

Selwyn District Council

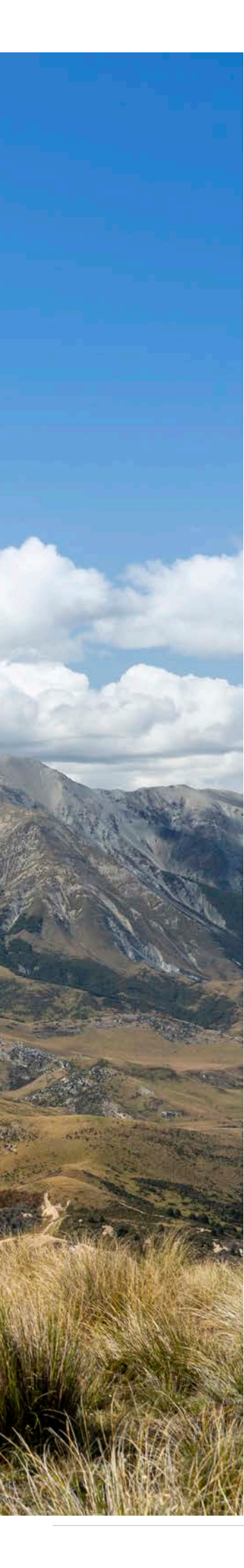
# Summary Annual Report 2021/22

[selwyn.govt.nz](http://selwyn.govt.nz)









# Welcome to

## Selwyn District Council's Summary Annual Report 2021/22

This summary provides an overview and summary of Selwyn District Council and group's activities and services for the year ended 30 June 2022. The information has been extracted from the full annual report for the year ended 30 June 2022 adopted by the Council on 19 April 2023. The full financial statements have been prepared in accordance with, and comply with, Tier 1 PBE accounting standards. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand and Complies with PBE FRS43 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 group is New Zealand dollars.

*The full Selwyn District Council Annual Report 2021/22 is available from Council offices and service centres, or online at [selwyn.govt.nz](https://selwyn.govt.nz).*



# From the Mayor and Chief Executive

Kia ora Selwyn,

In the past year, Waikirikiri Selwyn has gone from strength to strength. Our economy continues to outstrip the rest of New Zealand with our GDP growing comfortably at 6.9%, well above the national average, and placing us as the second fastest growing economy in the country. This fact, coupled with great housing options and opportunities for businesses to thrive, remains a strong drawcard for people choosing Selwyn as a place to raise their whānau or grow a business. As domestic tourism bounces back from the pandemic, we're also attracting more visitors. Tourism spending grew by more than 10 per cent in the last year.

The driving forces behind our consistently high levels of performance are both obvious and complex. Our strong rural economy has stimulated supporting industries to grow, requiring us to develop and future-proof our infrastructure to meet increased demand for business and housing. At the same time, we have established award-winning community facilities and services. These have enabled a range of lifelong learning opportunities for our residents and helped with employment placement.

While new people have brought an increase in expectations from our Council, they have also increased our rating revenue.

In the past 12 months, we have added new hockey and football turfs at Foster Park, the town centre and youth zone in Rolleston are well under way, and the 22-hectare Kahaha Park near Prebbleton is nearing completion. A particular milestone was the opening of Toka Hāpai, the Selwyn Health Hub, bringing a new maternity unit into the heart of our community, along with community dental, mental health and radiography services.

Our flagship project was the opening of Te Ara Ātea – a \$22.7 million multifunctional civic centre, library, and home to nationally significant taonga. Incorporating cutting-edge technology, sensory, performance and workshop spaces, along with a café and lounge and a wāhi tamariki for younger users, it reflects the strong collaboration between our Council and Te Taumutu Rūnanga and won the 2022 Local Government New Zealand Excellence Award for Cultural Wellbeing.

With more than 500 reserves and playgrounds, and a network of 27 community centres and halls, all linked by 3,000 kilometres of roads, footpaths, and cycleways, our teams have worked hard to maintain and upgrade these facilities to keep them in the condition you expect. Our investment in doing this had been significant. At the same time, we provided 8.8 million cubic metres of safe drinking water to our residents in the last year.

While our Council works for you, there is only so much we can do. Everything else that makes our district such an awesome place is a product of our communities, our volunteers, our business owners, and residents. We are one big whānau: we look out for each other and have the wellbeing of others at the heart of what we do.

Thank you, Selwyn.



Sam Broughton, Mayor



David Ward, Chief Executive





# Service performance

**3,208**

building consents processed

**346,276**

visits to Selwyn Aquatic Centre

**8.8 million**

cubic metres of drinking water  
supplied to households

**50 km**

of road resealing completed







## 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 25,500 households.
- Providing and maintaining 545 reserves and playgrounds, and 706 hectares of recreation reserves.
- Providing and running the Selwyn Aquatic Centre and community pools. A total of 346,276 admissions were recorded at the Selwyn Aquatic Centre in the last year.
- Providing and maintaining 27 community centres and halls.
- Operating a district network of libraries in Darfield, Lincoln, Leeston and Rolleston. The Council also provides a mobile library service and assists two volunteer libraries.
- Issuing building and resource consents. During the year, a total of 3,208 building consents were issued and 803 resource consent applications were 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 112 out of 140 performance measures (80%).

