

# Who we are and what we do

**Our Mission – To achieve excellence in the management of resources and the provision of services for the People of Selwyn District**

## Statement of values

In fulfilling its statutory and community obligations, the Council will operate according to the following values:

### ***Leadership***

The Council will guide, inform and seek community involvement in policy decisions in accordance with the principles of community governance.

### ***Community Service***

The Council will provide quality services in a prompt, helpful and friendly manner, minimising the cost through innovative management and best utilisation of resources.

### ***Commercial***

The Council's service charges will be based on the benefits of those services to the recipients after considering the equity, efficiency and transparency of those services.

### ***Environment and Biodiversity***

The Council will encourage and, where appropriate, enforce measures to sustain and enhance the District's biophysical environment, including its biological diversity.

### ***Health and Safety***

The Council will encourage and, where appropriate, enforce measures to sustain and enhance public health and safety.

### ***Economic Development***

The Council will encourage and, where appropriate, facilitate sustainable economic development.

### ***Cultural Diversity***

The Council will have due regard for the diversity of cultural perspectives within the district.

### ***Treaty of Waitangi (The Treaty)***

The Council will take account of its responsibilities as outlined under section 4 of the Local Government Act 2002.

### ***Staff***

As a good employer, the Council will continue to attract, retain and develop skilled staff.

## Statement on quality of service

The emphasis on quality and service shall be, at all times, the focus of the Council activities.

The Council will maintain and strive to improve the quality of services that are provided.

It will continue to provide services that meet the needs of its 'customers' and exceed their expectations in the process.

To achieve success, the Council will demonstrate innovation in providing solutions to meet those needs and expectations into the future while operating in a cost-effective and business-like manner.

# Welcome to Selwyn District's

## Annual Report

### 2007/2008

The purpose of an Annual Report is to compare the actual activities and performance of the Council against that intended in the Long Term Council Community Plan or Annual Budget. The Annual Report also promotes the Council's accountability to the community for the decisions made during the year by the Council.

The financial statements presented in this report are reporting against year three of the Selwyn Community Plan (LTCCP) adopted by Council in June 2006 as varied in the Annual Budget for 2008.



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# Joint report from the Mayor and Chief Executive



The 2007-2008 year saw some major changes for the Council, with the opening of our new Council chamber and offices in Rolleston and the well-earned retirement of our long-serving Mayor, Michael McEvedy.

Michael must have set some kind of record for hands shaken, speeches made and deals brokered in pursuit of the District's betterment. The community has much to thank him for and we wish him well in his retirement.

Council staff moved into the new office complex in Rolleston in November 2007. We are pleased to report that the building has lived up to expectations, winning praise from staff and visitors and even picking up some industry awards for its energy-efficient design.

Growth continued to be a major theme in the district this year, despite the slowing global economy. The latest estimate from Statistics New Zealand shows Selwyn's population rising to 37,500 as of June 2008 - 3% up on the previous year, and second only to Queenstown-Lakes. All this growth continued to keep our staff and contractors busy - for example:

- ▶ Road maintenance calls and enquiries were up 117% (from 310 in 2006-7 to 672 in 2007-8)
- ▶ Building inspections were up 94% (from 6,067 to 11,745)
- ▶ Our organic waste collection was up 77% (from 479 to 847 tonnes)
- ▶ Dog-related complaints were up 35% (from 456 to 703)
- ▶ Our recycling collection was up 19% (from 1909 to 2,269 tonnes)
- ▶ Resource consents were up 15% (from 430 to 494 in 2008)
- ▶ Registration of non-alcohol food and hairdressing premises were up 12% (from 166 to 186)
- ▶ Total waste going through the Resource Recovery Park was up 10% (from 13,837 tonnes to 15,232 tonnes)
- ▶ Total water supply connections were up 7% (from 8,108 to 8,701)
- ▶ Library borrowings were up 6% (from 260,745 to 275,774)

- ▶ Road resealing was up 4% (from 74km to 77km)
- ▶ The collection of non-organic, non-recycled, rubbish was up 4% (from 6,627 tonnes to 6,872 tonnes)
- ▶ Dog ownership was up 4% (from 5,449 to 5,691)
- ▶ Dog numbers were up 3% (from 9,577 to 9,895)
- ▶ Library membership was up 2% (from 16,130 to 16,527)

It is obvious from these indicators that growth was not uniform across all services. In fact, some showed no real change - or even a decrease. These included:

- ▶ Building consents (no significant change from 1,974 to 1,967)
- ▶ Code Compliance Certificates (no significant change, from 1,431 to 1,443)
- ▶ Liquor Licences (no significant change, from 322 to 323)
- ▶ Project Information Memoranda (down 12%, from 1,793 to 1,577)
- ▶ Land Information memoranda (down 20%, from 1,8691 to 1,498)
- ▶ Notified Diseases (down 40%, from 162 to 97)
- ▶ The slowdown in the building and property-related services obviously reflects broader economic trends. but, even so, building activity remained at a high level.

Other important work during the year included: the creation of five new reserves in Rolleston; the construction of a new toilet and carpark facility at Arthur's Pass; and two new bridges on Bealey Road.

When the financial year started, the five Rolleston reserves were just islands of bare land in a sea of new homes. By year's end, our contractors had transformed them into grassy neighbourhood reserves awaiting only the arrival of Spring and the planting of some shrubs and flowers.

The old Arthur's Pass public toilets were a maintenance headache, a traveller's nightmare and an embarrassment to the District in this tourism hotspot. A better facility and carpark were needed and the proposal to build new toilets had strong support from the 1,000 randomly-chosen households who participated in our district-wide telephone survey. Despite some teething problems, the new facility is a real asset of which the District can be proud.

Another important project was the building of two 56-metre bridges on Bealey Road, across the Hawkins and Waireka rivers. Flooding at these fords frequently made the road impassable. The new bridges complement an earlier bridge, built nine years ago across the Selwyn River. Now this important arterial road can stay open year-round.

Away from the steel and cement, 2007-2008 was a big year for our planners. After more than 15 years of redrafts, submissions, hearings and deliberations, the Council was finally able to make the District Plan partially operative. It will become fully operative when the last remaining legal challenges to some of its provisions have been resolved by the Environment Court.

The Council also adopted the Lincoln Structure Plan and Integrated Catchment Management Plan as a visionary guide for the coordinated development of the town's future buildings, social infrastructure, roads, pipes and drains. Another strategic milestone was the adoption of a transport strategy based on the Christchurch, Rolleston and Environs Transport Study (CRETS). While it does not solve all of the District's transport challenges, the strategy will ease traffic congestion in and out of Christchurch for at least a decade.

During the year, to help inform all this strategic planning, the Council enlisted the economic think tank, BERL, to design a computer model which can calculate potential population growth in different parts of the District. The model can be used to test different assumptions about population growth and to give us a sounder basis on which to plan for subdivision growth and service delivery, including social infrastructure, refuse, transport, water and sewerage services.

The Izone development continued to be a success story for both the Council, as the seed investor, and the district. As at 30 June 2008, land sales of \$19.9 million were either settled or on track for settlement by February 2009. Although the initial land purchase and development costs are not fully funded, strong sales interest means that, by June 2009, the Council will have almost funded this project from sales with surplus funds being available to assist the Council's finances. The project is well on target to meet not only the prime goal of providing more employment opportunities for the people of Selwyn, but also a financial return to the Council which will reduce the pressure for substantial rates rises in the future.

This is just a selection of the things that have kept us busy on your behalf. Much more will be found in the following pages.

In closing, we wish to acknowledge the Councillors and all staff for their commitment and achievements during the year, and most importantly, we express our gratitude to the people of the District without whose initiative, cooperation and inspiration, our job would be a whole lot harder.



Kelvin Coe  
Mayor



Paul Davey  
Chief Executive

# Statement of compliance and responsibility

## Compliance

The Council and Management of Selwyn District Council confirm that all statutory requirements of section 98 of the Local Government Act 2002 have been complied with, with the exception that the Council did not complete and adopt its annual report by 31 October 2008 as required by section 98(3) of the Local Government Act 2002. All other statutory requirements relating to the annual report have been complied with.

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

In the opinion of the Council and management of Selwyn District Council, the annual Financial Statements for the year ended 30 June 2008 fairly reflect the financial position and operations of the Selwyn District Council.

## Responsibility

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



Mayor  
Kelvin Coe



Chief Executive  
Paul Davey

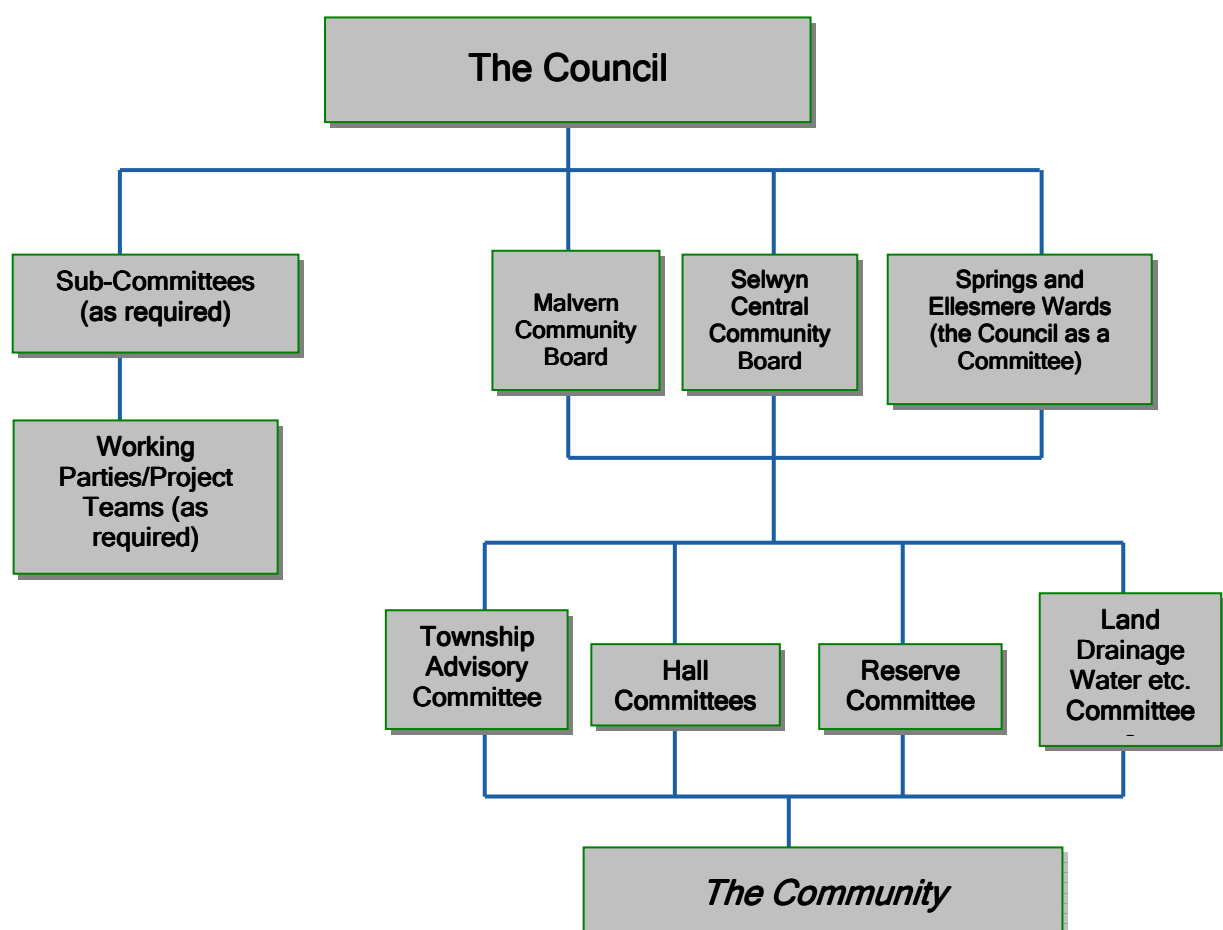


Manager Corporate Services  
Douglas Marshall

05 November 2008

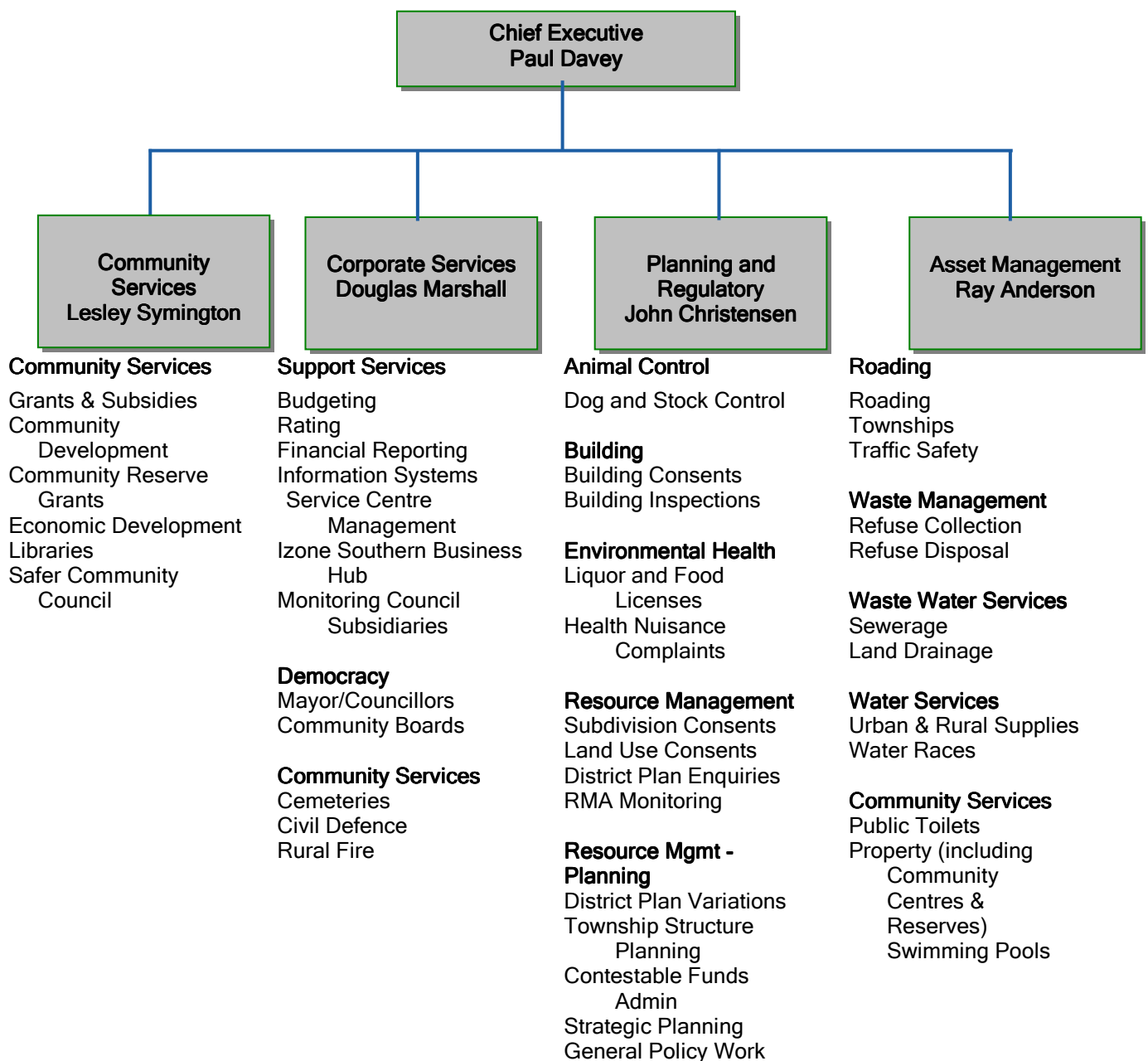
# How the Council works

## Governance Structure



# How the Council works

## Management Structure





# Who's who - the elected representatives

The Mayor is elected as the Council's leader. The 10 Councillors, including the Deputy Mayor, represent four Selwyn District Wards.

Please note contact details may be found on page 137



**Mayor Kelvin Coe**

- ▶ Mayor - Selwyn District
- ▶ Deputy Chair Civil Defence Emergency Management Group Joint Committee
- ▶ LGNZ Zone 5
- ▶ McLean Institute
- ▶ Maori & Treaty Liaison
- ▶ Member Chief Executive Performance Review Committee



**John Morten**

- ▶ Deputy Mayor
- ▶ Director Selwyn Investment Holdings Limited
- ▶ Portfolios - Roothing, Transport, Township Projects, Museum & Heritage, Debt Recovery/Hardship, Roothing & Transport, Land Drainage Hororata/Wairiri, Rural Fire & Coleridge Habitat Trust
- ▶ Representative Regional Land Transport
- ▶ Member Chief Executive Performance Review Committee
- ▶ Member Malvern Community Board
- ▶ Civil Defence Emergency Management Group Joint Committee



**Nigel Barnett**

- ▶ Portfolios - Rural Fire, Rural Issues, Annual Report/Committee Financial Reporting, Funding/Budgets/LTCCP processes
- ▶ Forestry
- ▶ Passive Reserves
- ▶ Land Buildings, Halls & Housing
- ▶ ECan Land Drainage, Land Drainage Taumutu/Culverts
- ▶ Waterrace Sub-Committee

# Who's who - the elected representatives

## continued



Gary Doyle

- ▶ Portfolio - Electoral Reform, IT, Sewerage, IT,
- ▶ Member ECan Land Drainage/Waimakariri.Eyre/Cust Regional Park Committee
- ▶ Chair, Road Safety Working Party
- ▶ Chair Selwyn District Council Water Race Subcommittee
- ▶ Hearing Commissioner
- ▶ Chair Selwyn District Council Pest Liaison Committee



Annette Foster

- ▶ Member Izone Project Team
- ▶ Portfolio - District Plan, Social & Community Development, District Plan Rewrite/Plan Changes/Monitoring
- ▶ Appointed to Summit Road Society
- ▶ Appointed to Summit Road Authority
- ▶ Member Selwyn Central Community Board
- ▶ Member Water Race Subcommittee
- ▶ Te Puna Wai o Tuhinape Community Liaison Committee



Debra Hasson

- ▶ Chairperson Selwyn NZ Creative Arts
- ▶ Deputy Chairperson Canterbury Neighbourhood Support
- ▶ Portfolios - Land Drainage Ellesmere/Greenpark/Osbornes, District Plan Rewrite, Plan Changes, Environmental Issues, Annual Report/Committee Financial Reporting, Funding/Budgets/LTCCP processes
- ▶ Member Chief Executive Performance Review Committee
- ▶ Hearing Commissioner



Malcolm Lyall

- ▶ Portfolio - Arts, Maori & Treaty Issues/Museum/Heritage, Tourism, ECan Land Drainage/Halswell, Building Act, RPS Change 1/Implementation of UDS, Resource Consents
- ▶ Member Chief Executive Performance Review Committee
- ▶ Hearing Commissioner

# Who's who - the elected representatives

continued



Jack Pearcy

- ▶ Portfolios - Rural Fire, Health & Senior Citizens, ECan Land Drainage/Rakaia, Land Drainage/Leeston Township, District Plan Rewrites/Plan Changes, Monitoring, Resource Consents, Enforcement,
- ▶ Hearing Commissioner
- ▶ Board Member Partnership Health Canterbury
- ▶ Civil Defence Emergency Management Group



Paul Stewart

- ▶ Member Malvern Community Board, Road Safety Committee
- ▶ Portfolios - Environmental Health/Liquor Licensing, Land Drainage Arthur's Pass, Water, Roading Road Safety Working Party, Reserve Management Plans, Investment Properties, Leisure Facilities Recreation, Libraries, Debt Recovery/Hardship
- ▶ Trustee Canterbury West Coast Sports Trust



Lindsay Philps

- ▶ Portfolios - Solid Waste, Hazardous Substances, Biosecurity and Urban Design
- ▶ Council Champion NZ Urban Design Protocol
- ▶ Representative - Canterbury Waste Joint Committee, Canterbury Regional Landfill Joint Committee, Canterbury Hazardous Waste Sub Committee, Urban Development Strategy Implementation Committee
- ▶ Member - Land Drainage LII Committee, Chief Executive Performance Review Committee
- ▶ Hearing Commissioner



Sarah Walters

- ▶ Portfolios - Creative NZ Arts Assessment, Community Development, Employment & Economic Development
- ▶ Strategic Projects
- ▶ RPS, Plan Change 1 Process
- ▶ Trustee Christchurch Little River Rail Trail Trust

# Looking after our people

## Equal employment opportunities

The Selwyn District Council has recognised the need to be a 'good employer' in terms of the Equal Employment Opportunities Act. The principles that are embodied within that Act are inherent in the Council's staffing practices and relations. The Council is committed to having in place practices within the Council that work towards eliminating all forms of discrimination.

