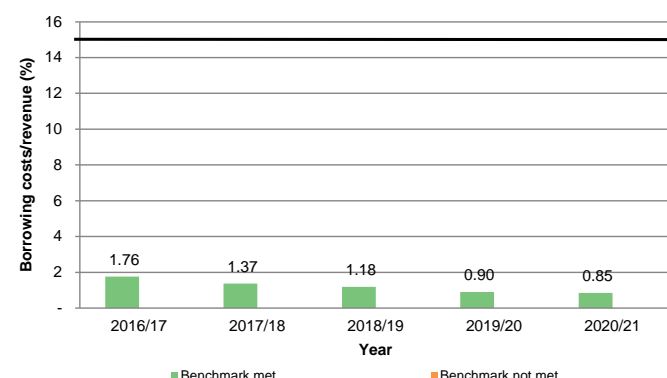
### Balanced budget benchmark



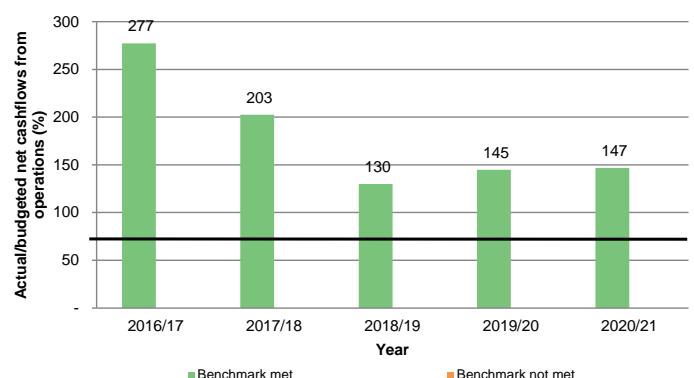
### Essential services benchmark



### Debt servicing benchmark



### Operations control benchmark



# Independent Auditor's Report

To the readers of Selwyn District Council's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of Selwyn District Council (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 4 to 7 and 18 to 24:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

## Opinion

In our opinion:

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

## Summary of the annual report

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

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

## The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 22 December 2021. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 30 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services. These matters are addressed on page 13 of the summary of the annual report.

## Council's responsibility for the summary of the annual report

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

## Auditor's responsibility

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit of the summary of the annual report and the full annual report, we have audited the District Council's 2021-2031 long-term plan and reported on a limited assurance engagement relating to the District Council's Debenture Trust Deed. These engagements are compatible with those independence requirements.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council or any of its subsidiaries and controlled entities.



Julian Tan,  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch 8140, New Zealand  
19 January 2022



## Selwyn District Council

Sam Broughton (Mayor)  
Bob Mugford  
Debra Hasson  
Grant Miller  
Jeff Bland  
Jenny Gallagher

Malcolm Lyall  
Mark Alexander  
Murray Lemon  
Nicole Reid  
Shane Epiha  
Sophie McInnes

## Malvern Community Board

John Morten (Chairperson)  
Bill Woods  
Judith Pascoe

Karen Meares  
Ken May

## Selwyn District Council

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