✓ 851

residents annually participate in community capacity building initiatives targeted at volunteers, clubs, groups & organisations delivered, resourced and/or facilitated by Council. (Target 500)

✓ 67%

of residential properties serviced by wastewater services within the district expressed as a percentage of total residential properties. (Target 60%)

✓ 88%

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

✓ 76%

of transportation service requests were responded to within five days. (Target 75%)

✓ 5.15

swims per capita of district population. (Target 4.5)

✗ 50 km

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

✓ 100%

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

✓ 8.72

complaints received about the performance of the stormwater system, expressed per 1,000 rated properties. (Target 20)

✓ 289,781

"walk in" visits per annum to the four libraries / service centres. (Target 280,000)

✗ 79%

of residential properties are serviced by water supplies within the district expressed as a percentage of total residential properties. (Target 80%)

✓ 359,193

Total number of visits to LEC, RCC, WMCC, and SSC. (Target 350,000)

✓ \$387 per annum

Total average operating cost per serviced property for water supply. (Target \$400)

✓ 98%

of resource consents issued within statutory requirements. (Target 98%)

✓ 0.358m<sup>3</sup>

of water consumed per resident on average per day. (Target 0.5m<sup>3</sup>)

✗ 42%

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



## Group performance

The Selwyn District Council Group reported an after-tax surplus of \$99.2 million in the 2021/22 financial year, an increase of \$47 million on the previous year. The Group's net assets at 30 June 2022 are \$2.7 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.

**The Council's core operating expenditure in the year was \$139.6 million, which compares favourably with the budget of \$134.0 million.**

The Council's core operating expenses benefited from lower-than-planned levels of borrowing, with higher cash in-flows and the delayed start of some capital projects leading to financing expenses being \$1.4 million lower than budget. Depreciation and amortisation expenditure is \$0.6 million above budget.

The Council is committed to providing high-quality infrastructure assets, to achieve this it has required the Council to increase its investment in the districts roading and water networks. In the year roading maintenance and operational expenditure was \$3.5 million higher than budget. This was partially offset by additional funding received from Waka Kotahi. The Council's increased focus on the provision of high-quality water supply resulted additional costs to deliver this service by \$1.0 million above budget.

**The Council's core revenue in the year was \$237.5 million. This strong performance was \$62.4 million higher than the budget of \$175.1 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 \$24.7 million above budget. Development contributions are collected from developers to fund the building of infrastructure assets to service the additional demand created from this housing growth. Higher population levels have also seen higher than budgeted property related revenues from rates, and fees and charges for the provision of building and resource consents and land information memorandum (LIM) reports.

Vested asset revenue is \$11.3 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 \$22.7 million due to higher subsidies received from Waka Kotahi in relation to road maintenance work.

The Council's equity investments performed in-line with expectation. Dividend revenue benefited from CORDE Limited's strong financial performance resulting in dividends received being \$0.8 million above budget. The Council sold investment land associated with the Izone Southern Business Hub, this was higher than budgeted by \$0.8 million. There were also gains (non-cash) from the valuation of the Council's investment properties, the movement in the fair value was \$3.6 million above budget.

The Council also recognised non-cash revenues from the fair value movement in the valuation of the Council's interest rate swaps, these were \$6.0 million above budget.

# Progress on our key projects

In our Long-Term Plan 2021-2031, we consulted with the community on several significant new projects. Here's how some of these have progressed during the year to 30 June 2022.

## New wastewater system in Darfield and Kirwee

As at 30 June 2022, this important project is close to completion. Construction of the main pipeline between Darfield and the Pines Wastewater Treatment Plant near Rolleston began in August 2021 and will be finished later in 2022.

## New hockey and football artificial turfs at Foster Park

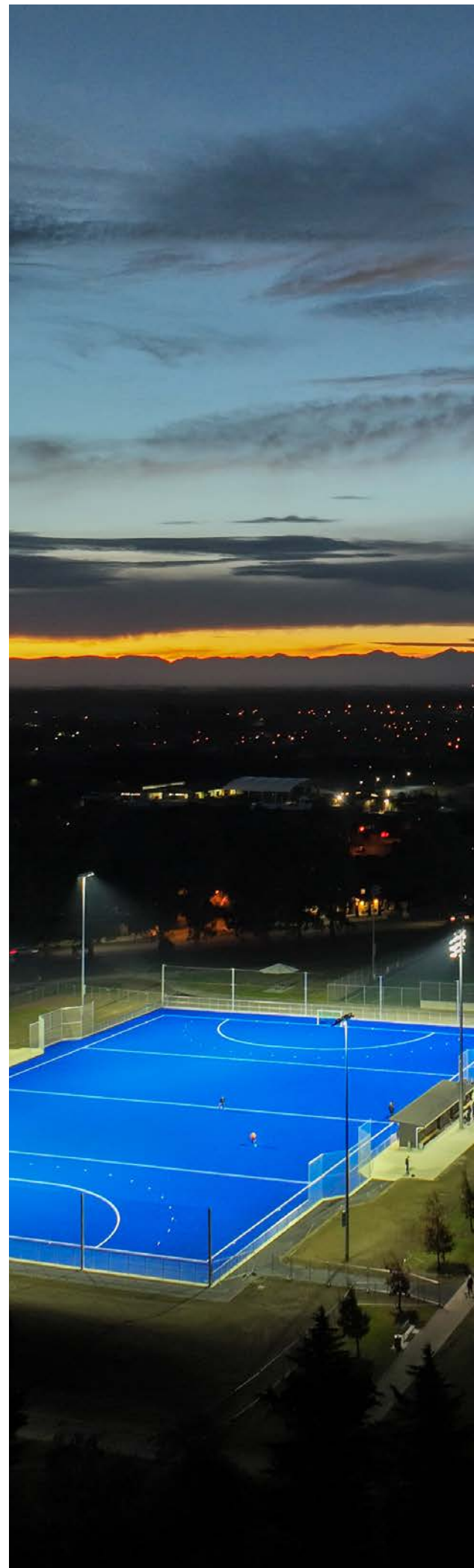
The installation of full-size artificial hockey and football turfs at Foster Park was completed in mid-May 2022. The turfs are valuable assets for these sports district-wide and are already proving to be very well used.

## Pines 120k Wastewater Treatment Plant upgrade

This \$100 million project to upgrade the capacity of the Pines Wastewater Treatment Plant, to service a population of 120,000 rather than 60,000, has been brought forward to accommodate the district's rapid growth. Design work started in 2022, with the timing of construction to be aligned to the growth of the district.