A policy has been developed to show that the Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. The organisation provides a welcoming positive environment and has a purposeful programme of action to ensure its activities and services are carried out with an awareness of, and intent to eliminate, all forms of discrimination.

### *Policy statement*

The Selwyn District Council will ensure that equal opportunities are promoted and provided within the organisation by:

- ▶ developing, implementing and reviewing an appropriate Equal Employment Opportunity [EEO] programme;
- ▶ fostering a positive climate in the workplace that appreciates a diversity of backgrounds and individual contribution and encourages employees to develop their potential;
- ▶ selecting the best person for the job on the basis of job requirements and the ability of that person to perform the job;
- ▶ ensuring that all personnel policies, procedures and activities reflect the fundamental principles of the EEO policy, in the recruitment, employment, training and promotion of its employees;
- ▶ identifying and providing appropriate training programmes to enable employees to best meet the requirements of their current jobs and to develop additional skills with a view to future promotion opportunities;
- ▶ promoting employees on the basis of performance, and the willingness of the employee to accept greater responsibility;
- ▶ maintaining a workplace free of discrimination and harassment - forms of direct or indirect discrimination include race, colour, ethnic or national origin, gender, religion, marital status, family responsibilities, sexual orientation, age and people with disabilities.

EEO is good business practice and the success of this policy can be judged by the Council's and Management's willingness to apply its principles and ensuring that no one person or group is disadvantaged in any way.

### *Performance statements*

The Council undertook its activities in 2007/2008 with due regard to its EEO policy.

## Maori Involvement in Decision-Making

As part of its Strategic Objectives, Council recognises an obligation to take into account the principles of the provisions of the Local Government Act 2002 to recognise and provide for the special relationship between and with Maori, their culture, traditions, land and taonga.

As part of this obligation, representatives of Council attended a consultation meeting with the Te Taumutu Rununga on 18 April 2006 to discuss a variety of issues. Since that date, meetings have been held between staff and Rununga representatives to improve dialogue between the Council and the Rununga.



# Financials

These financials are prepared in accordance with the Local Government Act 2002.

## In this section

### Financials

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- Audit report
- Statement of financial performance
- Statement of movements in equity
- Statement of financial position
- Statement of cash flows
- Statement of accounting policies
- Notes to the financial statements

### AUDIT REPORT

#### TO THE READERS OF SELWYN DISTRICT COUNCIL AND GROUP'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2008

The Auditor-General is the auditor of Selwyn District Council and group. The Auditor-General has appointed me, K J Boddy, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2008, including the financial statements.

#### Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 19 to 121:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2008; and
    - the results of operations and cash flows for the year ended on that date.
- The service provision information of the District Council and group on pages 82 to 121 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

The audit was completed on 5 November 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

#### Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

# Financials

## Audit Report

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Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

### **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2008. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

# Financials

## Audit Report

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### Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

A staff member from Audit New Zealand was appointed to the position of Corporate Accountant in February 2008. As required by the above independence requirements, appropriate safeguards have been taken to address any threats to independence from this appointment.

Other than mentioned above, the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.

A handwritten signature in black ink, appearing to read 'K J Boddy', with a large, stylized initial 'K' and 'J'.

K J Boddy  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand



# Financials

## Introduction

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### Financial Highlights

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The financial statements present information on the financial performance of the Council and the Council group of organisations. The Council group consists of the Council, and its subsidiary Selwyn Investment Holdings Ltd (SIHL) (100% owned), SIHL's subsidiaries SICON Limited (100% owned), KB Irrigation Limited (100% owned), Ferguson Brothers Limited (75.1% owned) and Selwyn Plantation Board Ltd (60.68% owned) plus the Council's associate Central Plains Water Trust which is equity accounted (50% owned).

The financial comments below relate to the Council and do not include the group results.

### Expenditure

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The Council continued its commitment to ensure its expenditure was kept overall within the budgets agreed to in the consultation with the public during the budget preparation process.

Actual operating expenditure of \$45.4 million was close to budget. Items of interest include:

- ▶ Expenditure on transportation was \$1.5 million higher than budget due to the additional expenditure on maintaining the road network, the impact of inflation on payments to the Council's contractor and an increase in the depreciation expense.
- ▶ Expenditure on waste management was \$0.6 million below budget as some projects, including programmed work on pit closures, were deferred.
- ▶ Expenditure on Environmental Services is \$0.5 million below budget mainly due to a number of projects, including work on the development of structure plans, being deferred to 2008/09.

### Income

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Council income was significantly over budget by \$15 million. This is due to:

- ▶ Significant growth experienced by building and subdivision activity in the district in 2008, resulting in vested assets revenue (vested assets are water, roads, sewerage and reserves constructed by land developers that are transferred to the Council) being \$8.9 million greater than budgeted. This income is not cash income and cannot be used by the Council to fund its activities.
- ▶ The success of the Izone Southern Business Hub generating sales revenue \$2.9 million greater than budgeted.
- ▶ Development contributions which are paid by landowners who create subdivisions were \$1.1 million higher than budget at \$8.5 million. This income is not available for the activities of the Council but instead is paid for connections to either existing sewerage or water schemes and is paid to allow for future use by the Council to develop sewerage and water schemes or enhance or increase reserve areas.

### Surplus on operations

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- ▶ A surplus after tax on operations of \$20 million.

The surplus is significant but largely relates to vested assets revenue and development contributions that cannot be used to fund the Council's day to day services.

# Financials

## Introduction

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### Statement of financial position (Council)

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Overall, the value of the Council's net assets increased by \$114 million. The major reason for the increase in the assets relates to:

- ▶ The revaluation of the district's infrastructure which increased assets by \$89 million.

### Statement of cash flows

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The Council had a positive operating cash flow of \$8 million.



Douglas Marshall  
**Manager Corporate Services**

# Financials

## Statement of financial performance

*For the year ended 30 June 2008*

	Note	Council 2008 \$000	Council Budget \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
<b>Income</b>						
Rates revenue	2	17,766	17,375	15,767	17,682	15,699
Other revenue	3	39,026	32,661	38,635	107,123	93,424
Other gains / (losses)	4	8,702	-	3,777	8,961	4,808
Total income	1	65,494	50,036	58,179	133,766	113,931
<b>Expenditure</b>						
Employee benefit expenses	5	8,426	7,883	7,429	31,298	25,253
Depreciation and amortisation	6	10,709	9,086	9,467	14,053	11,845
Other expenses	7	26,250	28,415	19,360	70,404	49,934
Finance costs	8	-	-	-	920	533
Total operating expenditure	1	45,385	45,384	36,256	116,675	87,565
<b>Operating surplus before tax</b>		<b>20,109</b>	<b>4,652</b>	<b>21,923</b>	<b>17,091</b>	<b>26,366</b>
Share of associate surplus/(deficit)		-	-	-	-	-
<b>Surplus before tax</b>		<b>20,109</b>	<b>4,652</b>	<b>21,923</b>	<b>17,091</b>	<b>26,366</b>
Income tax expense	9	69	96	50	(786)	607
<b>Surplus after tax</b>		<b>20,040</b>	<b>4,556</b>	<b>21,873</b>	<b>17,877</b>	<b>25,759</b>
<i>Attributable to:</i>						
Council		20,040	4,556	21,873	18,305	24,319
Minority Interest		-	-	-	(428)	1,440
		<b>20,040</b>	<b>4,556</b>	<b>21,873</b>	<b>17,877</b>	<b>25,759</b>

This statement should be read in conjunction with the accompanying accounting policies and notes to the financial statements

# Financials

## Statement of movements in equity

For the year ended 30 June 2008

	Note	Council 2008 \$000	Council Budget \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
<b>Balance at 1 July</b>		<b>711,088</b>	<b>547,480</b>	<b>613,051</b>	<b>761,213</b>	<b>655,675</b>
<i>Contributions from minority interest</i>		-	-	-	1,120	-
<i>Property, plant and equipment</i>						
Revaluation gains/(losses) taken to equity		88,729	4,193	76,190	88,590	78,771
<i>Financial assets at fair value through equity</i>						
Valuation gains/(losses) taken to equity		5,652	-	-	6,255	-
<i>Deferred tax on revalued items</i>		-	-	(26)	18	(77)
Income/(expense) recognised directly to equity		94,381	4,193	76,164	95,983	78,694
Surplus for the year		20,040	4,556	21,873	17,877	25,759
Total recognised income/(expense) for the year *		<b>114,421</b>	<b>8,749</b>	<b>98,037</b>	<b>113,860</b>	<b>104,453</b>
Minority share in revaluation movement		-	-	-	(75)	1,556
Dividends to minority interest		-	-	-	(703)	(471)
<b>Balance at 30 June</b>		<b>825,509</b>	<b>556,229</b>	<b>711,088</b>	<b>874,295</b>	<b>761,213</b>

\* Total recognised income/(expense) for the year is attributable to:

Selwyn District Council	114,421	8,749	98,037	114,288	103,013
Minority interest	-	-	-	(428)	1,440
	<b>114,421</b>	<b>8,749</b>	<b>98,037</b>	<b>113,860</b>	<b>104,453</b>

# Financials

## Statement of financial position

As at 30 June 2008

		Council			Group	
	Note	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Actual 2008 \$000	Actual 2007 \$000
<b>Current assets</b>						
Cash and cash equivalents	10	18,471	6,623	21,563	22,684	28,319
Debtors and other receivables	11	10,032	8,209	7,799	16,381	15,351
Inventory and work in progress	12	-	-	-	5,164	4,026
Livestock	13	-	-	-	1,539	903
Other financial assets	14	2,000	-	4,500	2,060	9,977
Income taxation receivable	9	16	-	41	4,171	3,357
Property held for sale	15	4,567	-	1,930	5,542	1,930
<b>Total current assets</b>		<b>35,086</b>	<b>14,832</b>	<b>35,833</b>	<b>57,541</b>	<b>63,863</b>
<b>Non-current assets</b>						
Debtors and other receivables	11	136	-	154	136	154
Other financial assets	14	110,838	68,380	105,124	69,334	62,999
Investment in associates	16	-	-	-	-	-
Investment property	17	565	510	565	-	-
Forestry assets	18	118	221	338	10,298	10,538
Property, plant and equipment	19	685,909	480,877	577,305	761,601	642,870
Development property	20	3,545	-	3,597	3,545	3,597
Deferred tax	9	-	-	-	459	-
Intangible assets	21	326	-	266	3,300	2,016
<b>Total non-current assets</b>		<b>801,437</b>	<b>549,988</b>	<b>687,349</b>	<b>848,673</b>	<b>722,174</b>
<b>TOTAL ASSETS</b>		<b>836,523</b>	<b>564,820</b>	<b>723,182</b>	<b>906,214</b>	<b>786,037</b>
<b>Current liabilities</b>						
Creditors and other payables	22	9,838	7,557	10,838	15,718	16,113
Employee benefit liabilities	23	670	683	770	3,438	2,820
Other provisions	24	-	-	-	2,353	88
Borrowings	25	-	-	-	5,045	1,361
<b>Total current liabilities</b>		<b>10,508</b>	<b>8,240</b>	<b>11,608</b>	<b>26,554</b>	<b>20,382</b>
<b>Non-current liabilities</b>						
Employee benefit liabilities	23	97	69	93	274	289
Other provisions	24	322	282	309	322	309
Deferred tax	9	87	-	84	-	625
Borrowings	25	-	-	-	4,769	3,219
<b>Total non-current liabilities</b>		<b>506</b>	<b>351</b>	<b>486</b>	<b>5,365</b>	<b>4,442</b>
<b>Equity</b>						
General funds	26	541,775	355,930	522,870	581,248	563,905
Fair value through equity reserve	27	47,797	3	42,145	24,877	18,622
Special funds	28	47,331	20,599	45,351	47,331	45,351
Revaluation reserve	29	188,606	179,697	100,722	190,143	102,553
Minority Interest	30	-	-	-	30,696	30,782
<b>Total equity</b>		<b>825,509</b>	<b>556,229</b>	<b>711,088</b>	<b>874,295</b>	<b>761,213</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>836,523</b>	<b>564,820</b>	<b>723,182</b>	<b>906,214</b>	<b>786,037</b>

# Financials

## Statement of cash flows

*For the year ended 30 June 2008*

	Note	Council Actual 2008 \$000	Council Budget 2008 \$000	Council Actual 2007 \$000	Group Actual 2008 \$000	Group Actual 2007 \$000
<b>Operating activities</b>						
Cash was provided from:						
Receipts from customers		38,009	35,979	35,035	106,042	87,707
Agency receipts		835	-	740	835	740
Interest received		2,052	1,786	2,489	3,114	4,230
Dividends received		2,943	4,566	4,862	3,103	5,044
Income taxation received		-	-	-	3,373	-
Net GST		(79)	-	(485)	57	(439)
		<u>43,760</u>	<u>42,331</u>	<u>42,641</u>	<u>116,524</u>	<u>97,282</u>
Cash was distributed to:						
Suppliers/employees		34,761	36,394	23,921	98,954	72,514
Agency payments		835	-	751	835	751
Income taxation		66	-	80	4,479	1,348
Interest paid		-	-	-	978	546
		<u>35,662</u>	<u>36,394</u>	<u>24,752</u>	<u>105,246</u>	<u>75,159</u>
<b>Net cash from operating activities</b>	31	<b>8,098</b>	<b>5,937</b>	<b>17,889</b>	<b>11,278</b>	<b>22,123</b>
<b>Investment activities</b>						
Cash was provided from:						
Sale of property, plant & equipment		1,165	-	1,264	3,664	1,522
Sale of property intended for sale		10,778	5,427	2,974	10,778	2,974
Proceeds from investments		2,500	-	7,118	7,977	11,641
		<u>14,443</u>	<u>5,427</u>	<u>11,356</u>	<u>22,419</u>	<u>16,137</u>
Cash was applied to:						
Purchase of property, plant and equipment		20,059	39,055	30,073	37,579	39,551
Construction of council headquarters		5,460	-	7,246	5,460	7,246
Purchase of intangible assets		114	-	133	1,984	147
Purchase of investments and goodwill		-	-	-	18	-
		<u>25,633</u>	<u>39,055</u>	<u>37,452</u>	<u>45,041</u>	<u>46,944</u>
<b>Net cash from investing activities</b>		<b>(11,190)</b>	<b>(33,628)</b>	<b>(26,096)</b>	<b>(22,622)</b>	<b>(30,807)</b>

# Financials

## Statement of cash flows

	Note	Council Actual 2008 \$000	Council Budget 2008 \$000	Council Actual 2007 \$000	Group Actual 2008 \$000	Group Actual 2007 \$000
<b>Financing activities</b>						
Cash was provided from:						
Loans raised		-	-	-	6,567	-
Proceeds from share capital		-	-	-	1,121	-
		-	-	-	7,688	-
Cash was applied to:						
Settlement of loans		-	-	-	1,335	1,591
Dividend paid		-	-	-	644	472
		-	-	-	1,979	2,063
<b>Net cash from financing activities</b>		-	-	-	<b>5,709</b>	<b>(2,063)</b>
<b>Net increase/decrease in cash</b>		<b>(3,092)</b>	<b>(27,691)</b>	<b>(8,207)</b>	<b>(5,635)</b>	<b>(10,747)</b>
Plus opening cash 1 July		21,563	34,314	29,770	28,319	39,066
<b>Closing cash 30 June</b>		<b>18,471</b>	<b>6,623</b>	<b>21,563</b>	<b>22,684</b>	<b>28,319</b>
<b>Summary of cash resources</b>						
Cash and bank		1,205	6,623	4,297	2,407	5,092
Short term deposits maturing within 3 months		17,266	-	17,266	20,277	23,227
		<b>18,471</b>	<b>6,623</b>	<b>21,563</b>	<b>22,684</b>	<b>28,319</b>

# Financials

## Statement of accounting policies

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### Statement of reporting entity

Selwyn District Council is a territorial local authority governed by the Local Government Act 2002.

The Selwyn District Council group (Selwyn District Council) consists of ultimate parent Selwyn District Council and its subsidiary Selwyn Investment Holdings Ltd (100% owned) and its subsidiaries SICON Limited (100% owned), KB Irrigation Limited (100% owned), Ferguson Brothers Limited (75.1% owned) and Selwyn Plantation Board Ltd (60.68% owned) and its associate Central Plains Water Trust which is equity accounted (50% owned).

All Selwyn District Council subsidiaries and Central Plains Water Trust are incorporated in New Zealand.

The primary objective of Selwyn District Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Selwyn District Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Selwyn District Council are for the year ended 30 June 2008. The financial statements were authorised for issue by the Council on 05 November 2008.

### Basis of preparation

The financial statements of Selwyn District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand General Accepted Accounting Practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, biological assets and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Selwyn District Council is New Zealand dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

### *Standards and interpretation issued and not yet adopted*

Standards, interpretations, and amendments that have been issued, but are not yet effective, that Selwyn District Council has not adopted include:

- ▶ NZ IAS 1 presentation of financial statements (revised 2007) that is effective for reporting periods beginning on or after 1 January 2009. This standard may require some formatting changes to the Selwyn District Council's financial statements.



# Financials

## Statement of accounting policies

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- ▶ NZ IAS 23 borrowing costs (revised 2007) that is effective for reporting periods beginning on or after 1 January 2009. The standard requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Selwyn District Council intends to adopt this standard for the year ending 30 June 2010 and has not yet quantified the potential impact of the new standard.
- ▶ NZ IFRS 3 business combinations (revised 2008) and amended NZ IAS 27 consolidated and separate financial statements are effective for reporting periods beginning on or after 1 July 2009. The standard will have an impact on accounting for acquisitions on or after 1 July 2009. Selwyn District Council will adopt the revised standards for the year ending 30 June 2010.

### Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

#### Subsidiaries

Selwyn District Council consolidates as subsidiaries in the group financial statements, all entities where Selwyn District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Selwyn District Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Selwyn District Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Selwyn District Council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over Selwyn District Council's consolidated interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If Selwyn District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the statement of financial performance.

#### Basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together, like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Selwyn Investment Holdings Ltd and Group entities that have been consolidated have a balance date of 30 June.

#### Associates

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

# Financials

## Statement of accounting policies

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

Selwyn District Council's share in the associate's surplus or deficits resulting from unrealised gains on transactions between Selwyn District Council and its associates is eliminated.

Selwyn District Council's investments in associates are carried at cost in Selwyn District Council's own 'parent entity' financial statements.

### **Revenue**

Revenue is measured at the fair value of consideration received.

#### *Rates revenue*

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

#### *Other revenue*

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on a usage basis.

Selwyn District Council receives government grants from Land Transport New Zealand, which subsidises part of Selwyn District Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grant revenue other than Land Transport New Zealand is recognised when terms and conditions pertaining to that grant have been fulfilled.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Selwyn District Council are recognised as revenue when control over the asset is obtained.

Development contribution revenue is recognised when received.

Revenue from sale of goods is recognised when Selwyn District Council has transferred to the buyer the significant risks and rewards of ownership of the goods.

Revenue from a contract to provide services is recognised by reference to stage of completion of the contract at year end balance date.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

### **Borrowing costs**

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

# Financials

## Statement of accounting policies

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### **Grant expenditure**

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

### **Income tax**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Deferred tax is recognised on taxable temporary differences arising on investments and subsidiaries, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### **Debtors and other receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that they will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

# Financials

## Statement of accounting policies

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### **Inventories and work in progress (Group)**

Inventories held for use in the production of goods and services are valued at the lower of cost and current replacement cost. The cost of purchased inventory is determined using the FIFO method for Selwyn Plantation Board Ltd and Ferguson Brothers Limited, and weighted average for SICON Limited and KB Irrigation Limited. In case of manufactured goods, cost includes direct materials, labour and production overheads associated with putting the inventories in their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The write down from cost to net realisable value is recognised in the statement of financial performance.