## Rolleston town centre and reserve

Following the opening of Te Ara Ātea in December 2021, work is continuing on other parts of the new Rolleston town centre. This includes the Rolleston Fields development being undertaken by commercial partners and the new youth space, which is under construction in the reserve.





An aerial night photograph of a sports complex. In the foreground, a brightly lit green football pitch is visible, with several people on the field. To the left, there's a blue basketball court. The area is surrounded by a dark landscape with some trees and a few buildings. In the far background, a city skyline is visible under a dark, cloudy sky with a hint of sunset or sunrise light on the horizon.

# Service highlights

## A strong economic growth track

Selwyn's economy has continued to significantly outperform national and regional averages over the 2021/22 year. Data from independent analysts Infometrics shows Selwyn recorded strong economic growth of 6.2 per cent over the year to June 2022, well ahead of the national average of 0.9 per cent and the Canterbury region's growth rate of 3.6 per cent. This result places Selwyn as one of Aotearoa's fastest growing economies during the year.

Employment growth has also outpaced national averages, increasing by 7.7 per cent in the year to June 2022. This was higher than the New Zealand growth rate (3.2 per cent) and the Canterbury region (3.4 per cent). The annual average unemployment rate in Selwyn was 2.2 per cent in the year to June 2022, down from 2.8 per cent in the previous 12 months. Selwyn continues to record lower unemployment than the rest of New Zealand (3.3 per cent) and the Canterbury region (3.4 per cent).

Selwyn's building and construction sector continues to be a major contributor to economic growth, with high levels of non-residential and residential consenting. Residential consents rose 10.8 per cent over the year to June 2022, with 534 new dwellings consented in the year. This was the highest rate of new houses consented for any region in the country, according to Statistics NZ. Selwyn issued new house consents at three and half times the rate of the rest of Aotearoa over the year.

Non-residential building consents to the value of \$309.4 million were issued in Selwyn during the year to June 2022, an increase of 123.9 per cent over the previous year. House prices were relatively immune to the national slowdown, with Selwyn's house values up by 30 per cent over the June 2021 year, compared to nine per cent nationally.

Consumer confidence was also reflected in spending growth, with a 13.3 per cent increase in consumer spending over the year to June 2022. Tourism expenditure in Selwyn has recovered rapidly from the impacts of the pandemic, growing by 10.7 per cent in the year to June 2022. This was in sharp contrast to regional and national figures which showed decreases over the year. Strong population growth underpins Selwyn's consumer spending, with health enrolments in the district growing 7.1 per cent over the year.

# Planning for future growth

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 this Plan has progressed well during the 2021/22 year. The Council identified 30 hearing topics, and public hearings for these topics have been underway since August 2021.

In August 2022, following the end of the financial year, the Council notified a variation to the Proposed District Plan, relating to new housing intensification rules. This variation will allow for more housing and at greater heights in some residential areas in Rolleston, Lincoln and Prebbleton. The change is 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.

To enable the variation process to be completed, including new hearings, there will be a delay in the Proposed District Plan becoming operative. Submissions on the Proposed Plan will continue to be heard separately to submissions on the variation. The Council will align the decision-making process with Variation 1 and release decisions on both processes together, prior to 20 August 2023. The Proposed Plan is expected to become operative soon after that.

In October 2021, the Council joined the Greater Christchurch Urban Growth Partnership, between the Christchurch City, Selwyn and Waimakariri councils, Environment Canterbury, Ngāi Tahu, and the government. The partners will work together on growth issues to help improve housing affordability and access to employment and education; assist in emissions reduction and climate change resilience; and avoid unnecessary urban sprawl.

## Meeting our community's growing needs

A number of major new facilities were completed in Selwyn district in the 2021/22 year, as the Council continued to invest in services to support a growing population.

A highlight was the opening in December 2021 of Te Ara Ātea – the new 2,200-square metre, multifunctional civic centre and library on Tennyson Street, Rolleston. The name Te Ara Ātea was gifted by Te Taumutu Rūnanga, who worked in partnership with the Council on the building and surrounding landscaping. It signifies 'the unobstructed trail to the world and beyond'. The facility incorporates displays of nationally significant taonga, cutting edge technology, and sensory, performance and workshop spaces, along with a café and lounge and a wāhi tamariki for younger users. The \$22.69 million building sits within a specially designed landscape and will open on to the town square of Rolleston's new town centre. In July 2022, the facility won the 2022 Local Government New Zealand Excellence Award for Cultural Wellbeing, reflecting the strong collaboration between the Council and Te Taumutu Rūnanga.

From May 2022, key services at the Toka Hāpai Selwyn Health Hub opened to the Selwyn community, including Canterbury District Health Board's Oromairaki Maternity Unit, its Community Dental Service, Child Adolescent and Family (CAF) Mental Health Service, and Public Health Nursing spaces. This followed the earlier opening of radiology and physiotherapy services. The hub was developed by the Council to provide increased capacity for health services as the district grows.

In October 2021, work began on Kakaha Park - a long-planned, 22-hectare park in the Springs ward. The \$17.2 million reserve on Birchs Road, between Prebbleton and Lincoln, will feature a new dog park, sports fields, carparking, wilderness areas and bike tracks. It will be constructed in stages over the next five years. The first stage is scheduled to open later in 2022. In May 2022, a project to restore the historic Southbridge Hall was completed.

Construction began on a new hub for youth in the district, as part of the Rolleston town centre development. Scheduled for completion later in 2022, the area will feature a skate park, half basketball court, and netball zone. West Melton residents also welcomed further development of a new community park, including a new barbecue area, playground and basketball half-court. In Kirwee, the next stage of the Kirwee Reserve extension got under way in June 2022, with a new playground, cricket nets and other upgrades being made at the Reserve.