### **Livestock**

Livestock is valued at its fair value less estimated point of sale costs. Livestock was valued at fair market values as at 30 June 2008 by Mr Bryan Brice of PGG Wrightson, Stock and Station Agent.

### **Financial assets**

Selwyn District Council classifies financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determine the classification of investments at initial recognition and re-evaluate this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of investments are recognised on trade-date, the date on which Selwyn District Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Selwyn District Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Selwyn District Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

#### **1. Financial assets at fair value through profit or loss.**

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the Management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date.

After initial recognition, they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of financial performance.

Currently, Selwyn District Council values embedded derivatives and interest rate swaps in this category.

# Financials

## Statement of accounting policies

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### 2. Loans and receivables.

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Currently, Selwyn District Council has community loans, Central Plains Water Limited loan, short term deposits, rural housing loans and trade and other receivables in this category.

### 3. Held to maturity investments.

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Selwyn District Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Currently, Selwyn District Council holds bond investments in this category.

### 4. Financial assets at fair value through equity.

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- ▶ Investments that Selwyn District Council intends to hold long-term but which may be realised before maturity; and
- ▶ Shareholdings that Selwyn District Council holds for strategic purposes. Selwyn District Council's investment in its subsidiary and other equity investments that are not associates are included in this category.

After initial recognition, these investments are measured at their fair value with valuations performed by an independent valuer with sufficient regularity to ensure no investments are included at a valuation that is materially different from fair value. The valuation changes are recognised and held in a revaluation reserve.

The investment in Selwyn Investment Holdings Ltd (SIHL) is valued based on an independent valuation as at 30 June 2006 completed by Ernst & Young Corporate Finance Limited, Wellington dated 19 June 2007.

Selwyn District Council's investment in Orion Group Limited is valued based on an independent valuation as at 30 June 2006 completed by Ernst & Young Corporate Finance Limited, Wellington dated 18 August 2006. This valuation is based on the present value of the company's estimated future earnings.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the statement of financial performance even though the asset has not been derecognised.

# Financials

## Statement of accounting policies

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### **Impairment of financial assets**

At each balance date, Selwyn District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

### **Derivative financial instruments**

The Selwyn District Council uses derivative financial instruments to hedge interest rate risks arising from financial activities. The Selwyn District Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value at each balance date.

The associated gains or losses of derivatives are recognised in the statement of financial performance as part of "gains" or "other expenses".

The full fair value of derivatives are classified as non-current if the remaining maturity of the item is more than twelve months and as current if the remaining maturity of the item is less than twelve months.

### **Property, plant and equipment**

Property, plant and equipment of Selwyn District Council consists of:

*Operational Assets* - these include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.

*Restricted Assets* - restricted assets are parks and reserves owned by Selwyn District Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

*Infrastructural Assets* - infrastructural assets are fixed utility systems and roading networks owned by Selwyn District Council. Each asset class includes all items that are required for the network to function.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Farm land, land under roads and other land are not depreciated.

### **Additions**

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

# Financials

## Statement of accounting policies

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### **Depreciation**

#### *Selwyn District Council parent*

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	20 - 180 years	(0.6% - 5%)
Heritage	20 - 180 years	(0.6% - 5%)
Heavy Plant & Machinery	10 years	(10%)
Other Plant & Machinery	5 years	(20%)
Motor Vehicles	4 years	(25%)
Furniture & Fittings	10 years	(10%)
Library Books	7 years	(14.3%)
Computer Equipment	4 years	(25%)
<b>Roads</b>		
Formation/Sub Grade	Not depreciated	
Sub Base - Sealed Roads Only	Not depreciated	
Base Course	13 - 99 years	(1.0% - 7.7%)
Surface - Sealed Roads	1 - 18 years	(5.6% - 100%)
Surface - Unsealed Roads	40 years	(2.5%)
Kerb & Channelling	50 years	(2%)
Footpaths Base and Surface	40 years	(2.5%)
Culverts	50 - 100 years	(1% - 2%)
Traffic Signs	10 years	(10%)
Street Lights	20 years	(5%)
Street Light Poles	40 years	(2.5%)
Bridges	50 - 150 years	(0.7% - 2%)
Water Races - Structure	30 - 122 years	(0.8% - 3.3%)
Water Races - Race	Not depreciated	
Land Drainage - Structure	9 - 100 years	(1% - 11%)
Land Drainage - Drain	Not depreciated	
<b>Water supplies</b>		
Wells	40 years	(2.5%)
Pump Stations	10 - 100 years	(1% - 10%)
Reservoirs	50 - 75 years	(1.3% - 2%)
Valves Service Connections	20 - 50 years	(2% - 5%)
Pipes & Fire Hydrants	33 - 75 years	(1.3% - 3%)
<b>Sewerage Systems</b>		
Manholes	75 years	(1.3%)
Pipes	50 - 75 years	(1.3% - 2%)
Pump Stations	10 - 100 years	(1% - 10%)
Sewerage Treatment Stations	10 - 75 years	(1.3% - 10%)
Service Connection	75 years	(1.3%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

# Financials

## Statement of accounting policies

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### *Selwyn Investment Holdings Limited*

Depreciation is provided on all property, plant and equipment on a diminishing value basis at rates allowed by the Inland Revenue for that class of asset.

### *SICON Limited (SICON)*

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and association depreciation rates of major classes of assets have been estimated as follows:

Buildings	10 - 33 years	(3% - 10%)
Improvements	10 - 50 years	(2% - 10%)
Plant & Machinery	2 - 12 years	(8.3% - 50%)
Motor Vehicles	6 - 10 years	(10% - 16.7%)
Furniture & Fittings	3 - 10 years	(10% - 33%)
Computer Equipment	3 years	(33%)

### *Selwyn Plantation Board Ltd (SPBL)*

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and association depreciation rates of major classes of assets have been estimated as follows:

Buildings		
▶ Wooden	40 years	(2.5%)
▶ Brick	50 years	(2%)
Improvements	10 - 50 years	(2% - 10%)
Heavy Plant & Machinery	5-10 years	(10%-20%)
Other Plant & Machinery	5 years	(20%)
Motor Vehicles	5 years	(20%)
Furniture & Fittings	5 years	(20%)
Computer Equipment	5 years	(20%)

### *KB Irrigation Limited (KB Irrigation)*

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and association depreciation rates of major classes of assets have been estimated as follows:

Buildings	12 - 20 years	(5% - 8.3%)
Plant & Machinery	5 years	(20%)
Motor Vehicles	5 years	(20%)
Furniture & Fittings	5 years	(20%)
Computer Equipment	5 years	(20%)

### *Ferguson Brothers Limited*

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and association depreciation rates of major classes of assets have been estimated as follows:



# Financials

## Statement of accounting policies

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Buildings	13.8 - 33.3 years	(3% - 7%)
Plant & Machinery	1.5 - 50 years	(2% - 67%)
Motor Vehicles	3.5 - 7.5 years	(13.5% - 25.2%)
Furniture & Fittings	1.5 - 11.5 years	(8.5% - 67%)
Computer Equipment	2 - 3.3 years	(30% - 48%)

### ***Revaluation***

Those asset classes that are revalued are valued either on a three yearly or yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

If there is a material difference, then the relevant classes are revalued.

### ***Farm land***

Farm land is revalued annually at fair value as determined from market-based evidence by an independent valuer. The valuation of Selwyn District Council's farm land was performed by EM Saunders FNZIV, FPNZ Registered Valuer of Ford Baker Limited and the valuation is effective as at 30 June 2008. The valuation of SPBL was performed by Property Advisory Ltd, Registered Valuers and the valuation is effective as at 30 June 2008.

### ***Other land and buildings***

Other land and buildings are valued on a three yearly basis at fair value as determined from market-based evidence by an independent valuer. The most recent valuation of Selwyn District Council, KB Irrigation and SICON was performed by R O Chapman B Com (VPM) SPINZ (ANZIV) AREINZ MIPMV Registered Valuer and S E J Newberry B Com (VPM) SPINZ (ANZIV) Registered Valuer of Ford Baker Limited and the valuation is effective as at 30 June 2007. The most recent valuation of SPBL was performed by Property Advisory Ltd, Registered Valuers and the most recent valuation is effective as at 30 June 2008.

### ***Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems.***

These assets are valued at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date, Selwyn District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. The roading network, were valued as at 30 June 2008 by Mike Trapper (BE (Elec), MPINZ) who is a senior valuer with Beca Valuation Ltd. Water, sewerage, stormwater, land drainage and water race assets were valued as at 30 June 2008 by John Vessey (BE (Civil), BA (Econs) Transitional Certificate (Econs), MIPENZ a partner of Opus International Consultants Limited.

### ***Land under roads***

Land under roads, are valued based on fair value of adjacent land determined by the Council's finance staff effective 30 June 2005. Land under roads is not revalued.

### ***Accounting for revaluations***

Selwyn District Council accounts for revaluations of property, plant and equipment on a class by class basis.

# Financials

## Statement of accounting policies

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The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset for Selwyn District Council and for each asset for SPBL, SICON, KB Irrigation and Ferguson Brothers Limited. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### **Non-current assets held for sale**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance.

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the statement of financial performance.

### **Investment property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Selwyn District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation was performed by S E J Newberry B Com (VPM) SPINZ (ANZIV) Registered Valuer of Ford Baker Limited and the valuation is effective as at 30 June 2008.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance.

### **Development property**

Development properties are properties that are being developed for sale. Development properties are measured at the lower of cost and net realisable value. They are transferred to non-current assets held for sale once they are ready and being marketed for sale.

### **Forestry assets**

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. The Selwyn District Council forest was independently revalued as at 30 June 2008 by Terry O'Neill, Qualified Forester. The SPBL forest was revalued as at 30 June 2008 pursuant to a Directors' valuation. SPBL forest is independently revalued every three years with the most recent valuation being effective as at 31 March 2006 and completed by H Corbett of Chandler Fraser Keating Ltd.

# Financials

## Statement of accounting policies

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Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the statement of financial performance. The costs to maintain the forestry assets are included in the statement of financial performance.

### **Intangible assets**

#### ***Goodwill***

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Selwyn District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Selwyn District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

#### ***Software acquisition***

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use, the specific software.

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

#### ***Amortisation***

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates for software have been estimated as follows:

Selwyn District Council	4 years	25%
SICON Limited	3 years	33%
Selwyn Plantation Board Limited	5 years	20%
KB Irrigation Limited	5 years	20%
Ferguson Brothers Limited	3 years	33%

#### ***Mining Licences***

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

#### ***Amortisation***

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

Amortisation begins from acquisition date and ceases at the date that the licence is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

# Financials

## Statement of accounting policies

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The useful lives and associated amortisation rate for mining licences have been estimated as follows:

Haast	33 years
Paringa	31.42 years
Caravan Knob	39.33 years
Whataroa	31.42 years

### **Impairment of non-financial assets**

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss of that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the statement of financial performance.

### **Goods and services tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

### **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

# Financials

## Statement of accounting policies

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### **Borrowings**

Borrowings are initially measured at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Selwyn District Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

### **Employee benefits**

#### ***Short-term benefits***

Employee benefits that Selwyn District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, bonus accruals and sick leave.

Selwyn District Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Selwyn District Council anticipates it will be used by staff to cover those future absences.

Selwyn District Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

#### ***Long-term benefits***

##### *Long service leave and retirement leave*

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- ▶ Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- ▶ The present value of the estimated future cash flows. A discount rate and an inflation factor were used in this calculation.

##### *Superannuation schemes*

###### Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

###### Defined benefit schemes

Selwyn District Council, SPBL and SICON Limited belong to the Defined Benefit Plan Contribution Scheme ('the Scheme') which is managed by the Board of Trustees of the National Provident Fund. The Scheme is a multi-employer defined benefit scheme.

# Financials

## Statement of accounting policies

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Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the Scheme, the extent to which the surplus/deficit will affect contributions by individual employers, as there is no prescribed basis for allocation. The Scheme is therefore accounted for as a defined contribution scheme.

### **Provisions**

Selwyn District Council recognises a provision for future expenditure of uncertain or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### **Landfill aftercare provision**

A provision for future landfill site restoration and aftercare costs is recognised when the activities giving rise to the need for site restoration and aftercare have commenced. The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time. Any increase in the provision due to the change in present value is recognised in the statement of financial performance as a time value adjustment.

Future landfill site restoration and aftercare costs provided for are initially capitalised in the statement of financial position. Any change in the provision for future landfill site restoration and aftercare costs arising from a change in estimate of those costs is also recognised in non current assets in the statement of financial position.

Future landfill site restoration and aftercare costs capitalised in the statement of financial position are depreciated at rates that match the pattern of benefits expected to be derived from the landfill, including power generation using landfill gas.

### **Restricted and council created reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Selwyn District Council.

Restricted reserves are those subject to specific conditions accepted as binding by Selwyn District Council and which may not be revised by Selwyn District Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party of the Courts. Transfers to and from these reserves are at the discretion of the Council.

Selwyn District Council objectives, policies and processes for managing capital are described in note 39.

# Financials

## Statement of accounting policies

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### **Leases**

#### *Finance leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Selwyn District Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Selwyn District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### *Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### **Budget figures**

The budget figures are those approved by the Council at the beginning of the year in the Annual Budget. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Selwyn District Council for the preparation of the financial statements.

### **Cost allocation**

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

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

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

### **Critical accounting estimates and assumptions**

In preparing these financial statements Selwyn District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Other Financial Assets - Fair Value Through Equity*

There are assumptions and estimates used when performing valuations of investments about the future maintainable earnings of investments and the earnings multiple used in these valuations. Experienced valuers perform the valuation of Selwyn District Council's investments.

# Financials

## Statement of accounting policies

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### *Infrastructural assets*

There are a number of assumptions and estimates used when performing valuations over infrastructural assets. These include:

- ▶ The physical deterioration and condition of an asset, for example the Selwyn District Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Selwyn District Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- ▶ Estimating any obsolescence or surplus capacity of an assets; and
- ▶ Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Selwyn District Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk Selwyn District Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Selwyn District Council's asset management planning activities, which gives Selwyn District Council further assurance over its useful life estimates.

Experienced independent valuers perform Selwyn District Council's infrastructural asset revaluations.

### *Provisions*

Note 24 comments on the exposure of SPBL in relation to the estimates and uncertainties surrounding the Bankside provision.

### *Forest valuation*

The forest valuation is calculated based on assumptions of current costs and revenues discounted to present value. The valuation conforms with NZ IAS 41 Agriculture.



# Financials

## Notes to the financial statements

### Note 1 - Summary cost of services

	Council 2008 \$000	Council Budget \$000	Council 2007 \$000
<b>Income</b>			
Democracy	463	417	390
Community services and other activities	8,500	5,242	6,801
Environmental services	3,196	3,895	3,368
Transportation and townships	8,694	5,706	8,951
Waste management	3,098	3,184	2,849
Waste water services	12,327	6,531	11,296
Water supplies	6,447	4,967	6,316
Izone southern business hub	8,830	5,427	3,670
<b>Total activity income</b>	<b>51,555</b>	<b>35,369</b>	<b>43,641</b>
Less internal revenue	(1,355)	-	(2,162)
General rates	7,918	7,176	7,181
Rates penalties	171	100	131
Other corporate revenue	7,205	6,909	9,388
<b>Total income</b>	<b>65,494</b>	<b>49,554</b>	<b>58,179</b>
<b>Expenditure</b>			
Democracy	2,391	2,292	2,253
Community services and other activities	7,165	7,154	5,853
Environmental services	6,557	7,119	5,311
Transportation and townships	13,190	11,665	12,288
Waste management	2,843	3,412	2,752
Waste water services	3,830	3,975	3,111
Water supplies	5,389	5,302	4,499
Izone southern business hub	4,599	3,302	2,351
Other corporate expenditure	776	1,259	-
<b>Total activity expenditure</b>	<b>46,740</b>	<b>45,480</b>	<b>38,418</b>
Less internal expenditure	(1,355)	-	(2,162)
<b>Total operating expenditure</b>	<b>45,385</b>	<b>45,480</b>	<b>36,256</b>

Each significant activity includes targeted rates attributable to a particular activity (refer to note 2). Other corporate revenue includes income sources which are not directly attributable to a significant activity, for example dividends and interest. Other corporate revenue is included in the support services cost statement (refer page 118).

# Financials

## Notes to the financial statements - continued

### Note 2 - Rates Revenue

	Council Actual 2008 \$000	Council Actual 2007 \$000	Group Actual 2008 \$000	Group Actual 2007 \$000
General rates	7,918	7,181	7,834	7,113
Rates penalties	171	131	171	131
Targeted rates				
Democracy	424	375	424	375
Community services and other activities	2,040	1,736	2,040	1,736
Waste management	2,368	2,223	2,368	2,223
Waste water services	1,878	1,594	1,878	1,594
Water supplies	2,753	2,354	2,753	2,354
Water meter charges	214	173	214	173
Total rates revenue	17,766	15,767	17,682	15,699

Rates revenue is shown net of rates remissions. The council's Rates Remission Policy provides rates to be remitted on properties including:

- ▶ Community, sporting and other organisations;
- ▶ Sewerage rates for schools;
- ▶ Vacant land;
- ▶ Plunket branches, scout group halls;
- ▶ Masonic lodges;
- ▶ Properties and open space covenants;
- ▶ School and service club endowment land;
- ▶ Land protected for natural, historic or cultural conservation.

The Rates Remission Policy can be found in Volume 3 pages 49 to 54 of the Selwyn Community Plan 2006-2016.