The Selwyn Sports Centre, which opened in 2021, capped off a successful launch by winning a merit award in the Outstanding Project Category at the Recreation Aotearoa 2020/2021 Recreation Awards. The 8,000 square metre indoor sports and recreation facility at Foster Park, Rolleston, was recognised for its innovative build, strong community use and support of the building, efficiency and sustainability.

Foster Park cemented its place as a major district sports facility with the opening in May 2022 of new football and hockey artificial turfs in time for the winter sports season. The \$4.3 million turfs project was approved after support was received for it during consultation on the 2021-2031 Long-Term Plan.

Selwyn's library network continued to provide an expanding range of lifelong learning opportunities for residents. The number of digital 'visits' to Selwyn libraries has continued to increase, while loans and issues from libraries exceeded targets. During COVID-19 restrictions the libraries were able to maintain services and programmes, and launched a free online click-and-collect service.

Darfield residents welcomed the refurbishment of their local library and service centre, which created a lighter space with improved visual connection, along with a new programming space, a refurbished children's area, and digital wall.

Following the opening of the Selwyn Aquatic Centre extension in the last financial year, the district pool facility exceeded its target for total visits. Learn to Swim classes for the last term of 2021/22 attracted 3,078 participants, making it one of the largest swim schools in the country. The Council also achieved 100 per cent accreditation with Recreation Aotearoa Pool Safe across the Selwyn Aquatic Centre, Darfield and Southbridge pool facilities.

The Council's programme to support the district's economic development won national recognition in July 2022, with its career guidance and work experience initiatives receiving a Highly Commended Award in Excellence for Economic Wellbeing at the 2022 Local Government New Zealand (LGNZ) Awards. These included Trailblazers, a new internship programme to support young people in Selwyn into work, LG Careers online, Employment Expo, and the Mayors' Taskforce industry experience opportunities for local secondary schools.

A significant environmental project this year was the start of a four-project to restore the 81-hectare Tārekautuku/Yarrs Lagoon, which received \$796,980 in funding from the Ministry for the Environment's Freshwater Improvement Fund. Tārekautuku is one of the largest freshwater wetlands in lowland Canterbury, and is a significant part of the ecology of Te Waihora/Lake Ellesmere and its catchment.

In early 2022, a new representation structure was confirmed for Council elections, following a representation review. The review, which featured several stages of public consultation, resulted in a reduction in the number of councillors from 11 to 10, and changes in some ward boundaries. These changes included the former Selwyn Central ward being replaced by a smaller Rolleston ward, and West Melton moving from Selwyn Central to the Malvern Ward.







## Providing essential infrastructure

As the district's population has continued to grow, so too has the Council's investment in infrastructure to support current and future communities.

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 2021/22 included the upgrade of Rolleston Drive and the Rolleston Drive-Tennyson Street intersection, incorporating new lane layouts, traffic lights, and improved access for pedestrians and cyclists, along with new footpaths, cycleways, and lighting along both roads. A new slow speed zone was also introduced on Rolleston Drive around the entrance to the Rolleston town centre. Road widening was completed on Blakes road and Weedons Ross Road.

In late 2021, new roundabouts at the Shands Road-Blakes Road and Springs Road-Marshs Road intersections near Prebbleton were completed. These projects featured new road and lane layouts, cycle lanes, landscaping, and street lighting improvements, contributing to improved road safety and connections to the motorway system.

More than 500 kilometres of Selwyn roads and 14 bridges were repaired following severe damage from flooding in late May 2021. This was at a total cost of around \$6 million. Across the year, just over 50 kilometres of resealing was completed, which was less than planned due to rising costs and COVID-19 restrictions.

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 consultation on amended proposals for a flyover between Rolleston township and its industrial hub, and the start of construction on traffic signals at SH1 West Melton.

The provision of water services to Selwyn residents has continued this year, amidst ongoing uncertainty about future services, arising from the Government's Three Waters Reform programme (see page 15).

Upgrades to rural water supplies were completed on the Darfield, Sheffield, Malvern and Hororata schemes to provide additional water supply. Construction has started on new pipework between Darfield and the Malvern Hills Hartleys water supply scheme. Additional water storage has been planned for the Hororātā, water supply.

In April 2022, a new Springfield water pipeline was confirmed to provide additional drinking water and help address the township's ongoing water issues. The new \$1.2 million pipeline from Sheffield to Springfield will supplement the existing Springfield supply, and the additional capacity will also improve water quality.



Work began during the financial year to upgrade water supplies to meet new national rules for keeping drinking water safe. The Water Services Act 2021 requires councils to be able to provide residual disinfection (chlorination) for all public drinking water supplies and to be chlorinated by mid-November 2022, unless they have an exemption from the drinking water authority Taumata Arowai. Nine of Selwyn District's 27 supplies are already permanently chlorinated and the Council has begun work to ensure all remaining supplies have the infrastructure in place to provide chlorination. The Council has also begun the process to apply for exemptions.

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 second consecutive year, Selwyn had one of the lowest volumetric water charge in 2020/21, and the newest water and wastewater pipes.

In August 2021, construction began on the 26.5 km wastewater pipeline connecting Darfield and Kirwee to the Pines Wastewater Treatment Plant. 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 \$10.66 million project is funded from Government post-COVID stimulus funding.

A project to connect the New Zealand Defence Force base at Burnham to the Pines Wastewater Treatment Plant was also completed this year. The connection was agreed between the Council and the Defence Force in 2020 to benefit the camp, wider community and the environment. It replaces an on-site oxidation pond and border dyke irrigation system.

Expansion of the Pines Wastewater Treatment Plant near Rolleston to meet future growth has continued in 2021/22. A second solar drying hall was completed, doubling the plant's ability to process solid waste. The new \$6.9 million hall has been designed with the ability to add a heating system in the future to supplement drying in the cooler months.