	Council Actual 2008 \$000	Council Actual 2007 \$000	Group Actual 2008 \$000	Group Actual 2007 \$000
Total rates revenue	17,807	15,813	17,728	15,745
Rates remissions				
Sports bodies	20	13	13	13
Churches	17	29	29	29
Other social and cultural organisations	4	4	4	4
Total remissions	41	46	46	46
Rates revenue net of remissions	17,766	15,767	17,682	15,699

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

# Financials

## Notes to the financial statements - continued

### Note 3 - Other revenue

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Building consents	2,045	2,391	2,045	2,391
Connection and irrigation fees	190	348	190	348
Development contributions	8,347	7,273	8,347	7,273
Dividend revenue	4,815	5,976	5,088	5,045
Dog registration	235	227	235	227
Forest product sales - SPBL	-	-	13,274	13,932
Grants	130	55	130	55
Gravel royalties	95	75	(7)	-
Interest revenue	1,975	2,760	2,903	4,190
Land Transport New Zealand subsidy	4,465	4,299	4,465	4,299
Leases	199	186	90	67
Lump sum contributions	500	726	500	726
Petroleum tax	187	124	187	124
Rental and hire charges	426	371	458	431
Resource consent fees	740	592	740	592
Vested assets	11,193	10,267	11,193	10,267
Other trading income - Council	3,484	2,965	3,484	2,965
Other trading income - SICON	-	-	32,193	30,967
Other trading income - SPBL	-	-	1,971	529
Other trading income - FBL	-	-	12,378	-
Other trading income - KB	-	-	7,259	8,996
<b>Total other revenue</b>	<b>39,026</b>	<b>38,635</b>	<b>107,123</b>	<b>93,424</b>

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

### Note 4 - Other gains/(losses)

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Gain on disposal of property, plant & equip.	8,779	3,611	8,998	3,726
Gain on changes in fair value of forestry	(133)	37	(153)	1,037
Gain on fair value of derivatives	56	74	116	74
Gain on sale of Investments	-	-	-	-
Gain on changes in fair value of investment property (note 17)	-	55	-	-
Land and buildings decrement	-	-	-	(29)
<b>Total other gains/(losses)</b>	<b>8,702</b>	<b>3,777</b>	<b>8,961</b>	<b>4,808</b>

# Financials

## Notes to the financial statements - continued

### Note 5 - Employee benefit expenses

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Salaries and wages	8,504	7,687	31,201	25,282
Employer contributions to superannuation plans	15	15	110	98
Employer contributions to other plans & benefits	-	-	61	47
Increase/(decrease) in employee liabilities	(93)	(273)	(74)	(174)
Total employee expenses	8,426	7,429	31,298	25,253

### Note 6 - Depreciation

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Operational assets	1,483	1,369	5,628	4,258
Infrastructural assets	9,172	8,047	9,172	8,047
	10,655	9,416	14,800	12,305
Intangible assets	54	51	121	101
	10,709	9,467	14,921	12,406
Less capitalised depreciation	-	-	(868)	(561)
	10,709	9,467	14,053	11,845

# Financials

## Notes to the financial statements - continued

### Note 7 - Other expenses

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Impairment of property, plant & equipment	-	327	200	327
Impairment of intangible assets	-	-	603	-
Provision for Bankside Depot	-	-	2,218	-
Auditors' fee	-	-	-	-
- Audit	149	86	332	208
- IFRS transition audit	-	14	2	39
- LTCCP audit and other work	-	-	-	-
Bad debts written off	11	38	123	47
Cost of production - SPBL	-	-	8,581	8,882
Cost of sales - materials	-	-	12,076	6,596
Directors' and members' remuneration	405	388	915	862
Donations	-	-	6	23
Grants	110	118	110	118
Impairment of trade receivables	-	(27)	(18)	86
Impairment of other financial assets	108	98	108	98
Lease payments under operating leases	-	-	1,146	1,064
Loss on sale of assets	436	-	760	-
Plantation expenses	-	-	827	491
Refuse contract payments	1,128	994	1,128	994
Refuse transfer station operations	1,404	1,249	1,404	1,249
Roading	5,451	3,531	5,451	3,531
Valuation services	127	105	127	105
General operating expenses	16,921	12,439	34,305	25,214
Total other expenses	26,250	19,360	70,404	49,934

# Financials

## Notes to the financial statements - continued

### Note 8 - Finance costs

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Interest Expense				
- Bank overdraft	-	-	-	-
- Loan interest	-	-	868	467
- Finance lease	-	-	52	66
Total finance costs	-	-	920	533

### Note 9 - Tax

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Non-deductible expenditure				
<b>Tax expense and accounting profit relationship</b>				
Surplus/(deficit) before tax	20,109	21,923	17,091	26,366
Taxation at 33%	6,636	7,235	5,640	8,701
Non-assessable income	(6,588)	(7,186)	(8,185)	(8,052)
Non-deductible expenditure	-	-	252	-
Prior year adjustment	21	1	(173)	(42)
De-recognition of future income tax benefit	-	-	1,662	-
Deferred tax on removal of timing differences	-	-	73	-
Change in tax rate	-	-	(55)	-
Total taxation expense	69	50	(786)	607
<b>Tax expense components</b>				
Current tax expense	45	37	493	643
Prior year adjustments	21	1	(173)	(42)
Deferred tax expense	3	12	(1,051)	6
Change in tax rate	-	-	(55)	-
Total taxation expense	69	50	(786)	607
<b>Taxation receivable/(provision)</b>				
Opening balance 1 July	41	(1)	3,357	2,610
/less Current taxation expense	(45)	(37)	(493)	(643)
/less Taxation refund	-	-	(3,373)	(2,650)
Prior period adjustments	(21)	(1)	227	46
plus Taxation paid	41	80	4,453	3,994
Total taxation receivable/(provision)	16	41	4,171	3,357

# Financials

## Notes to the financial statements - continued

### Deferred tax assets/(liabilities)

	Opening Balance 1 July 2007	Charged to Surplus	Charged to Equity	Closing Balance 30 June 2008
<b>Parent</b>				
<b>Deferred tax liabilities</b>				
Investment property	(64)	(14)		(78)
Property, Plant & Equipment	(20)	11	-	(9)
	<b>(84)</b>	<b>(3)</b>	<b>-</b>	<b>(87)</b>
<b>Deferred Tax Assets</b>				
Trade and other payables	-	-	-	-
Employee benefits and other accruals	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June 2008</b>	<b>(84)</b>	<b>(3)</b>	<b>-</b>	<b>(87)</b>

	Opening Balance 1 July 2006	Charged to Surplus	Charged to Equity	Closing Balance 30 June 2007
<b>Parent</b>				
<b>Deferred tax liabilities</b>				
Investment property	(46)	(18)	-	(64)
Property, Plant & Equipment	-	6	(26)	(20)
	<b>(46)</b>	<b>(12)</b>	<b>(26)</b>	<b>(84)</b>
<b>Deferred Tax Assets</b>				
Trade and other payables	-	-	-	-
Employee benefits and other accruals	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Balance</b>	<b>(46)</b>	<b>(12)</b>	<b>(26)</b>	<b>(84)</b>

# Financials

## Notes to the financial statements - continued

	Opening Balance 1 July 2007	Charged to Surplus	Charged to Equity	Change to Tax rate	Closing Balance 30 June 2008
<b>Group</b>					
<b>Deferred tax liabilities</b>					
Property, Plant & Equipment	(1,948)	(147)	29	181	(1,885)
Trade and other receivables	(234)	139	-	14	(81)
	<b>(2,182)</b>	<b>(8)</b>	<b>29</b>	<b>195</b>	<b>(1,966)</b>
<b>Deferred Tax Assets</b>					
Trade and other payables	65	(23)	-	(7)	35
Employee benefits and other accruals	578	853	-	(132)	1,299
Benefit of tax losses (future income tax benefits)	914	286	-	(109)	1,091
	<b>1,557</b>	<b>1,116</b>	<b>-</b>	<b>(248)</b>	<b>2,425</b>
<b>Balance at 30 June 2008</b>	<b>(625)</b>	<b>1,108</b>	<b>29</b>	<b>(53)</b>	<b>459</b>

	Opening Balance 1 July 2006	Charged to Surplus	Charged to Equity	Closing Balance 30 June 2007
<b>Group</b>				
<b>Deferred tax liabilities</b>				
Property, Plant & Equipment	(890)	(977)	(81)	(1,948)
Trade and other receivables	(185)	(23)	(26)	(234)
	<b>(1,075)</b>	<b>(1,000)</b>	<b>(107)</b>	<b>(2,182)</b>
<b>Deferred Tax Assets</b>				
Trade and other payables	69	(4)	-	65
Employee benefits and other accruals	494	84	-	578
Benefit of tax losses (future income tax benefits)	-	914	-	914
	<b>563</b>	<b>994</b>	<b>-</b>	<b>1,557</b>
<b>Net Deferred Tax Balance</b>	<b>(512)</b>	<b>(6)</b>	<b>(107)</b>	<b>(625)</b>

### Imputation credit account balances

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Selwyn Investment Holdings Limited	-	-	7,463	6,502



# Financials

## Notes to the financial statements - continued

### Note 10 - Cash and cash equivalents

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Cash at bank	1,205	4,297	2,407	5,092
Short term deposits (maturity 3 mths or less)	17,266	17,266	20,277	23,227
<b>Total cash and cash equivalents</b>	<b>18,471</b>	<b>21,563</b>	<b>22,684</b>	<b>28,319</b>

### Note 11 - Debtors and other receivables

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Rates receivables	1,423	1,077	1,423	1,077
Other receivables	1,452	1,615	9,578	11,448
Related party receivables (note 34)	184	174	-	-
Community loans	136	154	136	154
Dividend receivable	4,661	2,789	1,984	-
Sundry debtors & prepayments	2,339	2,171	3,512	2,993
	10,195	7,980	16,633	15,672
<i>less</i> Provision for impairment	(27)	(27)	(116)	(167)
<b>Total debtors and other receivables</b>	<b>10,168</b>	<b>7,953</b>	<b>16,517</b>	<b>15,505</b>
<i>less</i> Non-current community loans	(136)	(154)	(136)	(154)
<b>Current portion</b>	<b>10,032</b>	<b>7,799</b>	<b>16,381</b>	<b>15,351</b>

Community loans have been valued at amortised cost which has been used as an approximation of fair value. The face value of community loans is \$169,000 (2007 \$192,000).

The carrying value of trade and other receivables (excluding community loans) approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

The Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place they are for a short term therefore debts have not been discounted to the present value of future repayments.

These powers allow the council to commence legal proceeding to recover any rates that remain unpaid four months after the due dates for payment. If payment has not been made within three months of the Court's judgment, then the council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

# Financials

## Notes to the financial statements - continued

The status of receivables as at 30 June 2008 and 2007 is detailed below:

	Gross 2008 \$000	Council Impairment 2008 \$000	Net 2008 \$000	Gross 2007 \$000	Council Impairment 2007 \$000	Net 2007 \$000
Not past due	1,536		1,536	1,483		1,483
Past due 1-30 days	93		93	145		145
Past due 31-60 days	32		32	81		81
Past due >61days	1214	(27)	1,187	983	(27)	956
Total	2875	(27)	2848	2692	(27)	2665

	Gross 2008 \$000	Group Impairment 2008 \$000	Net 2008 \$000	Gross 2007 \$000	Group Impairment 2007 \$000	Net 2007 \$000
Not past due	8,585	0	8,585	10,221	0	10,221
Past due 1-30 days	911	0	911	1,019	0	1,019
Past due 31-60 days	81	0	81	82	0	82
Past due >61days	1,424	(116)	1,308	1,203	(166)	1,037
Total	11,001	(116)	10,885	12525	(166)	12359

As of 30 June 2008 and 2007, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. The council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for the Council's pool of debtors. Expected losses have been determined base on review of specific debtors at balance date.

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	(27)	(28)	(166)	(43)
Additional provisions	(11)	(38)	(105)	(171)
Receivable written off	11	39	155	48
Closing balance 30 June 2008	(27)	(27)	(116)	(166)

# Financials

## Notes to the financial statements - continued

### Note 12 - Inventory and Work in Progress

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Gravel Stocks	-	-	1,344	1,174
Minor Forest Produce	-	-	-	-
Other Direct Materials	-	-	446	407
Stores	-	-	337	201
Finished Goods	-	-	1,163	1,018
Work in Progress	-	-	1,874	1,226
	-	-	5,164	4,026

There is no inventory pledged as security for liabilities. There is no inventory subject to retention of title clauses.

The write down of inventory is \$208,544 (2007: \$107,000)

### Note 13 - Livestock (Group)

	2008 Head	2008 \$000	2007 Head	2007 \$000
<b>Sheep</b>				
Stock on Hand - 1 July 2007	8,429	519	3,210	227
Plus purchases and natural increases	22,293	1,171	8,243	386
Less sales and deaths	(19,291)	(989)	(3,024)	(150)
Other movements		(6)		56
Closing Balance - 30 June 2008	11,431	695	8,429	519
<b>Cattle</b>				
Stock on Hand - 1 July 2007	775	384	333	193
Plus purchases and natural increases	1,221	736	633	347
Less sales and deaths	(691)	(503)	(191)	(81)
Other movements		227		(75)
Closing Balance - 30 June 2008	1,305	844	775	384
Total Livestock		1,539		903

# Financials

## Notes to the financial statements - continued

### Note 14 - Other financial assets

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
<b>Current portion</b>				
<i>Loans and receivables</i>				
Short-term deposits (maturity 4-12 mths)	2,000	2,500	2,000	7,977
	<u>2,000</u>	<u>2,500</u>	<u>2,000</u>	<u>7,977</u>
<i>Fair value through profit &amp; loss</i>				
Interest rate swap	-	-	60	-
	<u>-</u>	<u>-</u>	<u>60</u>	<u>-</u>
<i>Held to maturity</i>				
Government bonds	-	2,000	-	2,000
	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total current portion	<u>2,000</u>	<u>4,500</u>	<u>2,060</u>	<u>9,977</u>
<b>Non-current portion</b>				
<i>Fair value through profit &amp; loss</i>				
Embedded derivatives - Principal	604	542	604	542
Embedded derivatives - Interest	-	4	-	4
	<u>604</u>	<u>546</u>	<u>604</u>	<u>546</u>
<i>Loans and receivables</i>				
Central Plains Water Limited	1,539	1,431	1,539	1,431
less Provision for impairment	(1,539)	(1,431)	(1,539)	(1,431)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fair value through equity</i>				
Selwyn Investment Holdings Limited	106,777	101,125	-	-
Transwaste (Canterbury) Limited	1,500	1,500	1,500	1,500
Orion Group Limited	-	-	65,255	59,000
Unlisted shares - shareholding	-	-	18	-
	<u>108,277</u>	<u>102,625</u>	<u>66,773</u>	<u>60,500</u>
<i>Held to maturity</i>				
Government bonds	1,957	1,953	1,957	1,953
	<u>1,957</u>	<u>1,953</u>	<u>1,957</u>	<u>1,953</u>
Total non current portion	<u>110,838</u>	<u>105,124</u>	<u>69,334</u>	<u>62,999</u>

The notes below refer to the investment balances above.

*a) Selwyn Investment Holdings Limited (SIHL)*

Selwyn Investment Holdings Limited (SIHL) has issued but uncalled capital of \$8,151,000 preference shares at 30 June 2008 (2007: \$8,151,000 preference shares).

# Financials

## Notes to the financial statements - continued

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### *b) Central Plains Water Limited loan*

The council entered into a loan agreement of \$1,030,000 with Central Plains Water Limited during the 2004 financial year to recognise the council's share of scheme expenses incurred prior to the establishment of the company. Under the loan agreement, the funds will be treated as suspensory loans unless and until the scheme is commissioned (and in the event that the scheme is commissioned in stages, then from the commissioning of the first stage).

The Council provided an extension to the loan facility of \$154,723 on 28 February 2005. The extension was provided on the same terms and conditions as the original loan balance.

Interest on the loan has accrued from 25 October 2004 and 28 February 2005 for the respective loan balances at an annual rate being the ten current interpolated 12 month Local Government Stock rates plus a margin of 50 basis points. Interest is calculated daily on the loan and shall be paid in arrears. Interest is included as part of the outstanding amount and is not capitalised.

If the company is not successful in gaining the necessary resource consents to proceed with construction of the scheme, the loan will be converted to ordinary shares in the company on a dollar for dollar basis.

The loans will not be repayable in cash until the scheme has been commissioned.

If the scheme proceeds and construction is funded by debt and equity finance, the council will have the option to convert the loan into shares (of an agreed class) in any associated and/or related company which may be, or is to be, the infrastructure-owning entity which will be associated with Central Plains Water Limited. Rights to water do not attach to these shares. If the council does not elect to convert their loan into shares, the loan shall be repaid in cash over an agreed period of time.

There are no specific maturity dates for the loan as repayment depends on the progress of the scheme and options chosen by Central Plains Water Limited and the council.

At balance date, the council owns one share in Central Plains Water Limited.

#### *Provision for loan write-down.*

The Council has provided support to the Central Plains Water scheme in the form of a suspensory loan to Central Plains Water Limited as described above plus an extension to the loan facility during 2004/2005. The Council has made a provision for the possible non-repayment of the loan and the accrued interest to recognise the suspensory nature of the loan. The council will review the provision each year as the scheme progresses.

The council, in providing this provision, has done so due to this being the appropriate technical accounting approach. The council is extremely supportive of this project which has the potential to provide significant employment and economic benefits to the district.

### *c) Transwaste Canterbury Limited (TCL)*

The TCL investment relates to the Council's contribution to the construction of a regional landfill. TCL has issued, but uncalled, capital of \$4 million of which the Council has a 3% holding.

# Financials

## Notes to the financial statements - continued

### Note 15 - Property held for sale

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	1,930	1,373	1,930	1,373
Transfers to assets held for sale	5,072	1,072	6,047	1,072
Disposals	(2,435)	(515)	(2,435)	(515)
Total non-current assets held for sale	4,567	1,930	5,542	1,930
<i>Assets held for sale consists of:</i>				
Izone Southern Business Hub	4,567	856	4,567	856
Springston residential subdivision	-	1,074	-	1,074
Farm land	-	-	975	-
	4,567	1,930	5,542	1,930

### Note 16 - Investments in associates

The Council has a 50% interest in Central Plains water Trust (Christchurch City Council hold the other 50%). The Trust has a balance date of 30 June. The investment in the Trust is carried at cost.

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Central Plains Water Trust	-	-	-	-

#### *Summarised financial information of Central Plains Water Trust*

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Assets	236	73	236	73
Liabilities	227	68	227	68
Net assets	9	5	9	5
Revenue	93	67	93	67
Surplus/(deficit)	4	5	4	5
Council's interest	50%	50%	50%	50%

The Trust has no contingent liabilities at 30 June 2008 (2007 \$nil).

# Financials

## Notes to the financial statements - continued

### Note 17 - Investment property

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	565	510	-	-
Additions from acquisitions	-	-	-	-
Disposals	-	-	-	-
Fair value gains/(losses) on valuation*	-	55	-	-
Closing balance 30 June 2008	565	565	-	-

\* Refer to note 5

SICON Limited's head office in Darfield is owned by the council and leased to the company. This building has been classified as an investment property. The council's investment property is valued annually at fair value effective 30 June. The valuation was performed by S Newbury, B Com (VPM), SNZPI (ANZIV), a registered public valuer from Ford Baker Valuations Ltd, Christchurch.

### Note 18 - Forestry assets

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	338	301	10,538	9,501
Increases due to purchases	-	-	-	-
Gains attributable to physical changes	-	-	1,960	4,000
Gains/(losses) from changes in fair value less point of sale costs	(133)	37	(793)	1,037
Decreases due to sales	-	-	-	-
Decreases due to harvest	(87)	-	(1,407)	(4,000)
Closing balance 30 June 2008	118	338	10,298	10,538

Selwyn Plantation Board Ltd (SPBL) has a total estate of 5,193 hectares made up of Radiata at 4,405 hectares and Douglas Fir at 788 hectares. Independent registered valuers Chandler Fraser Keating have valued the forestry assets as at 31 March 2006, and the same valuation methodology was used for a Directors' valuation as at 30 June 2008 based on advice/calculations provided by PF Olsen Ltd.

### Financial Risk Management Strategies

Selwyn District Council is exposed to financial risks arising from changes in timber prices. Selwyn District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Selwyn District Council reviews the outlook for timber prices regularly in considering the need for active financial risk management.

# Financials

## Notes to the financial statements - continued

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### Note 19 - Property, Plant and Equipment

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Operational assets	127,642	116,748	203,334	182,313
Infrastructural assets	558,267	460,557	558,267	460,557
Total property, plant and equipment	685,909	577,305	761,601	642,870



# Financials

## Notes to the financial statements - continued

### (a) Operational Assets - Parent

	Land	Farm land	Buildings	Heritage Assets	Plant and Machinery	Library Books	Work in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Gross carrying amount:</b>								
Balance at 1 July 2006	33,783	3,560	16,443	357	6,449	1,437	1,469	63,498
Additions	6,940	-	551	-	899	135	8,946	17,471
Disposals	(170)	-	-	-	(185)	-	-	(355)
Impairment	-	-	(89)	-	-	-	-	(89)
Net revaluation increase/(decrease)	39,575	286	1,785	-	-	-	-	41,646
Transfers	-	-	379	-	-	-	(379)	-
Transfers to development property	-	-	-	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2007</b>	<b>80,128</b>	<b>3,846</b>	<b>19,069</b>	<b>357</b>	<b>7,163</b>	<b>1,572</b>	<b>10,036</b>	<b>122,171</b>
Additions	3,078	-	6,215	-	1,283	137	2,321	13,034
Disposals	(1,113)	-	-	-	(105)	-	-	(1,218)
Impairment	-	-	-	-	-	-	-	-
Net revaluation increase/(decrease)	-	508	-	-	-	-	-	508
Transfers	(193)	193	9,915	-	6	-	(9,921)	-
Transfers to development property	-	-	-	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2008</b>	<b>81,900</b>	<b>4,547</b>	<b>35,199</b>	<b>357</b>	<b>8,347</b>	<b>1,709</b>	<b>2,436</b>	<b>134,495</b>
<b>Accumulated depreciation:</b>								
Balance at 1 July 2006	-	-	(1,155)	(15)	(3,798)	(977)	-	(5,945)
Disposals	-	-	-	-	148	-	-	148
Net adjustments on asset revaluation	-	-	1,743	-	-	-	-	1,743
Depreciation expense	-	-	(588)	(5)	(648)	(128)	-	(1,369)
<b>Balance at 30 June 2007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>(4,298)</b>	<b>(1,105)</b>	<b>-</b>	<b>(5,423)</b>
Disposals	-	-	-	-	53	-	-	53
Net adjustments on asset revaluation	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(597)	(5)	(754)	(127)	-	(1,483)
<b>Balance at 30 June 2008</b>	<b>-</b>	<b>-</b>	<b>597</b>	<b>(25)</b>	<b>(4,999)</b>	<b>(1,232)</b>	<b>-</b>	<b>(6,853)</b>
<b>Net carrying amount at 30-Jun-07</b>	<b>80,128</b>	<b>3,846</b>	<b>19,069</b>	<b>337</b>	<b>2,865</b>	<b>467</b>	<b>10,036</b>	<b>116,748</b>
<b>Net carrying amount at 30-Jun-08</b>	<b>81,900</b>	<b>4,547</b>	<b>34,602</b>	<b>332</b>	<b>3,348</b>	<b>477</b>	<b>2,436</b>	<b>127,642</b>

Impairment losses of \$89,000 were recognised in 2007 for impairment of the Darfield learner swimming pool building which was damaged in the June 2006 snow event. The cost of replacing the building has been funded from an insurance claim and internal insurance reserves.