## Supporting and developing our people

The Council, as an organisation, mirrors the community it serves - and our people and processes are evolving to meet changing community needs. The district's growth is set to continue, as is the expected external disruption from local government reforms. Our kaimahi (staff) have proven highly resilient through the COVID-19 upheavals of the 2021/22 year, maintaining essential services and adapting to the shifts in our communities' needs.

We focus on developing capacity and capability within our organisation, supporting our people through external 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. We have continued with our te reo Māori learning programme and are developing a deeper understanding of Te Tiriti o Waitangi and how it applies to the Council's work.

In 2021/22 we have completed development of our health and safety strategy which supports our kaimahi to thrive and be safe. Key actions have included simplifying policies and procedures, providing opportunities for all staff to contribute, and working collaboratively to better understand and manage risks.

We continue to embed a 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 enable people to work well and live better.

A range of initiatives have been undertaken in 2021/22 to support the development of our kaimahi, such as te reo Māori lessons, NZ Sign Language workshops, a personal efficiency programme for staff across the organisation; introducing a leadership development framework, and providing a simple process for effective performance conversations.

We have supported an executive level restructure from April to June 2022, and are now undertaking a whole of organisation review and reorganisation to better prepare the Council for future growth and increasing demands. We are currently in consultation and expect to have all feedback considered, any changes made, a final structure confirmed, and organisational changes implemented by the end of 2022.

# 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 Atea and the Selwyn Sports Centre, and other infrastructure, eg 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 (EV), and facilitating the installation of EV charging stations across the district.
- Flood protection projects, such as those for Leeston and Hororātā, linked to updated flood modelling.
- 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 measures its greenhouse gas emissions each financial year. This began in the 2018/19 year and formed the baseline measurement against which future year inventories are compared. Inventories for 2019/20 and 2020/21 have been completed this year.

The Council's total emissions for the 2020/21 year were 7,421 tCO<sub>2</sub>e (tonnes of carbon dioxide equivalent). This is equivalent to 105.7kg per person, based on the June 2020 district population of 70,200. Diesel is the most significant contributor by energy source (3,368 tCO<sub>2</sub>e or 45 per cent), followed by electricity (1,986 tCO<sub>2</sub>e or 27 per cent), and then methane and nitrous oxide emissions from wastewater (1,610 tCO<sub>2</sub>e or 22 per cent).

The majority of Council emissions (71 per cent) 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](http://www.selwyn.govt.nz/climatechange).



# Three waters reforms

In 2020, the Government announced a programme to reform local government's delivery of three water services – drinking water, wastewater, and stormwater. It proposed that instead of being delivered by local councils, these services would instead be provided by new publicly owned water entities. Government engagement with councils continued through the 2021/22 year.

In October 2021, the Government announced it would introduce legislation in December 2021 that would see the reforms put in place by July 2024. It also removed the option for Councils to opt out of the reforms. The Government introduced the Water Services Entities Bill on 2 June 2022. The Bill establishes four publicly owned water services entities that will provide safe, reliable, and efficient water services in place of local authorities.

Selwyn District Council has consistently raised concerns over the direction of the proposed Three Waters Reforms and raised concerns over key aspects of the proposals. It reiterated these concerns in its submission to the Select Committee in July 2022. Key issues raised in the Council submission included:

- The need for better local consultation and democratic input to ensure localised decision-making, supporting local well-being outcomes.
- The risk of the reforms compromising our ability to plan for the district's growth in an integrated way.
- Concern that the entity model should be better aligned to regional boundaries and engagement with local communities and stakeholders.
- Support for the use of local providers and contractors in service delivery.
- Lack of clarity around arrangements for stormwater under the proposed reforms.

The Council has continued to engage with the Government to seek more information on behalf of Selwyn residents. Planning is now in progress for the transition of the Council's existing three waters staff into the new Water Services Entities. Staff are also liaising with the new water services regulator, Taumata Arowai, over regulatory requirements and environmental performance for drinking water, wastewater, and stormwater networks.

Alongside the Three Waters Reforms, the Council also committed in early 2022 to a review of its 2009 5 Waters Strategy to set the strategic direction for water management in the district. The review will be a co-review process in partnership with mana whenua to design a One Water Strategy. It will take into account changes to water legislation and provide for public consultation.



# How your rates were spent 2021/22

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
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## Community Services and Facilities



**\$30m**  
(including renewal)

**\$31m**  
(excluding depreciation)

RATES 55%

OTHER 45%

**\$40**

## Democracy



**\$0m**  
(including renewal)

**\$3.6m**  
(excluding depreciation)

RATES 82%

OTHER 18%

**\$4**

## Environmental Services



**\$0.002m**  
(including renewal)

**\$19.4m**  
(excluding depreciation)

RATES 41%

OTHER 59%

**\$12**



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



**\$29m**  
(including renewal)

**\$13.6m**  
(excluding depreciation)

RATES 0%

OTHER 100%

**\$0**

## Solid Waste Management



**\$1m**  
(including renewal)

**\$12.2m**  
(excluding depreciation)

RATES 72%

OTHER 28%

**\$13**

## 5 Waters Services



**\$44m**  
(including renewal)

**\$21.8m**  
(excluding depreciation)

RATES 44%

OTHER 56%

**\$31**

# The year in review

**\$139.6 million**

total expenditure

(compared with budget of \$134.0 million)

**\$78.5 million**

rates revenue levied

(compared with budget of \$74.8 million)