# Financials

## Notes to the financial statements - continued

### (b) Operational Assets - Group

	Land \$000	Farm land \$000	Buildings \$000	Heritage Assets \$000	Plant and Machinery \$000	Library Books \$000	Work in Progress \$000	Total \$000
<b>Gross carrying amount:</b>								
Balance at 1 July 2006	47,201	28,657	19,936	357	29,527	1,437	1,469	128,584
Additions	6,940	5,876	1,946	-	3,983	135	9,072	27,952
Disposals	(170)	-	-	-	(1,331)	-	-	(1,501)
Impairment	-	-	(89)	-	-	-	-	(89)
Net revaluation increase/(decrease)	43,515	210	1,992	-	-	-	-	45,717
Transfers	-	-	379	-	-	-	(379)	-
Transfers to development property	-	-	-	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2007</b>	<b>97,486</b>	<b>34,743</b>	<b>24,164</b>	<b>357</b>	<b>32,179</b>	<b>1,572</b>	<b>10,162</b>	<b>200,663</b>
Additions	3,078	4,576	9,241	-	11,533	137	2,776	31,341
Disposals	(1,448)	(2,476)	(346)	-	(1,625)	-	-	(5,895)
Impairment	-	-	-	-	(200)	-	-	(200)
Net revaluation increase/(decrease)	(2,040)	2,489	(207)	-	-	-	-	242
Transfers	(193)	193	9,975	-	5	-	(9,981)	(1)
Transfers to development property	-	-	-	-	-	-	-	-
Transfers to assets held for sale	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2008</b>	<b>96,883</b>	<b>39,525</b>	<b>42,827</b>	<b>357</b>	<b>41,892</b>	<b>1,709</b>	<b>2,957</b>	<b>226,150</b>
<b>Accumulated depreciation:</b>								
Balance at 1 July 2006	-	-	(1,257)	(15)	(14,730)	(977)	-	(16,979)
Disposals	-	-	-	-	1,078	-	-	1,078
Net adjustments on asset revaluation	-	-	1,809	-	-	-	-	1,809
Depreciation expense	-	-	(740)	(5)	(3,385)	(128)	-	(4,258)
<b>Balance at 30 June 2007</b>	<b>-</b>	<b>-</b>	<b>(188)</b>	<b>(20)</b>	<b>(17,037)</b>	<b>(1,105)</b>	<b>-</b>	<b>(18,350)</b>
Disposals	-	-	2	-	1,114	-	-	1,116
Net adjustments on asset revaluation	-	-	46	-	-	-	-	46
Depreciation expense	-	-	(963)	(5)	(4,533)	(127)	-	(5,628)
<b>Balance at 30 June 2008</b>	<b>-</b>	<b>-</b>	<b>(1,103)</b>	<b>(25)</b>	<b>(20,456)</b>	<b>(1,232)</b>	<b>-</b>	<b>(22,816)</b>
<b>Net carrying amount at 30-Jun-07</b>	<b>97,486</b>	<b>34,743</b>	<b>23,976</b>	<b>337</b>	<b>15,142</b>	<b>467</b>	<b>10,162</b>	<b>182,313</b>
<b>Net carrying amount at 30-Jun-08</b>	<b>96,883</b>	<b>39,525</b>	<b>41,724</b>	<b>332</b>	<b>21,436</b>	<b>477</b>	<b>2,957</b>	<b>203,334</b>

# Financials

## Notes to the financial statements - continued

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Impairment losses of \$89,000 were recognised in 2007 for impairment of the Darfield learner swimming pool building which was damaged in the June 2006 snow event. The cost of replacing the building has been funded from an insurance claim and internal insurance reserves.

The net carrying amount of plant and equipment held under finance leases is \$707,164 (2007: \$707,164).

There is no property, plant and equipment whose title is restricted. There is no property, plant and equipment pledged as security for liabilities.

# Financials

## Notes to the financial statements - continued

### (c) Infrastructural Assets - Council & Group

	Road network \$000	Water supplies \$000	Storm Water \$000	Sewerage schemes \$000	Land drainage \$000	Water races \$000	Refuse disposal \$000	Work in Progress \$000	Total \$000
<b>Gross carrying amount:</b>									
Balance at 1 July 2006	287,248	37,923	4,004	37,794	20,642	18,225	3,700	4,142	413,678
Additions	14,282	2,716	3,514	7,449	71	17	55	1,378	29,482
Disposal	(134)	(99)	-	-	-	-	-	-	(233)
Net revaluation increase/(decrease)	-	5,546	131	4,195	2,269	16,038	-	-	28,179
Transfers	407	235	-	3,316	39	-	-	(3,997)	-
<b>Balance at 30 June 2007</b>	<b>301,803</b>	<b>46,321</b>	<b>7,649</b>	<b>52,754</b>	<b>23,021</b>	<b>34,280</b>	<b>3,755</b>	<b>1,523</b>	<b>471,106</b>
Additions	9,711	2,017	3,552	2,454	7	11	53	856	18,661
Disposal	-	-	-	-	-	-	-	-	-
Net revaluation increase/(decrease)	63,662	692	227	1,119	1,209	1,851	-	-	68,760
Transfers	47	153	-	-	-	-	-	(200)	-
<b>Balance at 30 June 2008</b>	<b>375,223</b>	<b>49,183</b>	<b>11,428</b>	<b>56,327</b>	<b>24,237</b>	<b>36,142</b>	<b>3,808</b>	<b>2,179</b>	<b>558,527</b>
<b>Accumulated depreciation:</b>									
Balance at 1 July 2006	(4,973)	(1,043)	(66)	(763)	(29)	(251)	-	-	(7,125)
Net adjustments on asset revaluation	-	2,162	191	1,708	58	502	-	-	4,621
Net adjustments on impairment	2	-	-	-	-	-	-	-	2
Depreciation expense	(5,428)	(1,119)	(125)	(945)	(29)	(251)	(150)	-	(8,047)
<b>Balance at 30 June 2007</b>	<b>(10,399)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(150)</b>	<b>-</b>	<b>(10,549)</b>
Net adjustments on asset revaluation	16,339	1,338	185	1,253	36	310	-	-	19,461
Net adjustments on impairment	-	-	-	-	-	-	-	-	-
Depreciation expense	(5,940)	(1,338)	(185)	(1,253)	(36)	(310)	(110)	-	(9,172)
<b>Balance at 30 June 2008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(260)</b>	<b>-</b>	<b>(260)</b>
<b>Net carrying amount at 30-Jun-07</b>	<b>291,404</b>	<b>46,321</b>	<b>7,649</b>	<b>52,754</b>	<b>23,021</b>	<b>34,280</b>	<b>3,605</b>	<b>1,523</b>	<b>460,557</b>
<b>Net carrying amount at 30-Jun-08</b>	<b>375,223</b>	<b>49,183</b>	<b>11,428</b>	<b>56,327</b>	<b>24,237</b>	<b>36,142</b>	<b>3,548</b>	<b>2,179</b>	<b>558,267</b>

There has been no impairment of infrastructural assets in 2008 (2007: nil).

# Financials

## Notes to the financial statements - continued

### Note 20 - Development property

Property is classified as development property where work is being completed by the council to prepare the land for future sale. This may include subdivision, installation of infrastructure, etc. Once the property has been developed for sale and is being actively marketed it is reclassified as “property for sale” (refer note 15).

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	3,597	2,779	3,597	2,779
Transfers from property, plant and equip.		-	-	-
Additions	5,020	1,890	5,020	1,890
Transfers to assets held for sale	(5,072)	(1,072)	(5,072)	(1,072)
<b>Total development property</b>	<b>3,545</b>	<b>3,597</b>	<b>3,545</b>	<b>3,597</b>
<i>Development property consists of:</i>				
Izone Southern Business Hub land	3,545	3,597	3,545	3,597
Other industrial land	-	-	-	-
Residential land	-	-	-	-
	<b>3,545</b>	<b>3,597</b>	<b>3,545</b>	<b>3,597</b>

# Financials

## Notes to the financial statements - continued

### Note 21 - Intangible assets

	Council Computer Software \$000	Group Computer Software \$000	Council & Group Mining \$000	Council & Group Goodwill \$000	Council & Group Total \$000
Opening Cost at 1 July 2007	381	678	-	1,646	2,324
Accumulated amortisation/impairment	(115)	(308)	-	-	(308)
<b>Opening balance at 1 July 2007</b>	<b>266</b>	<b>370</b>	<b>-</b>	<b>1,646</b>	<b>2,016</b>
Additions	114	155	500	1,353	2,008
Amortisation charge/impairment	(54)	(109)	(12)	-	(121)
Impairment	-	-	-	(603)	(603)
Disposals	-	-	-	-	-
<b>Closing balance at 30 June 2008</b>	<b>326</b>	<b>416</b>	<b>488</b>	<b>2,396</b>	<b>3,300</b>
Closing cost at 30 June 2008	495	833	500	2,999	4,332
Accumulated amortisation/impairment	(169)	(417)	(12)	(603)	(1,032)
<b>Closing balance at 30 June 2008</b>	<b>326</b>	<b>416</b>	<b>488</b>	<b>2,396</b>	<b>3,300</b>

	Council Computer Software \$000	Group Computer Software \$000	Group Mining \$000	Group Goodwill \$000	Group Total \$000
Opening Cost at 1 July 2006	248	516	-	1,646	2,162
Accumulated amortisation/impairment	(64)	(207)	-	-	(207)
<b>Opening balance at 1 July 2006</b>	<b>184</b>	<b>309</b>	<b>-</b>	<b>1,646</b>	<b>1,955</b>
Additions	133	162	-	-	162
Amortisation Change	(51)	(101)	-	-	(101)
<b>Closing balance at 30 June 2007</b>	<b>266</b>	<b>370</b>	<b>-</b>	<b>1,646</b>	<b>2,016</b>
Closing cost	381	678	-	1,646	2,324
Accumulated amortisation/impairment	(115)	(308)	-	-	(308)
<b>Closing balance at 30 June 2007</b>	<b>266</b>	<b>370</b>	<b>-</b>	<b>1,646</b>	<b>2,016</b>

During the year, Selwyn District Council group assessed the recoverable amount of goodwill which arises from consolidation of the group's financial position, and determined that there has been an impairment of \$603,000.

# Financials

## Notes to the financial statements - continued

### Note 22 - Creditors and other payables

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Creditors	3,296	5,448	10,744	10,886
Deposits, retentions and accrued expenses	4,800	3,677	4,807	5,132
Amounts due to related parties	1,634	1,618	(4,661)	-
Rates in advance	108	95	108	95
Dividends payable	-	-	4,720	-
Total trade and other payables	9,838	10,838	15,718	16,113

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

### Note 23 - Employee benefit liabilities

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Accrued wages and salaries	34	208	1,052	838
Annual leave	549	475	2,172	1,756
Provision for long service leave	97	93	215	217
Provision for retirement gratuities	75	75	175	195
Provision for sick leave	12	12	98	103
Total employee benefit liabilities	767	863	3,712	3,109
Comprising:				
Current	670	770	3,438	2,820
Non-current	97	93	274	289
Total employee benefit liabilities	767	863	3,712	3,109

# Financials

## Notes to the financial statements - continued

### Note 24 - Provisions

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
<i>Current provisions are represented by:</i>				
Maintenance Provision	-	-	136	88
Bankside Depot	-	-	2,217	-
Total current provisions	-	-	2,353	88

#### *Non-current provisions are represented by:*

Landfill provision	322	309	322	309
	-	-	-	-
Total non-current provisions	322	309	322	309

Council and group	Landfill 2008 \$000	Landfill 2007 \$000	Maintenance Costs 2008 \$000	Maintenance Costs 2007 \$000	Bankside Depot 2008 \$000	Bankside Depot 2007 \$000
Opening balance 1 July 2007	309	309	89	218	-	-
Additional provisions made during the year	13	-	76	7	2,217	-
Amounts used during the year	-	-	(29)	(136)	-	-
Closing balance 30 June 2008	322	309	136	89	2,217	-

#### Council

The landfill provision reflects the cost of closing and rehabilitating the Killinchy and Hawkins landfills and was initially recognised as a current liability of \$300,000 at 30 June 2002. With the introduction of NZ IFRS the landfill provision was reclassified as a non current provision with no expenditure being charged against the provision in 2008 (2007: nil).

#### Group

In general SICON calculates the value of the provision for maintenance contracts based on 50% of the retention value held over the contract at the end of each financial year. Only contracts that have achieved practical completion and have not fulfilled the defects liability period stipulated in the individual contracts are assessed.

SPBL owns the Bankside Fuel Depot. The Fuel Depot has been used as a rubbish dump (by unknown parties and not SPBL) for a range of items including large amounts of chemicals. A firm of environmental consultants has developed a Remedial Action Plan for the site in consultation with other interested parties.



# Financials

## Notes to the financial statements - continued

SPBL has some initial costings on the Remedial Action Plan and will put this work to tender in late 2008. It is hoped work will be able to be completed in the next 12 months. SPBL can only estimate the total clean-up costs that may arise until Stage 1 'Site Investigation' has been completed. We have received some funding from Ministry for the Environment and ECAN towards this however SPBL will end up bearing the majority of any costs incurred. SPBL has provided for \$2,217,716 in this period's accounts, a portion of which may be recoverable from other parties. The company will pursue legal claims against other parties in respect of the cost of this remedial work. There is a risk that the actual cost of the remedial work could be more or less than the amount provided for.

### Note 25 - Borrowings

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
<b>Current</b>				
Bank overdraft	-	-	2,069	-
Secured loans	-	-	2,739	1,212
Finance lease liabilities	-	-	237	149
Total current borrowings	-	-	5,045	1,361
<b>Non-current</b>				
Secured loans	-	-	4,428	2,774
Finance lease liabilities	-	-	341	445
Total non-current borrowings	-	-	4,769	3,219

### *SICON Limited*

#### *Overdraft*

The overdraft facility is secured by debenture. The maximum amount that can be drawn down against the overdraft facility is \$50,000 (2007: \$50,000). There are no restrictions on the use of this facility.

#### *Committed Cash Advance Facility (CCAF)*

Drawdowns can be made for terms between 1-364 days, provided such term does not extend beyond the expiry date of 22 November 2011. There is a maximum limit of \$3.6m (2007: \$3.6m). Interest is charged at the Market Connect Term Loan Base Rate prevailing at the date of drawdown plus a margin of 0.65%.

CCAF loans amounting to \$560,000 that were owing at 30 June 2008 were paid back in full on 5 August 2008.

#### *Term Loans*

- i) \$775,000 term loan raised on 24 September 2006 with closing balance of \$454,390 (2007: \$862,500). Expiry date is 24 September 2009 and the current interest rate is 8.70% (2007: 8.20%).
- ii) \$750,000 term loan raised on 24 September 2007 with closing balance of \$412,500. Interest and principal is payable monthly. Expiry date is 25 May 2009 and the current interest rate is 9.88%.

# Financials

## Notes to the financial statements - continued

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### *Finance Leases*

SICON Limited has entered into finance leases for various items of plant and equipment. The net carrying amount of the leased items is shown below note 19.

There are no restrictions placed on SICON by any of the finance leasing arrangements.

### *Security*

Registered debentures secured over all the assets and undertakings of SICON have been executed in favour of the Bank of New Zealand.

### ***KB Irrigation Limited***

KB Irrigation has an Interchangeable banking facility with the ANZ National Bank Limited that includes an overdraft facility/ foreign currency account overdraft facility / flexible credit facility/ documentary credit/ documents surrendered facility. This facility has a maximum limit of \$900,000. The interest rate during the period was 12.65% (2007: 11.15%). This facility has a general security agreement over all the assets and undertaking of KB Irrigation Limited.

### ***Ferguson Brothers Limited***

Ferguson Brothers has an Interchangeable banking facility with the ANZ National Bank Limited that includes an overdraft facility / flexible credit facility/ documentary credit/ documents surrendered facility. This facility has a maximum limit of \$1,200,000. The interest rate during the period was 12.65%. This facility has a general security agreement over all the assets and undertaking of Ferguson Brothers Limited.

Ferguson Brothers Limited has a secured loan facility. Loan repayments of \$31,250 start from September 2008. There is a general security agreement over all the assets and undertakings of Ferguson Brothers Limited. This is a security interest over all the present and future assets (including goodwill) and unpaid/uncalled capital of the company. The balance of the loan at 30 June 2008 was \$4,500,000

# Financials

## Notes to the financial statements - continued

### Analysis of Finance Lease

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
<b><i>Present value of minimum future lease payments</i></b>				
No later than 1 year	-	-	237	149
Later than 1 year but not later than 5 years	-	-	341	444
Later than 5 years	-	-	-	-
	-	-	578	593
<b><i>made up of:</i></b>				
Current Borrowings	-	-	237	149
Non-Current Borrowings	-	-	341	444
	-	-	578	593
<b><i>Minimum future lease payments</i></b>				
No later than 1 year	-	-	283	200
Later than 1 year but not later than 5 years	-	-	383	496
Later than 5 years	-	-	-	-
<b><i>Minimum Lease Payments</i></b>	-	-	666	696
Less future finance charges	-	-	(88)	(103)
	-	-	578	593

### Note 26 - General funds

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	522,870	508,888	563,905	547,477
<b><i>Transfers to:</i></b>				
Special funds	(24,149)	(13,170)	(24,149)	(13,170)
<b><i>Transfers from:</i></b>				
Revaluation reserve on disposal of property, plant and equipment	845	77	1,018	77
Special funds	22,169	5,202	22,169	5,202
Fair value through equity reserve	-	-	-	-
Surplus for the year attributable to parent	20,040	21,873	18,305	24,319
Closing balance 30 June 2008	541,775	522,870	581,248	563,905

# Financials

## Notes to the financial statements - continued

### Note 27 - Fair value through equity reserve

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	42,145	42,145	18,622	18,622
Valuation gains/(losses) taken to equity	5,652	-	6,255	-
Transfers to statement of financial performance on disposal	-	-	-	-
Closing balance 30 June 2008	<u>47,797</u>	<u>42,145</u>	<u>24,877</u>	<u>18,622</u>

### Note 28 - Special funds

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	45,351	37,383	45,351	37,383
Transfers to general funds	(22,169)	(5,202)	(22,169)	(5,202)
Transfers from general funds	24,149	13,170	24,149	13,170
Closing balance 30 June 2008	<u>47,331</u>	<u>45,351</u>	<u>47,331</u>	<u>45,351</u>

# Financials

## Notes to the financial statements - continued

### Note 29 - Asset revaluation reserves

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	100,722	24,635	102,553	23,936
Current year movements	88,729	76,190	88,590	78,771
Less tax effect on buildings		(26)	18	(77)
Transfer to general reserves	(845)	(77)	(1,018)	(77)
	<u>188,606</u>	<u>100,722</u>	<u>190,143</u>	<u>102,553</u>

The balance in this account relates to the revaluation of the following property, plant and equipment classes:

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Land and buildings	64,549	65,394	65,729	67,999
Farm land	3,036	2,528	3,393	1,754
Roading	80,001	-	80,001	-
Water supplies	9,738	7,708	9,738	7,708
Stormwater	734	322	734	322
Sewerage	8,275	5,903	8,275	5,903
Land drainage	3,572	2,327	3,572	2,327
Water races	18,701	16,540	18,701	16,540
	<u>188,606</u>	<u>100,722</u>	<u>190,143</u>	<u>102,553</u>

### Note 30 - Minority interest

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Opening balance 1 July 2007	-	-	30,782	28,257
Share in surplus	-	-	(428)	1,440
Contributions from minority interest	-	-	1,120	-
Share in dividend	-	-	(703)	(471)
Share in revaluation movement	-	-	(75)	1,556
Closing balance 30 June 2008	<u>-</u>	<u>-</u>	<u>30,696</u>	<u>30,782</u>

# Financials

## Notes to the financial statements - continued

### Note 31 - Reconciliation of net surplus after tax to net cash flow from operating activities

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
<b>Surplus after taxation</b>	20,040	21,873	17,877	25,759
Add /(deduct) non-cash items				
Vested assets revenue	(11,193)	(10,267)	(11,193)	(10,267)
(Gains)/losses on fair value of investment property	-	(55)	-	-
(Gains)/losses on fair value of forestry assets	220	(38)	240	(1,037)
Fair value increase of embedded derivative	(62)	(74)	(62)	(74)
Fair value decrease on community loans	-	4	-	4
Community loan notional interest	-	(6)	-	(6)
Depreciation	10,706	9,467	14,050	11,845
Assets written-off	-	327	803	327
Provision for loan write down	-	98	-	98
Non current employee benefits	4	24	4	24
Non current provisions	-	-	-	-
Movement in provision for doubtful debts	-	-	-	-
Land & buildings revaluation (increment)/decrement	-	-	-	29
Net other (gain)/loss	-	-	198	-
Interest rate swap	-	-	(60)	-
Movement in deferred taxation	3	-	(1,054)	(6)
	19,718	21,353	20,803	26,696
<b><i>Movement in working capital items</i></b>				
Trade and other receivables	(2,367)	(2,662)	(1,225)	(1,762)
Income tax receivable	-	(42)	(839)	(747)
Inventory & work in progress	-	-	(1,138)	(234)
Trade and other payables	(810)	3,021	2,057	2,946
Employee benefit liabilities	(100)	(73)	599	47
Other provisions - current	-	-	-	(130)
Livestock	-	-	(636)	(483)
	16,441	21,597	19,621	26,333
<b><i>Items classified as investing activities</i></b>				
Net gain on sale of property, plant and equipment	(8,343)	(3,610)	(8,343)	(3,655)
Deposit paid/(received) for land purchase	-	-	-	(457)
Central Plains Water Limited loan interest	-	(98)	-	(98)
<b>Net Cash Flow - Operating Activities</b>	<b>8,098</b>	<b>17,889</b>	<b>11,278</b>	<b>22,123</b>

# Financials

## Notes to the financial statements - continued

### Note 32 - Commitments and operating leases

#### a) Council

The total funds the council is committed to spending in the future on maintenance and capital projects is \$21,106,000 (2007 \$17,925,000). Detailed below are the activities in which commitments from 1 July 2008 occur.