**\$34.5 million**

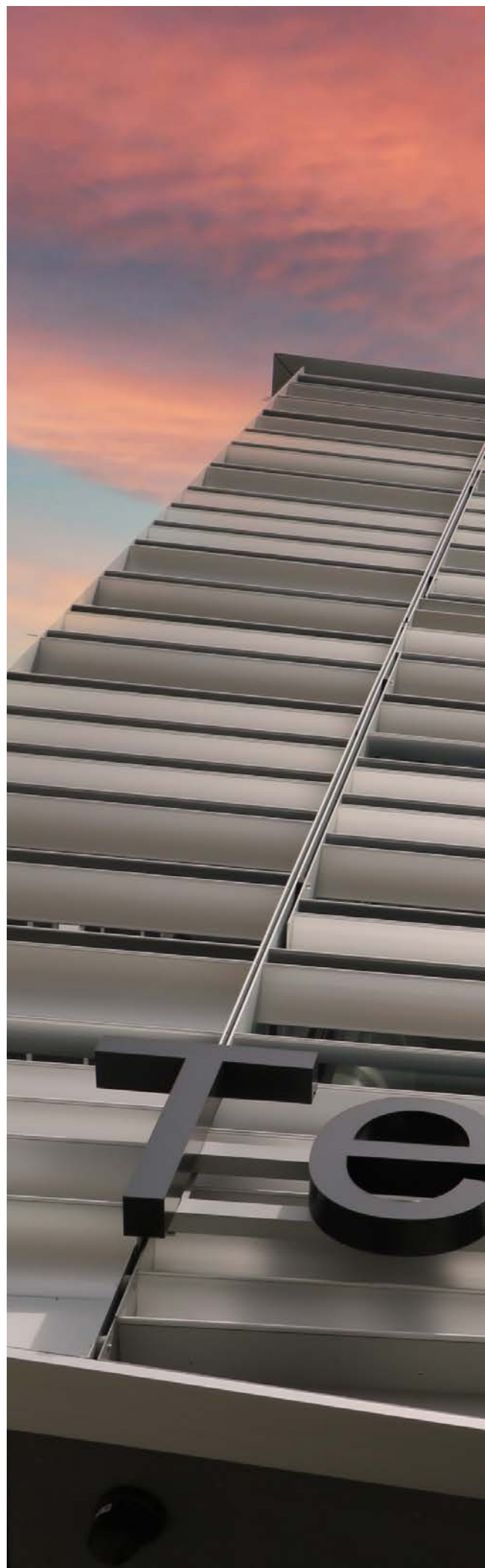
received in development  
contributions revenue

(compared with budget of \$9.8 million)

**\$2.6 billion**

total council net assets

(2021 \$2.0 billion)







## Summary of financial statements

Selwyn has continued to experience high levels of population and economic growth during the 2021/22 financial year. The financial results for the year reflect the success of the district as a whole.

### Statement of comprehensive revenue and expense

The Council's core operating expenditure in the year was \$139.6 million. This compares favourably with the budget of \$134.0 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 has resulted in financing expenses being \$1.4 million lower than budget.
- The delay in completing some large capital projects has led to depreciation and amortisation expenditure being \$0.6 million below budget.
- Subsidised maintenance and operational expenditure \$3.5 million higher than budget due to additional work required to maintain our roading network. Partially offset by additional funding received from Waka Kotahi.
- The Council's increased focus on the provision of high-quality water supply resulted in additional costs of \$1.0 million to deliver this service.



## Council revenue

The Council's core revenue in the year was \$237.5 million. This strong performance was \$62.4 million higher than the budget of \$175.1 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 and the early repayment of a rating loan has resulted in rates revenue being \$3.7 million above budget.
- Housing development to support population growth has led to development and financial contribution revenue being \$24.7 million above budget. Development contributions are collected from developers to fund the building of infrastructure assets to service the additional demand created from this housing growth.
- 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 \$2.8 million higher than budget.
- Subsidies and grants revenue was higher than the budget of \$22.7 million due to higher subsidies received from Waka Kotahi in relation to subsidised road maintenance work.
- Vested asset revenue is \$11.3 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 \$0.8 million above budget due to a higher dividend received from CORDE Limited during the period.
- Land sales revenue was higher than budget by \$0.8 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 \$3.6 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 \$6.0 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 2022 is \$2.6 billion, this is an increase of \$0.65 billion from \$1.95 billion at the close of the prior year.

## Assets

- **Cash** and cash equivalents held at year end are lower than budgeted by \$1.4 million.
- **Inventory** is higher than budgeted by \$2.6 million due to the timing of sale of land at Izone and the Rolleston Town Centre.
- **Other financial assets** is lower than budgeted by \$18.7 million due to the utilisation of cash reserves to fund the capital expenditure programme in combination with external borrowing.
- **Property, plant and equipment** is higher than budgeted by \$557.4 million due largely to valuation movements in the Council's infrastructure assets and land and buildings.
- **Investment property** is higher than budgeted by \$15.3 million. During the 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 properties were reclassified as investment property.

## Liabilities

- **Borrowings** are lower than budgeted by \$89.7 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.

## Cash flow

The Council has a positive **operating** cash flow of \$69.2 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

### The water services reform programme

Legislation passed in December 2022 established four 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. A Water Services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the Council, remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

### COVID-19

There will continue to be uncertainty about what impact the COVID-19 pandemic and Ukraine-Russia conflict will have on Selwyn District Council and group subsequent to year-end.

(2021: There were no significant post balance date events.)

# Summary statement of comprehensive revenue and expense

for the year ended 30 June 2022

	Council	Council	Council	Group	Group
	2021/22	Budget	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000	\$000
Total revenue	237,484	175,073	171,862	270,574	202,620
Other expenditure	(138,129)	(131,181)	(120,295)	(167,991)	(147,330)
Finance costs	(1,413)	(2,815)	(997)	(1,416)	(1,000)
Operating surplus / (deficit) before taxation	97,942	41,077	50,570	101,167	54,290
Income taxation expense (benefit)	59	-	45	2,020	1,931
Surplus / (deficit) after taxation	97,883	41,077	50,525	99,147	52,360

## Other comprehensive revenue and expense

*Items that will be reclassified to surplus / (deficit)*

Financial assets at fair value	-	-	-	-	-
Realisation of assets	-	-	-	-	-

*Items that will not be reclassified to surplus / (deficit)*

Gain / (loss) on infrastructure assets revaluation	485,279	51,251	78,141	485,279	78,141
Gain on land and building revaluation	71,352	-	-	72,506	765
Deferred taxation on revaluation	-	-	-	-	-
Total other comprehensive income	556,631	51,251	78,141	557,785	78,906
<b>Total comprehensive revenue and expense</b>	<b>654,514</b>	<b>92,328</b>	<b>128,666</b>	<b>656,932</b>	<b>131,265</b>

*Total comprehensive income attributable to:*

Selwyn District Council	654,514	92,328	128,666	656,932	131,265
<b>Total comprehensive revenue and expense</b>	<b>654,514</b>	<b>92,328</b>	<b>128,666</b>	<b>656,932</b>	<b>131,265</b>



## Summary statement of changes in equity

for the year ended 30 June 2022

	Council	Council	Council	Group	Group
	2021/22	Budget	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	1,948,008	1,864,839	1,819,342	1,946,313	1,815,048
Total comprehensive income for the year	654,514	92,328	128,666	656,932	131,265
Balance at 30 June	2,602,522	1,957,167	1,948,008	2,603,245	1,946,313

### Components of equity:

Accumulated funds	1,210,938	1,150,040	1,084,650	1,222,329	1,094,777
Fair value through other comprehensive revenue	86,398	86,398	86,398	71,297	71,297
Restricted reserves	44,529	39,780	72,438	44,529	72,438
Property revaluation reserve	1,260,657	680,949	704,522	1,265,090	707,801
<b>Total equity</b>	<b>2,602,522</b>	<b>1,957,167</b>	<b>1,948,008</b>	<b>2,603,245</b>	<b>1,946,313</b>

## Summary statement of financial position

for the year ended 30 June 2022

	Council	Council	Council	Group	Group
	2021/22	Budget	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000	\$000
Current assets	61,001	80,503	71,210	74,954	84,810
Non - current assets	2,657,232	2,072,737	1,970,941	2,649,725	1,962,175
<b>Total assets</b>	<b>2,718,233</b>	<b>2,153,240</b>	<b>2,042,151</b>	<b>2,724,679</b>	<b>2,046,985</b>
Current liabilities	43,085	30,662	36,350	46,472	41,473
Non - current liabilities	72,626	165,412	57,793	74,962	59,199
<b>Total liabilities</b>	<b>115,711</b>	<b>196,074</b>	<b>94,143</b>	<b>121,434</b>	<b>100,672</b>
Selwyn District Council	2,602,522	1,957,167	1,948,008	2,603,245	1,946,313
<b>Total Equity</b>	<b>2,602,522</b>	<b>1,957,167</b>	<b>1,948,008</b>	<b>2,603,245</b>	<b>1,946,313</b>
<b>Total liabilities and equity</b>	<b>2,718,233</b>	<b>2,153,241</b>	<b>2,042,151</b>	<b>2,724,679</b>	<b>2,046,985</b>

# Summary statement of cash flows

for the year ended 30 June 2022

	Council	Council	Council	Group	Group
	2021/22	Budget	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000	\$000
Net cash flow from operating activities	69,242	37,011	60,774	73,978	63,302
Net cash flow from investing activities	(90,960)	(140,597)	(74,427)	(94,110)	(77,271)
Net cash flow from financing activities	15,000	104,718	25,000	15,000	25,000
Net increase / (decrease) in cash and cash equivalents	(6,718)	1,132	11,347	(5,132)	11,031
<b>Cash, cash equivalents at the end of the year</b>	<b>21,538</b>	<b>22,898</b>	<b>28,256</b>	<b>30,585</b>	<b>35,717</b>

# Summary funding impact statement

for the year ended 30 June 2022

	2021/22	2021/22	2020/21	2020/21
	Actual	Budget	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
Total operating funding (A)	120,969	106,271	104,504	96,993
Total application of operating funding (B)	101,599	98,544	88,205	85,799
Surplus / (deficit) of operating funding (A-B)	19,370	7,727	16,299	11,194
Total sources of capital funding (C)	72,568	140,383	61,239	104,047
Total applications of capital funding (D)	91,938	148,110	77,538	115,241
Surplus / (deficit) of capital funding (C-D)	(19,370)	(7,727)	(16,299)	(11,194)
<b>Funding balance (A-B) + (C-D)</b>		-	-	-



# Annual report disclosure statement

## Summary for the year ended 30 June 2022

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

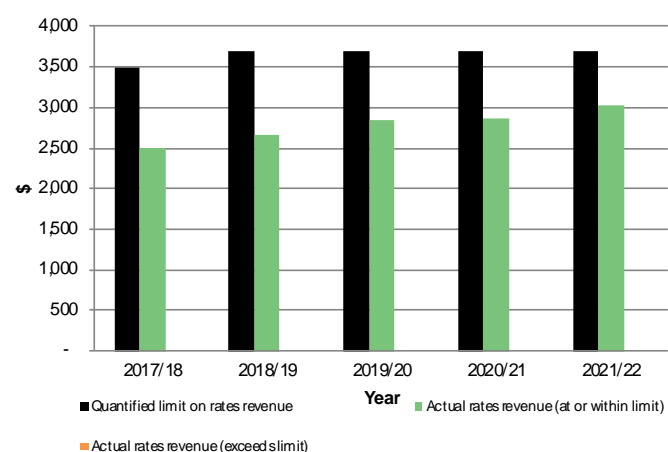
The number of rating units within the district at the end of the preceding financial year: 32,162.

The total capital value of rating units within the district at the end of the preceding financial year: \$26.7 billion.