Commitments represent contracts entered into but the services have not been delivered.

	1 Year \$000	1-2 Years \$000	3-5 Years \$000	Total \$000
<i>Maintenance &amp; operating lease contracts</i>				
Road maintenance *	4,184	227	227	4,638
Piped water/sewerage/water races *	1,442			1,442
Reserves *	754	754	754	2,262
Rating valuations	35			35
Refuse collection	686	686		1,372
Refuse resource recovery park *	169	169	338	676
RD Hughes Developments	475	475	1,425	2,375
Total operating commitments	7,745	2,311	2,744	12,800

\* these commitments are with SICON Limited and do not represent commitments external to the group.

The Council also has a contract with Transwaste Canterbury Limited for the transport and disposal of refuse. The contact term ends on 30 June 2012 and payments under the contact will be based on waste volumes.

	1 Year \$000	1-2 Years \$000	3-5 Years \$000	Total \$000
<i>Capital contracts</i>				
RD Hughes Developments	6,153			6,153
Izone land purchases	1,300	853		2,153
Total operating commitments	7,453	853		8,306

#### b) Group

The Council's subsidiaries have the following lease commitments at balance date (2007 \$2,584,000). These commitments exclude any commitments between the council and subsidiaries:

	1 Year \$000	1-5 Years \$000	Over 5 Years \$000	Total \$000
Total operating commitments	1,184	1,802	248	3,234

The Council's subsidiaries have capital commitments as at 30 June 2008 for the purchase of property, plant and equipment \$1,225,000 (2007: \$41,000).

# Financials

## Notes to the financial statements - continued

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### Note 33 - Contingent liabilities and contingent assets

#### *a) General*

- i) A problem has been identified with the concrete components of the Resource Recovery Park. The cost of repairs and responsibility for the carrying out the repairs is in dispute. The problem can be remedied but Council does not believe it is liable for the repair cost. It should be noted that the issue does not pose a health and safety risk for the public visiting, or staff working on, the site but may potentially reduce the useful life of the affected area if not repaired.
- ii) The Council has no contingent assets at 30 June 2008 (2007: Nil).

#### *b) Landfills located within Selwyn district*

The Council operates no landfills in the district. The Council has recognised the costs of closing and rehabilitating the Killinchy and Hawkins landfills which were the two largest when operated.

The cost of closing the other landfills and ongoing monitoring after-care of all landfills is not fully known at this time. The costs will be recognised and funding provided as the costs become known.

#### *c) Group*

- i) The Council, SICON Limited and Selwyn Plantation Board Ltd are participating employers in the National Provident Fund's Defined Benefit Plan Contributors' Scheme (the Scheme) which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, the council, SICON Limited and Selwyn Plantation Board Ltd could be responsible for an increased share of the deficit.
- ii) SICON Limited and Ferguson Brothers Limited has performance bonds and bonds in lieu of retention to third parties from time to time, \$1,544,321 (2007: \$1,266,424) was committed to 30 June 2008.



# Financials

## Notes to the financial statements - continued

### Note 34 - Related party transactions

During the reporting period the council entered into financial transactions with related parties as detailed below:

#### a) *Selwyn Plantation Board Ltd*

The Council entered into normal commercial transactions with Selwyn Plantation Board Ltd.

The Council received money for:

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
▶ Rates	80	63
▶ Water connections	1	6
▶ Other	10	1

The Council paid for:

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
▶ Chemical cleanup	-	-
▶ Hire and survey services	-	7
▶ Land clearing	-	4
▶ Fire fighting	4	-

There were no amounts outstanding at 30 June 2008 (2007: Nil).

#### b) *SICON Limited*

The council entered into normal commercial transactions with SICON Limited:

The Council:

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
▶ Received payment for rates, royalties and leases	215	228
▶ Paid for contract services	11,769	12,263
▶ At balance date Council owed	1,633	1,582
▶ At balance date Council was owed	9	15

#### c) *Selwyn Investment Holdings Limited (SIHL)*

The Council received payments from SIHL for:

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
▶ Dividends	4,661	5,919

The Council was owed money from SIHL at balance date for:

	<b>2008</b>	<b>2007</b>
	<b>\$000</b>	<b>\$000</b>
▶ Accounts paid on SIHL's behalf	147	139
▶ Dividend payable	4,661	2,789

# Financials

## Notes to the financial statements - continued

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### d) *Central Plains Water Trust*

The Council undertakes accounting services for Central Plains Water Trust for which no charge is made.

The Council makes payments to suppliers on behalf of the Trust who then reimburse the Council. These payments total \$74,869 for the reporting period (2007: \$45,791). The Council is owed \$1,340 at balance date (2007: Nil).

### e) *Elected members and key management*

The following transactions (excluding rates) with Councillors and key management were at arms length, on normal business terms and conditions (all figures are GST exclusive unless otherwise stated):

- ▶ Mayor Kelvin Coe is a shareholder of CRT which transacted with the Council for goods and services totalling \$1,531.87. There were no amounts outstanding at 30 June 2008.
- ▶ Councillor Jack Percy is part owner of a business from which the Council purchased goods and services totalling \$30,251 (approval from Office of the Controller and Auditor-General received) (2007: \$32,727)
- ▶ Councillor Malcolm Lyall is sole proprietor of Allways Electrical from which the Council purchased goods and services totalling \$2,997.37. There were no amounts outstanding at 30 June 2008.
- ▶ The daughter of Councillor Gary Doyle owns Celtic Bound from whom the Council purchased goods and services for a total of \$88.00. No amounts were outstanding at 30 June 2008.
- ▶ The following elected members entered into transactions with the Council for less than \$1,000. These transactions relate primarily to building and resource consent applications and small asset purchases:
  - i. Councillor John Morten
  - ii. Councillor Jack Percy
  - iii. Councillor Sarah Walters

Other than the transactions detailed above, no other elected members or senior management have entered into contracts with the council.

### *Key management personnel compensation*

Key management personnel include the mayor, Councillors, Chief Executive, business unit board and other senior management personnel.

	Council & Group 2008 \$000	Council & Group 2007 \$000
Salaries and other short term benefits	1,054	1,055
Termination benefits	nil	79

# Financials

## Notes to the financial statements - continued

### Note 35 - Remuneration

#### a) *Elected members*

Schedule 10 of the Local Government Act 2002 requires the Council to report on the remuneration of elected members to the Council. The following table shows the remuneration received by all elected members from 1 July to 30 June.

	2008 \$	2007 \$
<b><i>Council</i></b>		
Mayor Michael McEvedy (to October 2007)	21,328	71,566
Mayor Kelvin Coe	63,298	32,360
Councillor Jens Christensen	7,422	27,247
Councillor Nigel Barnett	18,151	-
Councillor Gary Doyle	25,307	24,977
Councillor Annette Foster	25,680	24,925
Councillor Debra Hasson	26,548	25,465
Councillor Malcolm Lyall	25,221	23,387
Councillor John Morten	28,807	23,387
Councillor Jack Percy	25,222	26,327
Councillor Lindsay Philips	27,262	24,588
Councillor Sarah Walters	18,151	-
Councillor Paul Stewart	25,222	23,387
<b><i>Malvern Community Board</i></b>		
Chris McSherry (Chairperson to October 2007)	2,736	9,000
Ian Warren (Chairperson)	6,864	-
Brian Redfern	1,843	6,100
Warwick Judd	1,843	6,100
Allan Thorne	6,466	6,100
Bob Mugford	4,623	-
Annie Smith	4,623	-
Mary Ireland	6,466	6,100
<b><i>Selwyn Central Community Board</i></b>		
Dorothy Oakley (Chairperson to October 2007)	2,539	8,375
Mark Alexander	6,793	6,275
Jeff Bland	4,896	-
Joyce Davey	4,896	-
Marian Powell	1,898	6,275
Bruce Russell (Chairperson)	7,866	6,275

# Financials

## Notes to the financial statements - continued

The following Councillors also received directors' fees as directors of the council's subsidiary companies:

	Company	2008	2007
Mayor Kelvin Coe	Selwyn Investment Holdings Limited	\$6,000	\$24,000
Councillor John Morten	Selwyn Investment Holdings Limited	\$9,000	nil

### b) Chief Executive

The Chief Executive of Selwyn District Council is appointed under section 42(1) of the Local Government Act 2002.

The total remuneration paid to the Chief Executive position was \$212,187 (2007: \$196,498). This included a non taxable allowance of \$536.

### c) Severance payments

Schedule 10 of the Local Government Act 2002 requires the Council to disclose any severance payments to staff. Severance payments include any consideration (monetary or non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with Council.

There were three severance payments made during the year of \$29,962, \$25,663, and \$17,625 (2007: one payment of \$79,258).

## Note 36 - Purchase of investment

Selwyn Investment Holdings Limited purchased 75.1% shareholding in Ferguson Brothers Limited (total share capital of \$4,500,000) for \$3,379,500. This is to enable Ferguson Brothers Limited to purchase the assets and business of a roading contracting company for a cash price of \$9,000,000 on 31 August 2007. The company obtained a bank loan of \$4,500,000 to complete this purchase. The acquisition has had the following effect on the group financial position:

	\$000
Net property, plant and equipment acquired	6,997
Mining licences	500
Net inventory acquired	150
	<hr/>
	7,647
Cash price paid	9,000
Goodwill arising from acquisition	1,353
	<hr/>
Bank loan obtained to complete purchase	4,500

Ferguson Brothers Limited commenced trading on 1 September 2007.

# Financials

## Notes to the financial statements - continued

### Note 37 - Events after balance date

There have been no events after balance date that require disclosure in the financial statements.

### Note 38 - Financial instruments

#### Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
<b>Financial assets</b>				
<i>Fair value through profit &amp; loss</i>				
Embedded derivatives	604	546	604	546
Interest rate swap	-	-	60	-
Total fair value through profit & loss	604	546	664	546
<i>Loans and receivables</i>				
Cash and cash equivalents	18,471	21,563	22,684	28,319
Debtors and other receivables	10,168	7,953	16,517	15,505
Term deposits	2,000	2,500	2,000	7,977
Total loans and receivables	30,639	32,016	41,201	51,801
<i>Fair value through equity</i>				
Selwyn Investment Holdings Limited	106,777	101,125	-	-
Transwaste (Canterbury) Limited	1,500	1,500	1,500	1,500
Orion Group Limited	-	-	65,255	59,000
Total fair value through equity	108,277	102,625	66,755	60,500
<i>Held to maturity</i>				
Government bonds	1,957	3,953	1,957	3,953
<b>Financial liabilities</b>				
Financial liabilities at amortised cost				
Creditors and other payables	9,838	10,838	15,718	16,113
Borrowings				
- bank overdraft	-	-	2,069	-
- secured loans	-	-	7,167	3,986
- finance lease liabilities	-	-	578	594
Total financial liabilities at amortised cost	9,838	10,838	25,532	20,693

# Financials

## Notes to the financial statements - continued

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The Selwyn District Council has a series of policies to manage the risks associated with financial instruments. The council is risk averse and seeks to minimise exposure from its treasury activities. The Council's treasury policy provides the parameters for investment and liability management under which the Council must operate.

### Market risk

#### *Price risk*

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The group is not exposed to price risk, as its investments are not publicly traded.

#### *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. KB Irrigation Limited is subject to currency risk, on exchange fluctuations on ANZ foreign currency bank accounts and on forward contracts totalling US\$293,000 in place at 30 June 2008 (2007: US\$170,000).

#### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments held at fixed interest rates expose Selwyn District Council to fair value interest rate risks. Selwyn District Council is subject to fair value interest rate risk on its deposits but the risk is minimised as the deposits are for a maturity period of less than one year.

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments held at variable interest rates expose Selwyn District Council to fair value interest rate risks.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to Selwyn District Council causing a loss. In the normal course of its business credit risk arises from debtors, deposits with banks, bond investments and derivative financial instruments.

#### *Maximum exposure to credit risk*

The Selwyn District Council's maximum exposure to credit risk for each class of financial instrument is set out below

	Council 2008 \$000	Council 2007 \$000	Group 2008 \$000	Group 2007 \$000
Cash and cash equivalents	18,471	21,563	22,684	28,319
Debtors and other receivables	10,168	7,953	16,517	15,505
Term deposits	2,000	2,500	2,000	7,977
Government bonds	1,957	3,953	1,957	3,953
Derivatives	604	546	664	546
Total credit risk	33,200	36,515	43,822	56,300

# Financials

## Notes to the financial statements - continued

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### *Credit quality of financial assets*

The Selwyn District Council only deposits funds with entities that have a high credit rating. The cash and term deposits are with registered banks that have high credit ratings. The Government Bond and associated embedded derivative is a New Zealand Government Bond. For its other financial instruments the Selwyn District Council does not have high concentrations of credit risk. There is no collateral held as security against these financial instruments, including those that are overdue or impaired.

### **Liquidity risk**

Liquidity risk is the extent to which Selwyn District Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Selwyn District Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Selwyn District Council maintains a target level of bank deposits that are on call or short term.

SICON Limited and Selwyn Plantation Board Ltd have a minimum amount that can be drawn down against their overdraft facility of \$50,000 (2007: \$50,000). There are no restrictions on the use of this facility.

SICON Limited has a total committed cash advance facility of \$3,000,000. KB Irrigation Limited has a total loan facility of \$2,000,000 from Selwyn Investment Holdings Limited. Of this \$1,900,000 (2007: \$1,900,000) has been borrowed by KB Irrigation Limited at balance date. Ferguson Brothers Limited has a maximum amount that can be drawn down against its interchange facility of \$1,200,000. There are no restrictions on the use of this facility.

### *Contractual maturity analysis on financial liabilities*

The table below analyses Selwyn District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts shown are the contractual undiscounted cash flows.

# Financials

## Notes to the financial statements - continued

	Carring Amount	Contractual Cash Flows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
<b>Council 2008</b>					
Creditors and other payables	9,838	9,838	9,838	-	-
<b>Group 2008</b>					
Creditors and other payables	15,718	15,718	15,718	-	-
Bank overdraft	2,069	2,069	2,069	-	-
Secured loans	7,167	7,167	2,739	4,427	-
Finance leases	578	666	283	383	-
<b>Council 2007</b>					
Creditors and other payables	10,838	10,838	10,838	-	-
<b>Group 2007</b>					
Creditors and other payables	16,113	16,113	16,113	-	-
Bank overdraft	-	-	-	-	-
Secured loans	3,986	3,986	1,212	2,774	-
Finance leases	594	696	200	496	-

### Sensitivity analysis for Interest rate risk

#### Council

Council's cash and cash equivalents include deposits at call of \$2,761,000 which are at floating rates. A movement in interest rates of plus or minus 1% has an effect in interest income of \$27,610.

Council's derivative financial instrument is an embedded derivative within the Government Bond. Under the derivative the value of the bond increases by the rate of the Consumer Price Index (CPI). A 1% movement in the CPI changes the unrealised gain in the value of the derivative by \$26,000. (2007 \$25,000)

#### Group

##### *Cash & Cash Equivalents*

Cash and cash equivalents include deposits at call totalling \$5,772,000 which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$57,772.

##### *Bank Overdrafts*

Bank overdraft/interchangeable facilities totalling \$2,069,164 are at floating interest rates. A movement in interest rates of plus or minus 1% has an effect on interest expense of \$20,690.

##### *Secured Loans*

Secured loans totalling \$7,166,890 are at floating interest rates. A movement in interest rates of plus or minus 1% has an effect on interest expense of \$71,669.



# Financials

## Notes to the financial statements - continued

### Note 39 - Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise general funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted by the Act and applied by the council. Intergenerational equity requires today's to meet the costs of utilising the council's asset and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayer in future generation are not required to meet the full cost of deferred renewals and maintenance.

The Act requires the council to make adequate and effective provision in the Selwyn Community Plan (LTCCP) and its annual budget to meet the expenditure needs identified in those plans. And the Act sets out the factors that the council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the council's LTCCP.

Selwyn District Council has the following council created reserves:

- ▶ reserves for different areas of benefit (e.g. specific communities/townships);
- ▶ self-insurance reserves; and
- ▶ trust and bequest reserves.

Reserves for targeted rate activities are used where surpluses (or deficits) from the year's transactions are accumulated for use in the future by that group of ratepayers. Interest is added to the capital reserves and deductions are made where the funds are used for the purpose they were collected.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by the Council.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

### Note 40 - Funding for depreciation

The Council, in the Selwyn Community Plan (LTCCP) 2006-2016 has recognised the cost of depreciation on all of its assets. In preparing the 2007/2008 budget the Council consulted with its community and decided not to fund depreciation via targeted rates for water and wastewater functions. The decision was made on the basis that many of the district's water and wastewater assets are relatively new, with the ratepayers receiving those services, having either paid lump sum contributions or loan charges for the construction. By paying for depreciation via their rates, those same ratepayers would have been paying for the construction of the asset and replacement of the asset in the future at the same time, which is inequitable. In future, as assets age, ratepayers may decide to pay increased separate rates to fund the replacement of water and waste water systems.



## How we performed

This section provides information on how the Council has performed over the past year.

### In this section

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#### Activities

- Community Services
- Democracy
- Environmental Services
- Transportation & Townships
- Waste Management
- Waste Water Services
- Water Supplies
- Support Services
- Izone Southern Business Hub & Property Sales

## Introduction

For each of its significant activities, the Selwyn District Council sets out its intentions for the period under review in the Selwyn Community Plan (LTCCP) 2006-2016. Significant activities are the areas of the Council's operations where it delivers key services and outputs to ratepayers.

The purpose of this section of the annual report is to report on the degree to which the Council achieved what it set out to do for each significant activity in both financial and non-financial terms.

For each significant activity, the following information is disclosed:

- brief description of its nature and scope;
- statement of objectives and service performance (non-financial performance reporting);
- financial operating statement for the activity.

## Measurement of progress towards community outcomes

Schedule 10 of the Local Government Act 2002 requires the Council to report on the results of any measurement of progress towards achieving the community outcomes detailed in the Selwyn Community Plan (LTCCP) 2006-2016. It also requires the Council to describe any identified effects that any activity has had on the social, economic, environmental, or cultural wellbeing of the community.

The Council has not undertaken any formal measurement of progress towards the first set of community outcomes. It has focussed its efforts on updating and improving its plans to help it deliver its overall objectives and help the community progress towards the community outcomes. The Council will consult on these plans as part of the preparation of the 2009-2019 Selwyn Community Plan (LTCCP). Where the Council has relevant information on progress towards achieving the community outcomes or the effects of its activities on the well being of the community, this is provided in the information on each significant activity.

# How we performed

## Community Services

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### Community Services

#### *Activity description*

This area includes a wide range of activities oriented generally to the development and maintenance of community facilities and services. It includes the following:

- ▶ reserves and domains;
- ▶ library services;
- ▶ property and office buildings;
- ▶ rural fire protection;
- ▶ civil defence;
- ▶ playgrounds;
- ▶ halls and community centres;
- ▶ swimming pools;
- ▶ public toilets;
- ▶ pensioner housing and rental units;
- ▶ rental housing;
- ▶ cemeteries;
- ▶ forestry;
- ▶ business development and promotion.

The district has:

Function	
Reserves and domains	20 recreational reserves managed by local community committees.
Libraries	4 libraries in Darfield, Leeston, Lincoln and Rolleston which are supplemented by the mobile library and two volunteer libraries.
Halls & community centres	24 community centres/halls managed by local community committees.
Swimming pools	5 swimming pools managed by local community committees.
Cemeteries	17 cemeteries managed by the Council.

# How we performed

## Community Services

### *The Council contribution to community outcomes*

The Council's community service activity is a contribution to the following community outcomes:

- ▶ access to community and public health services;
- ▶ coordination of community/social services;
- ▶ a safe living environment;
- ▶ business-friendly environment;
- ▶ an ability to experience cultural activities.

Accordingly, the Council will ensure that:

- ▶ It advocates with the appropriate community organisations and governmental agencies to ensure adequate health and police services are available within the district.
- ▶ Implement the Council policies and procedures that maximise the positive effect of the Council on business activities.
- ▶ Provide libraries and in conjunction with local community committees, recreational reserves, community centres and swimming pools that not only allow cultural activities but also recreational activities be they passive or physical.

### Statement of service performance

The Council's performance against the targets in the Selwyn Community Plan is set out in the table below. The Council achieved four of the eight targets set, with one not measured. The annual survey of residents shows that 95% consider the Council is doing a very good or adequate job at providing parks and reserves. Although the use of the library continues to grow, the rate of increase was lower than the target and this meant that the Council fell just short of some of its targets in this area. The Council met the two targets covering its Civil Defence activities and its response to the recent heavy rainfall has demonstrated the effectiveness of this service in action.

The Council's activities have had a positive impact on the well-being of the community with the residents' survey showing an increase in the proportion of residents using public parks, reserves and playgrounds. The increase in the number of residents who are members of the library shows that the Council is helping the community achieve its Community Outcome 'to be able to experience cultural activities'.

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Provide a quality and accessible, yet affordable library service to all residents in the District	The Council operates five libraries at Darfield, Leeston, Lincoln, Mobile and Rolleston  There are also libraries operated by volunteers at Glentunnel and Tai Tapu	Annual membership numbers increase greater than 5%	<b>Not Achieved</b>  13.72% new members but 2.4% real growth once non-users were removed from database
		Annual book issues increase greater than 5%	<b>Achieved</b>  Increase of 5.5% (274,775 issues)
		Book issues per staff member to exceed 27,000 per annum	<b>Not Achieved</b>  Issues per member of staff 26,421
		Operating cost per book issued not to exceed \$3.54 per book	<b>Not Achieved</b>  Operating costs per issue \$3.64



# How we performed

## Community Services

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Effectively monitor and control rural fire risks	The Council has a Principal Rural Fire Officer, 18 Rural Fire Officers and has three Volunteer Fire Parties to respond to rural fire incidents	Rural fire management meets the requirements of the Forest & Rural Fires Act 1977, the Forest & Rural Fires Regulations 2005 and National Standards (full compliance with legislation and agreed standards)	<b>Achieved</b> The council met the full obligations and standards Response capability was maintained with the appointment of a Principal Rural Fire Officer, 21 Rural Fire Officers and the continuation of 3 Volunteer Rural Fire Forces
A District that is able to respond to an emergency situation	The Council will appoint appropriately qualified individuals to its Civil Defence Emergency Management	Local controllers and key appointments trained to meet the requirements of the Canterbury Group Civil Defence Emergency Management (CDEM) Plan (local controllers and key appointments fully trained)	<b>Achieved</b> The council met the requirements of the Canterbury Group CDEM Plan The council's ability to respond was tested by the annual regional civil defence exercise, Pandora, on 14-15 September 2007
	In conjunction with Central and Local Government Agencies, provide education material to the community so that they know what to do in an emergency	Greater than 70% of residents know what to do in an emergency as measured by the two yearly Council residents survey	<b>Not Measured</b> Council continue to seek community volunteers and community involvement and encourages residents to be self reliant if a major event occurs within our district
Reserves provide recreational opportunities	The Council will ensure its parks and reserves are well maintained	Ratepayers satisfaction with their reserves is greater than 76% (as measured by the two-yearly Council residents survey)	<b>Achieved</b> 95% were satisfied with the parks and reserves 83% were satisfied with walkways and picnic spots

# How we performed

## Community Services

### Community Services Activity Operating Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
Targeted rates	2,040	2,025	1,736	1	
Development contributions	3,288	2,324	3,383		12
Vested Assets	680	-	164		
Other revenue	2,492	893	1,518	2	13
<b>Total activity revenue</b>	<b>8,500</b>	<b>5,242</b>	<b>6,801</b>		
<b>Operating expenditure</b>					
Business development/district promotion	389	462	419		
Cemeteries	310	217	218		
Civil defence	203	202	178		
Community centres and facilities	916	949	817		
Community development	425	389	317	3	
Elderly housing	25	27	21		
Forestry	256	75	29		
Library services	1,215	899	960	4	14
Medical centres	16	19	14		
Property and buildings	652	771	588		
Public toilets	155	268	494	5	
Recreation reserves	1,876	2,397	1,226	6	15
Rural fire protection	533	251	271	7	16
Safer community council	-	-	16		
Sports and culture grants	47	60	56		
Swimming pools	147	168	229		
<b>Total operating expenditure</b>	<b>7,165</b>	<b>7,154</b>	<b>5,853</b>		
<b>Surplus/(deficit)</b>	<b>1,335</b>	<b>(1,912)</b>	<b>948</b>		

# How we performed

## Community Services

### Community Services Activity Capital Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Capital expenditure</b>					
Business development/district promotion	-	20	-		
Cemeteries	-	12	12		
Civil defence	25	-	-		
Community centres and facilities	211	949	274		17
Library services	141	1,638	135		18
Medical centres	1	1,244	5		19
Property and buildings	2,105	3,683	6,341	8	20
Council headquarters	5,460	5,860	7,224	9	
Public toilets	362	764	1,712	10	21
Recreation reserves	1,568	4,025	579	11	22
Rural fire protection	16	139	109		
Swimming pools	68	116	166		
<b>Total capital expenditure</b>	<b>9,957</b>	<b>18,450</b>	<b>16,557</b>		



# How we performed

## Community Services

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### ***Financial commentary (actual 2008 compared to actual 2007)***

1. *Targeted rates income* increased by \$304,000 in 2008 compared to 2007 due to an increase in the number of ratepayers and level of some targeted rates. The main increase was in the library rate.
2. *Other revenue* in 2008 is higher than in 2007 due to additional grants, including SPARC and Crime Prevention Unit, funding from the National Rural Fire Authority for the cost of fighting the Summit Road fire, an insurance claim, higher rent revenue and higher timber sales.
3. *Community development expenditure* is higher than last year due to expenditure of \$84,000 related to the Crime Prevention Unit funding.
4. *Library expenditure* in 2008 is higher than 2007 due to additional staff and building costs.
5. *Public toilets expenditure* in 2008 is less than 2007 because expenditure in 2007 included costs of \$309,000 associated with establishing the new toilets and tourist facility at Arthur's Pass.
6. *Recreation reserves expenditure* in 2008 is higher than 2007 due to a loss on the sale of assets of \$436,000.
7. *Rural fire expenditure* in 2008 is higher than in 2007 due to the \$188,000 cost of the Summit Road fire which was fully recovered from the National Rural Fire Authority (refer note 2).
8. *Property and building capital expenditure* in 2008 is lower than 2007 as expenditure in 2007 included strategic land purchases of over \$6m.
9. The Council Headquarters project was completed in 2008.
10. *Public toilets capital expenditure* in 2008 is less than 2007 because expenditure in 2007 included costs of constructing the new toilets and tourist facility at Arthur's Pass.
11. *Recreation reserves capital expenditure* in 2008 is higher than 2007 due to \$1.3m capital expenditure developing the Rolleston and Prebbleton reserves.

### ***Financial commentary (actual 2008 compared to budget 2008)***

12. *The actual revenue from development contributions* in 2008 is higher than budget due to the difficulty in being able to accurately estimate when developers will complete their developments and pay their contributions.
13. *Other revenue* in 2008 is above budget due to greater than budgeted grants, including SPARC and Crime Prevention Unit, funding for the cost of fighting the Summit Road fire, an insurance claim, higher rent revenue, higher timber sales and a gain on the sale of assets.
14. *See note 4.*
15. *Recreation reserves expenditure* in 2008 is lower than budget as various projects were not commenced.
16. *See note 7.*
17. *Community Centres capital expenditure* in 2008 is lower than budget as various capital projects were not commenced.
18. *Libraries capital expenditure* in 2008 is lower than budget as the redevelopment work associated with the library strategy was deferred until 2009.

# How we performed

## Community Services

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19. *Medical Centres capital expenditure* in 2008 is lower than budget as the work on the new Darfield Medical Centre was deferred until 2009.
20. *Property and building capital expenditure* in 2008 is lower than budget as work on the Lincoln Community Centre was deferred.
21. *Public toilets capital expenditure* in 2008 is less than budget as various capital projects, including the Springfield upgrade, were not commenced.
22. *Recreation reserves capital expenditure* in 2008 is lower than budget as various capital projects were not commenced.

### ***Significant capital expenditure***

The significant capital projects during the year were:

- ▶ The construction of the new Council Headquarters in Rolleston to provide adequate space for Council staff and allow most Council staff to work in the same building and make it easier to plan and co-ordinate Council activities - \$5,460,000
- ▶ A number of strategic asset acquisitions - \$2,008,000
- ▶ The development of the Rolleston (\$901,000) and Prebbleton (\$444,000) reserves to improve recreational and sporting facilities for these growing communities

# How we performed

## Democracy

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### Democracy

#### *Overall activity goal*

To provide effective and efficient representation for ratepayers in a fair and equitable manner.

#### *Activity description*

This activity covers the costs associated with the Council's democratic process through making provision for advice and support to the Mayor, Councillors and Community Board Members.

The major reports that guide the direction of the Council and the district are the District Plan, the Selwyn Community Plan (LTCCP) and the Annual Report.

#### *The Council contribution to community outcomes*

For many of the community outcomes, the Council has an advocacy role with Government Departments and other organisations. The Council will ensure that it takes every practical opportunity to undertake this role to achieve the community outcomes whether it is through formal meetings, submissions or informal gatherings at elected member or staff level to the appropriate organisations.

#### *The Council discretionary grants*

The Council administers a number of discretionary grants. Information on each of the grants can be obtained from any of the Council's service centres.

▶ DISCRETIONARY FUND - (\$10,000 PER WARD)	\$40,000
▶ DISCRETIONARY FUND - COUNCIL	\$16,500
▶ DISCRETIONARY FUND - COUNCILLORS	\$12,000
▶ COMMUNITY SPECIAL EVENTS	\$15,000
▶ LOCAL HISTORY GROUPS	\$5,000

#### THE COUNCIL ALSO PROVIDES GRANTS ON AN ANNUAL BASIS TO THE FOLLOWING ORGANISATIONS:

▶ CANTERBURY MUSEUM TRUST (AS PER THE CANTERBURY MUSEUM TRUST BOARD ACT)	\$214,798
▶ LIFE EDUCATION TRUST	\$4,000
▶ COMMUNITY LAW CANTERBURY	\$3,000
▶ BANKS PENINSULA TROTTER	\$2,500
▶ SUMMIT ROAD SOCIETY (INC)	\$2,000
▶ SUMMIT ROAD PROTECTION AUTHORITY	\$2,040
▶ WAIHORA ELLESMERE TRUST	\$20,000
▶ OTHER MINOR GRANTS	\$12,000
▶ LOCAL GOVERNMENT NZ ANNUAL SUBSCRIPTION	\$28,000
▶ LINCOLN ENVIROTOWN TRUST	\$15,000

TOTAL BUDGETED GRANT FUNDING	\$391,838
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*Note:* In 2008, the *actual* value of grants distributed was \$368,000 as per the Democracy Activity Statement and \$47,000 as per the Community Services Activity Statement. The total grant funding for 2008 cost \$415,000.

# How we performed

## Democracy

### Statement of service performance

The Council's performance against the targets in the Selwyn Community Plan is set out in the table below. The Council achieved one of the three targets set. The Council fell short of its target to conduct 95% of its business in open meetings due to the number of commercially sensitive items that it dealt with during the year. The reasons for failing to meet the target to prepare the 2007 annual report by the statutory deadline are explained in the table.

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Ensure all elected members meetings are held in a transparent manner  Implement an agreed programme of elected members meetings	All meetings of elected members will be held in compliance with the Local Government (Official Information and Meetings) Act 1987	Conduct less than 5% (by item) of the Council business in a public excluded meeting	<b><i>Not Achieved</i></b>  14.48% of council business was conducted in public excluded meetings  During the period there were:  21 Council meetings plus 7 Extraordinary meetings (2007: 28)  22 Community Board meetings (2007: 23)  24 Portfolio / subcommittee meetings (2007: 34)
2006/2007 Annual Report prepared	Produce an Annual Report that meets best practice	Prepared within statutory timeframe of 31 October 2007 and with an unqualified opinion	<b><i>Not Achieved</i></b>  The 2006/2007 Annual Report was not adopted until 22 October 2008 for the reasons explained below  The introduction of the International Financial Reporting Standards (IFRS) required greater resources than were available to complete the report  In addition, the council infrastructure had to be re-valued. As the infrastructure had to also be re-valued as at 1 July 2008 as part of the 2009-2019 LTCCP preparation, the council decided to delay adopting the Annual Report and undertake a valuation process which could be used for both documents thus reducing the costs

# How we performed

## Democracy

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
2008/2009 Annual Budget prepared	Produce a document that allows for easy input from ratepayers and residents	Prepared within statutory timeframe of 30 June 2008 and with a minimum of 200 submissions	<b>Achieved</b> The 2008/2009 Annual Budget was adopted on 25 June 2008. 261 submissions were received

### Democracy Activity Operating Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
Targeted rates	424	417	375		
Other revenue	39	-	15		
Total activity revenue	463	417	390		
<b>Operating expenditure</b>					
Mayoral	168	163	167		
Council	1,650	1,539	1,518		
Community boards	205	188	192		
Grants and subscriptions	368	402	376		
Total operating expenditure	2,391	2,292	2,253		
<b>Surplus/(deficit)</b>	(1,928)	(1,875)	(1,863)		

# How we performed

## Environmental Services

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### Environmental Services

#### *Overall activity goal*

To provide effective advice and services in an efficient manner to enable the Council to discharge its resource management, environmental health, building, animal control and general law enforcement.

#### *Activity description*

This activity ensures the sustainable management and protection of the district's resources while providing a framework for development within the district in accordance with the relevant legislation.

- ▶ *Resource Management*  
This area discharges the Council's obligations under the Resource Management Act 1991 and other legislation.
- ▶ *Building, Plumbing and Drainage Consents and Inspections*  
This area ensures compliance with building legislation and standards through the perusal of plans and inspection of building projects for fire safety, disabled persons' access, fencing of swimming pools and seismic risk.

#### *The Council contribution to community outcomes*

The Council's Environment Services activity is a contributor to the community outcomes:

- ▶ a living environment where the rural theme of Selwyn is maintained;
- ▶ a safe living environment;
- ▶ air, land, water and general environment are kept in a health condition.

Accordingly, the Council will ensure that:

- ▶ it has a District Plan that provides rules that maintain the rural theme of the district;
- ▶ it undertakes its compliance roles in building, resource management, environmental health and animal health in a manner that meets its statutory requirements and public expectations;
- ▶ consents issued are monitored to ensure that any breaches that will impact on residents and the community in general are corrected;
- ▶ cost - charges and rates must meet the annual operating costs and ensuring adequate funding is created which allows the environmental services systems to be upgraded or renewed without significant changes to the annual charge.

# How we performed

## Environmental Services

### Statement of service performance

The Council's performance against the targets in the Selwyn Community Plan is set out in the tables below. The Council did not achieve most of its targets to process consents within targets times. The performance in subdivision and land use consents was less than the target owing to the number of consents received and a resourcing shortfall for the first 5-6 months of the financial year. The performance in project information memorandums, building consent and code of compliance certificates reflects the time taken in clearing a significant backlog of consents.

The Council achieved four of its other seven targets. Based on a survey 89% of applicants were satisfied with the building consent process and 79% with the resource consent process.

The Council helped the community progress towards its Community Outcome to have 'a safe living environment' by completing the By-law review by 30 June 2008.

**Service Target - Process all resource consents, building consents and other enquiries in accordance with approved procedures, legislative requirements and time constraints.**

The council will process consents within the timeframes noted below:

Indicator	Quantity Estimate	Quantity Achieved	Working days target	Target within working days	Achieved within working days	Average processing days
Subdivision consents - notified (with hearing)	15	10	70	90%	10%	96
Subdivision consents - notified (no hearing)		4	50	90%	75%	49
Subdivision consents - limited notification (with hearing)	4	4	70	90%	0%	103
Subdivision consents - limited notification (no hearing)		3	50	90%	33%	48
Subdivision consents - non-notified (with hearing)	210	2	40	90%	0%	46
Subdivision consents - non-notified (no hearing)		179	20	90%	58%	26
Land use consent - notified (with hearing)	15	14	70	90%	36%	84
Land use consent - notified (no hearing)		6	50	90%	83%	44
Land use consent - limited notification (with hearing)	8	3	70	90%	0%	113
Land use consent - limited notification (no hearing)		10	50	90%	50%	48
Land use consent - non-notified (with hearing)	250	2	40	90%	50%	32
Land use consent - non-notified (no hearing)		257	20	90%	72%	22
Land Information Memoranda	1,600	1498	10	100%	100%	6
Property information memoranda	2,000	1577	10	90%	75%	16
Building consents	2,000	1967	20	90%	69%	20
Building inspections	12,000	11745	2	100%	N/A	N/A
Full code of compliance certificates	2,000	1443	20	100%	79%	12

Note 1: The timing of inspection and issue of Code of Compliance Certificates varies depending on the actual work required by the owner and is therefore beyond staff control. The estimated number of consents is based on previous statistics and current applications received.