The total land value of rating units at the end of the preceding financial year: \$13.4 billion.

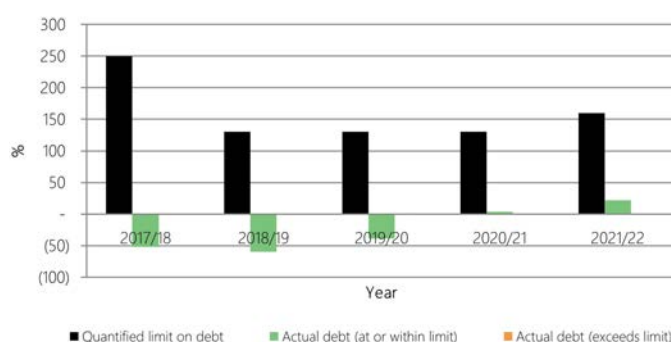
### Affordability benchmarks

Average rates revenue (including GST) will not exceed \$3,700 per ratepayer

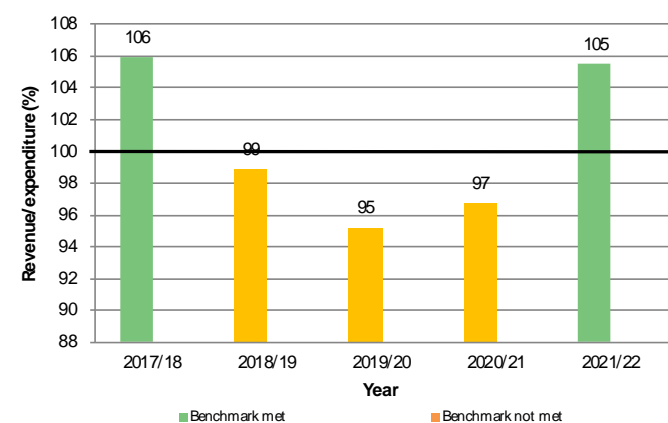


### Debt affordability benchmark

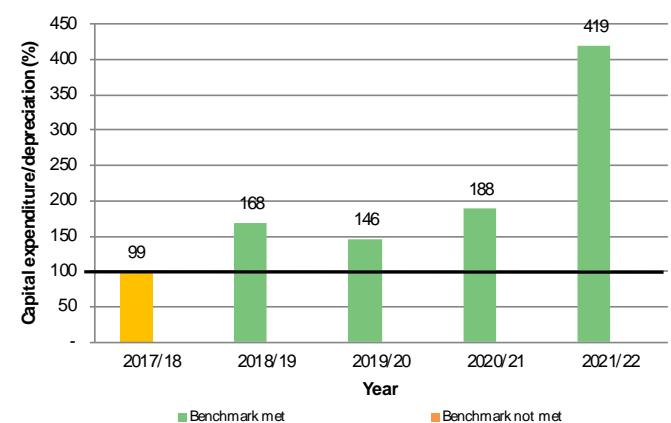
Net borrowing as a percentage of revenue



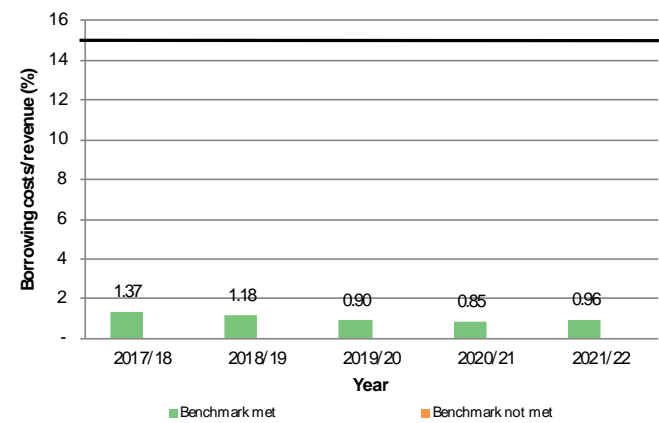
### Balanced budget benchmark



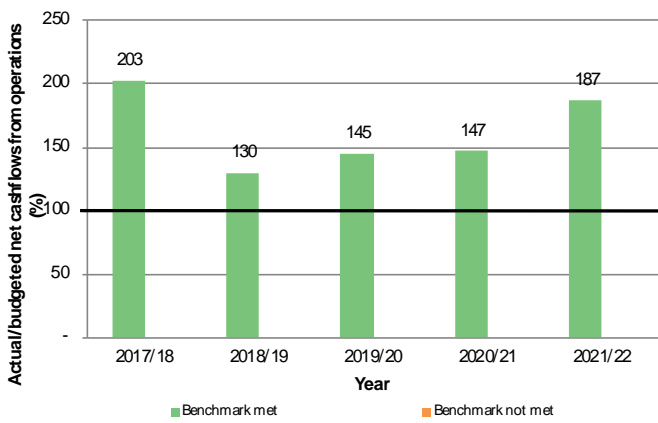
### Essential services benchmark



### 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 2022

The summary of the annual report was derived from the annual report of the Selwyn District Council's (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 4 to 7 and 18 to 26:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- 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 opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 19 April 2023.

Additionally, that report includes emphasis of matter paragraphs drawing attention to development in the Government's water services reform programme which will affect the District Council in future years. Legislation passed in December 2022 established four 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. A water services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the District Council, remains uncertain. On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed. This matter is addressed on page 21 of the summary of the annual report.

## **Our audit was completed late**

Our auditor's report on the full annual report also includes a paragraph acknowledging that our audit was completed later than required by section 98(7) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

## **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 reporting on the summary and full annual reports, we have performed a limited assurance engagement related to the District Council's debenture trust deed. This limited assurance engagement is compatible with those independence requirements.

Other than these engagements, 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, New Zealand  
19 May 2023



## Selwyn District Council

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