# How we performed

## Environmental Services

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Applicants for building or resource consents are satisfied with the service	Provide the best possible service to applicants for building and resource consents	Undertake an annual survey (conducted by an independent organisation) of building and resource consent applicants. % of applicants for building and resource consents who are very satisfied or satisfied is greater than 80	<p><b>Not Achieved</b></p> <p>79% (74% in 2007) of resource consent applicants were satisfied with the consent process</p> <p><b>Achieved</b></p> <p>89% (61% in 2007) of building consent applicants were satisfied with the consent process</p>
Ensure compliance with all relevant legislation and issue licences, where necessary, regarding environmental health, liquor licensing, food quality, and the safety of the community	Inspect all premises registered under the Health Act during the year (approximately 180)	Licences issued in accordance with the prescribed statutory procedures and time limits	<p><b>Achieved</b></p> <p>All licences were issued in accordance with statutory procedures and timeframes</p> <p><b>Not Achieved</b></p> <p>94% of premises were inspected under the Health Act during 2007/2008</p>
	Applications for liquor licences processed (approximately 270 per annum)	All processed within statutory procedures of the Liquor Licensing Act	<p><b>Not Achieved</b></p> <p>323 liquor licenses issued or renewed (including 84 special licences and 29 temporary authorities)</p> <p>81% Liquor Licences issued on time</p> <p>99% Special Licences issued on time</p> <p>75% Temporary Authorities issued on time</p>
	Reported notifiable diseases investigated (approximately 80 per annum)	All investigations complete within five days by appropriately qualified staff/contractors	<p><b>Achieved</b></p> <p>During the year there were 97 notifiable diseases. All were appropriately followed up within 5 days by contractors with formal environmental health qualifications</p>



# How we performed

## Environmental Services

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Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
	Nuisance complaints in regard to dog and animal control are investigated	Urgent nature within 4 hours Non-urgent nature within 72 hours	Achieved 532 urgent complaints were responded to within 4 hours 171 non-urgent complaints were responded to within 72 hours

# How we performed

## Environmental Services

### Environmental Services Activity Operating Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
User charges - animal control	270	248	249		
User charges - building	2,045	2,910	2,391	1	6
User charges - environmental health	97	110	107		
User charges - resource management	740	590	592	2	7
User charges - RMA monitoring	24	35	29		
User charges - resource policy	20	2	-		
<b>Total activity revenue</b>	<b>3,196</b>	<b>3,895</b>	<b>3,368</b>		
<b>Operating expenditure</b>					
Animal control	289	303	269		
Building	3,236	3,754	2,899	3	8
Environmental health	133	178	150		
Resource management	1,244	917	949	4	9
RMA monitoring	140	142	138		
Resource policy	1,515	1,825	906	5	10
<b>Total operating expenditure</b>	<b>6,557</b>	<b>7,119</b>	<b>5,311</b>		
<b>Surplus/(deficit)</b>	<b>(3,361)</b>	<b>(3,224)</b>	<b>(1,943)</b>		

### *Financial commentary (actual 2008 compared to actual 2007)*

1. *Building consent revenue* is lower in 2008 than in 2007 due to the volume of consents processed compared with the very high levels in 2007.
2. *Resource management revenue* in 2008 is higher than 2007 due to the on charging of costs associated with the resource consent hearing for the Central Plains Water scheme.
3. *Building consent expenditure* in 2008 is higher than in 2007 due to costs associated with securing accreditation under the Building Act and additional staff costs to improve the quality of service.
4. *Resource management expenditure* in 2008 is higher than 2007 due to the costs associated with the resource consent hearing for the Central Plains Water scheme. These costs are on charged to Central Plains Water.
5. *Resource policy expenditure* in 2008 is higher than 2007 due to legal, staff and other costs associated with finalising the District Plan.

### *Financial commentary (actual 2008 compared to budget 2008)*

6. *Building consent revenue* is lower than budget as the budget included \$640,000 revenue from levies collected on behalf of the Building Industry Association. Under International Accounting Standards such revenue, and the associated payment on to the Building Industry Association, are excluded from the Council's income and expenditure.

# How we performed

## Environmental Services

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7. *Resource management revenue* - see note 2
8. *Building consent expenditure* - see note 6
9. *Resource management expenditure* - see note 4
10. *Resource policy expenditure* in 2008 is lower than budget as planned work on the preparation of structure plans has been deferred until 2009.

# How we performed

## Transportation and Townships

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### Transportation and Townships

#### *Overall activity goal*

To ensure that the Council's network of roads, bridges, street lights, footpaths and other related infrastructure is maintained, renewed and provided for throughout the year within budget and in accordance with agreed performance measures, the Council policies and the goals and objectives of the New Zealand Transport Strategy. This includes the provisions of the National Land Transport Programme administered by Land Transport New Zealand (LTNZ) as it relates to the Selwyn District Land Transport Programme.

#### *Activity description*

Selwyn is predominantly a rural district and as such has an extensive network of roads and bridges consisting of 1,349km of sealed and 1,118km of unsealed roads and 120 bridges.

A number of State Highways also pass through the district. These are:

- |                    |   |
|--------------------|---|
| ▶ State Highway 1  | - Templeton to Rakaia River                         |
| ▶ State Highway 73 | - Yaldhurst to Arthur's Pass (Great Alpine Highway) |
| ▶ State Highway 75 | - Halswell to Motukarara                            |
| ▶ State Highway 77 | - Darfield to Rakaia Gorge (Part Scenic Route 72)   |

#### *Council Contribution to Community outcomes*

The Council's roading activities are the major contributor to the community outcome 'effective and accessible transport system'. This reflects strongly in the goals of the New Zealand Transport Strategy that road controlling authorities such as this Council, are required to manage transportation activities to contribute to an integrated, safe, responsive and sustainable land transport system.

Accordingly, the Council will undertake routine maintenance incorporating payment repairs and gravelling, street cleaning, bridge repairs, traffic services, street lighting, minor safety works and footpath works.

In addition, it will actively promote road safety in conjunction with LTNZ and the New Zealand Police to ensure roads and related activities are managed and undertaken in accordance with the goals and objectives of the Council's Road Safety Management System which encompasses the '3 Es' of safety management, engineering, education and enforcement.

# How we performed

## Transportation and Townships

### Statement of service performance

The Council's performance against the targets in the Selwyn Community Plan is set out in the table below. The Council achieved four of its seven targets, with 86% of residents surveyed satisfied with urban roads and 71% with rural roads. Although the overall condition of sealed roads, as measured by bumps in the roads, is better than target, the Council received more enquiries for routine maintenance than its target. There were 27 serious injuries from road accidents during 2007/08. This is more than the previous year and indicates the challenge to community of achieving its overall outcome to have 'a safe living environment' and the negative effect that road transport can have on the well being of the community.

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Well maintained roading network	Undertake maintenance programmes and review processes that minimise ratepayer complaints	Less than 310 public enquiries and concerns for routine general maintenance (this is the average of the last five years)	<b>Not Achieved</b> 672 enquiries regarding road maintenance (43% potholes, 14% grading and maintenance of unsealed roads, 14% edge break and shoulder rutting)
		Less than 210 public enquiries and concerns for routine road signs and markings (this is the average of the last five years)	<b>Not Achieved</b> 359 enquiries regarding road signs and markings (40% damaged signs, 16% missing signs and pavement markings, 14% requests for new signs or pavement markings)
		Annual reseal programme target length of 75km	<b>Achieved</b> During 2007/2008 the council resealed 77km of road
	Undertake a roading maintenance programme that achieves a smooth road surface on sealed roads	The two yearly roughness measure, for sealed roads, not to exceed 60  (The unit of measure is NAASRA counts/ km which is an industry based standard. This is measured by a specially calibrated vehicle which records the number of bumps in the road (the current average is 57 counts per km)	<b>Achieved</b> Roughness measure 55 counts/km

# How we performed

## Transportation and Townships

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Improve roading network	Implement a roading upgrade programme that minimises roading congestion and improves safety.	Annual upgrade projects generally complete	<p><b>Achieved</b></p> <p>34 projects completed</p> <p>11 projects cancelled or on hold</p> <p>9 projects carried forward being partially complete or more information needed</p>
Roading activities provided to a satisfactory level	Undertake to provide a well maintained and safe roading network for users and residents	<p>Residents satisfaction with the Districts urban roads is greater than 75% and with rural roads is greater than 60% (as measured by the results of the two yearly Council residents survey)</p> <p>Less than 19 serious casualties from road accidents within the District</p>	<p><b>Achieved</b></p> <p>86% of residents are satisfied with the districts urban roads</p> <p>71% of residents are satisfied with the district's rural roads</p> <p><b>Not Achieved</b></p> <p>There were 27 serious injuries/casualties from road accidents during 2007/2008</p>

# How we performed

## Transportation and Townships

### Transportation and Townships Activity Operating Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
LTNZ Subsidy	4,465	4,383	4,299		
Development contributions	491	152	240	1	10
Vested assets	3,519	856	3,757		11
Other revenue	219	315	655	2	
<b>Total activity revenue</b>	<b>8,694</b>	<b>5,706</b>	<b>8,951</b>		
<b>Operating expenditure</b>					
Subsidised roading	5,307	4,365	4,441	3	12
Non-subsidised roading	383	224	702	4	
Townships	1,560	1,657	1,755	5	
Road depreciation	5,940	5,419	5,390	6	
<b>Total operating expenditure</b>	<b>13,190</b>	<b>11,665</b>	<b>12,288</b>		
<b>Surplus/(deficit)</b>	<b>(4,496)</b>	<b>(5,959)</b>	<b>(3,337)</b>		

### Transportation and Townships Activity Capital Statement

*Financial summary for the year ended 30 June 2008*

	2008 \$000	2008 \$000	2007 \$000	Actual 2008 v Actual 2007	Actual 2008 v Budget 2008
<b>Capital expenditure</b>					
Subsidised roading	4,456	4,850	5,344	7	
Non-subsidised roading	2,979	3,527	3,434	8	13
Townships	444	1,084	683	9	14
<b>Total capital expenditure</b>	<b>7,879</b>	<b>9,461</b>	<b>9,461</b>		

#### *Financial commentary (actual 2008 compared to actual 2007)*

1. *Development Contributions revenue* is dependent on the amount of roading development contributions that subdividers have had to pay in any one year.
2. *Other revenue income* in 2008 is lower than in 2007 as that year included \$259,000 contributed by the Christchurch to Little River Cycleway Trust to the construction of the cycleway between Lincoln and Prebbleton, plus an \$89,000 contribution to a seal extension.
3. *Subsidised roading expenditure* in 2008 is higher than in 2007 due to additional work undertaken to maintain the road network.
4. *Non-subsidised roading expenditure* in 2008 is lower than in 2007 as that year included a payment of \$322,000 toward the installation of traffic lights at the intersection of State Highway 1 and Rolleston Drive, Rolleston. This cost is funded over time by contributions from land developers in Rolleston.

# How we performed

## Transportation and Townships

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5. *Townships expenditure* in 2008 is lower than 2007 because a number of planned projects have been deferred to 2009.
6. *Roading depreciation* is higher in 2008 than in 2007 due to the impact of capital expenditure on the depreciation charge.
7. *Subsidised roading capital expenditure* is lower in 2008 than in 2007 as that year included \$573,000 for the construction on the Lincoln to Prebbleton section of the Christchurch to Little River Cycleway
8. *Non-subsidised roading capital expenditure* in 2008 is lower than 2007 as that year included more capital projects, including expenditure of \$1.5 million on the Bealey Bridges.
9. *Township capital expenditure* is lower in 2008 than in 2007 due to a number of projects being deferred until 2009.

### ***Financial commentary (actual 2008 compared to budget 2008)***

10. *The revenue from development contributions* in 2008 is higher than budget due to the difficulty in being able to accurately estimate when developers will complete their developments and pay their contributions.
11. *Vested assets revenue* recognises the roading assets installed by land developers that transfer to the Council when a development is complete. The amount of assets vested depends on the level of subdivision activity in the year.
12. *Subsidised roading expenditure* in 2008 is higher than budget due to the additional expenditure on maintaining the road network plus the impact of inflation increases on payments to Council's maintenance contractor.
13. *Non-subsidised roading capital expenditure* in 2008 is below budget because the budget included the value of vested assets (\$856,000) estimated to be received for the year. These items are not included in the actual expenditure.
14. *Townships capital expenditure* in 2008 is below budget due a number of projects not being deferred until 2009.

### ***Significant capital expenditure***

The significant capital projects during the year were:

- ▶ Cyclical renewals to maintain the roading network - \$4,312,000
- ▶ Upgrade to Brookside Road/George Street - \$576,000
- ▶ Land purchases in relation to the Byron Street extension project that will improve traffic flows in Rolleston - \$790,000
- ▶ Seal widening projects to improve the quality and safety of the district's roads - \$953,000



# How we performed

## Waste Management

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### Waste Management

#### *Overall activity goal*

To ensure the provision of an effective and efficient waste management system within the district, while having regard to the environment and the economic costs and benefits for the district. Key to this system is to ensure that the management of waste does not cause a nuisance or health risk.

#### *Activity description*

The Council provides collection services for recyclable materials and refuse that cannot be recycled. It operates a resource recovery park at Burnham School Road in Rolleston.

A new regional landfill has been constructed at Kate Valley. This landfill has a private shareholder (Canterbury Waste Services Limited) which owns 50% while five local authorities own the other 50% via their Council Controlled Trading Organisation (CCTO). Selwyn district owns 3% of this CCTO. The dividend of \$154,000 in 2008 was used to fund the general rates funded activities of the Council.

The Council has a policy of 'zero waste' by 2015. A review of this policy in terms of the Council's obligations under the Local Government Act is scheduled for 2010.

#### *The Council contribution to community outcomes*

The Council's waste management activity is a contributor to the community outcome 'air, land, water and general environment are kept in a healthy condition'.

Accordingly, the Council will ensure that all landfills and the resource recovery park are operated within their consent conditions.

# How we performed

## Waste Management

### Statement of service performance

The Council's performance against the targets set out in the Selwyn Community Plan is set out in the table below. The Council achieved four of its six targets, with 90% of residents surveyed satisfied with the refuse collection service. The Council continues to promote its zero waste policy and completed its school education programme for the year. However, the level of waste going to landfill continues to grow and this has a negative effect on environmental well being.

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Refuse services are delivered in accordance with the Council's Solid Waste Management Plan and Policies	The Council will ensure its refuse collection systems are operated to the scheduled frequency	Ratepayer's satisfaction with their refuse collection system is greater than 85%. (As measured by the two yearly Council resident's survey)	<b>Achieved</b> Ratepayer's satisfaction with refuse collection was 90%. This was the highest rating achieved by any of the council's services and activities
		Number of written complaints regarding refuse collection or disposal services does not exceed one per week	<b>Achieved</b> The number of written complaints was only two for the entire year
The natural environment is not polluted	The Council will ensure its Resource Recovery Park and closed landfills are operated within their resource consent conditions	The number of breaches of resource consent conditions is nil	<b>Achieved</b> There were no breaches of the resource consent conditions during 2007/2008
The Council has a policy of 'zero waste' by 2015	Undertake a school education programme	Annual school education programme completed by 30 June 2008	<b>Achieved</b> The years programme was completed as contracted with Wastebusters Canterbury Trust
	Extend organics 240 litre wheelie bin collection	Volume of organic material collected is greater than 1,880 tonnes	<b>Not Achieved</b> The "weight" of organic material collected by the kerbside collection was 847 tonnes  Subscription to the organic collection is optional and subscriber numbers have initially been less than expected
	Reduce residual waste sent to landfills	Volume of residual waste collected is less than 6,600 tonnes	<b>Not Achieved</b> The "weight" of residual waste collected by the kerbside collection was 6,872 tonnes

# How we performed

## Waste Management

### Waste Management Activity Operating Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
Targeted rates	2,368	2,389	2,223		
Other revenue	730	795	626		
<b>Total activity revenue</b>	<b>3,098</b>	<b>3,184</b>	<b>2,849</b>		
<b>Operating expenditure</b>					
Refuse collection	1,357	1,328	1,237		
Refuse disposal	1,486	2,084	1,515		1
<b>Total operating expenditure</b>	<b>2,843</b>	<b>3,412</b>	<b>2,752</b>		
<b>Surplus/(deficit)</b>	<b>255</b>	<b>(228)</b>	<b>97</b>		

### Waste Management Capital and Reserves Funding Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Capital expenditure</b>					
Refuse collection	-	-	-		
Refuse disposal	53	349	55		2
<b>Total Capital Expenditure</b>	<b>53</b>	<b>349</b>	<b>55</b>		

#### *Financial commentary (actual 2008 compared to budget 2008)*

1. *Refuse disposal expenditure* in 2008 is below budget due to a number of projects not starting in 2008, including the amounts budgeted of \$283,000 relating to the closure of the Hawkins and Killinchy pits.
2. *Refuse disposal capital expenditure* in 2008 is below budget as \$315,000 planned expenditure on the Resource Recovery Park has been deferred until 2009.

# How we performed

## Waste Water Services

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### Waste Water Services

#### *Overall activity goal*

To ensure the protection of the public health and property of the district by providing cost effective sewerage and land drainage systems relevant to the needs of the district townships in an environmentally sensitive manner.

#### *Activity description*

This activity provides systems for the collection, treatment and disposal of sewage for 12 townships in the district - Castle Hill, Doyleston, Lake Coleridge, Leeston, Lincoln, Prebbleton, Rolleston, Southbridge, Springston, Springston South Huts, Sunshine Terrace (Arthur's Pass) and Tai Tapu.

Overall there are 26 pump stations and 7 wastewater treatment and disposal plants and the total length of the reticulation is 140km. The Council's reticulated wastewater schemes currently service approximately 5,000 properties within the district.

#### *The Council contribution to community outcomes*

The Council's waste water activity is a contributor to the community outcome 'air, land, water and general environment are kept in a health condition'.

Accordingly, the Council will endeavour to ensure that sewage spills do not occur and that all sewerage systems will be operated within their consent conditions.

# How we performed

## Waste Water Services

### Statement of service performance

The Council's performance against the targets in the Selwyn Community Plan is set out in the table below. The Council achieved two of its six targets, with 92% of residents surveyed indicating that the Council is doing a very good or adequate job in the provision of waste water services. One of the Community Outcomes is that 'air, land, water and the general environment is kept in a healthy condition. There were some minor non compliance with resources consent conditions and major non-compliance with 2% of the conditions. There was also one spillage during the year. The Council is working to help the community achieve the community outcome and reduce the level of non-compliance and spillages to nil.

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Waste water is removed reliably from a ratepayers property	The Council will ensure its sewerage systems have adequate capacity, that there are no pipe blockages causing sewerage spills on roads and that infiltration flows are minimised	Ratepayers overall satisfaction with their sewerage system is greater than 85% (as measured by the two yearly Council residents survey)	<b>Achieved</b> 92% of ratepayers were satisfied the council were doing an adequate or very good job with the sewerage system
		Ratepayers satisfaction with their sewerage system reliability is greater than 80% (as measured by the two yearly Council residents survey)	<b>Achieved</b> 98% of ratepayers were satisfied with the reliability of the sewerage system
		Temporary storage in manholes or chambers occurs no more than 5 times in 2007/2008	<b>Not Measured</b> The use of temporary storage is difficult to determine and has not been recorded
The natural environment is not polluted	The Council will ensure its sewerage systems do not have spillages into waterways or have non-compliance with resource consent conditions	The number of breaches of resource consent conditions is nil	<b>Not Achieved</b> Over all waste water schemes there was minor non-compliance in 29% of resource consent conditions and major non-compliance in 2% of resource consent conditions  There was one spillage on 10 <sup>th</sup> April 2008 in the Lincoln main rural pump station. ECAN was notified

# How we performed

## Waste Water Services

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
	The Council, in conjunction with ECAN and the Canterbury District Health Board, will monitor the ground water around those settlements not serviced by a Council reticulated sewerage scheme for public health issues	Annual monitoring completed and the results distributed to the Council and the relevant community committee	<b><i>Not Measured</i></b> No monitoring of groundwater has been undertaken in conjunction with ECAN or CDHB
Improve waste water network	Implement a waste water upgrade and renewal programme that ensures the Councils waste water systems continue to deliver the service demanded	Annual upgrade programme generally completed by 30 June 2008	<b><i>Not Achieved</i></b> The major projects identified at Rolleston, Lincoln and Tai Tapu have been deferred, pending confirmation of design options principally involved with Eastern Selwyn Sewer

### Waste Water Services Activity Operating Statement

Financial summary for the year ended 30 June 2008

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
Targeted rates	1,878	1,810	1,594	1	
Lump sum rates payments	500	273	726	2	6
Development contributions	4,220	3,435	3,918		7
Vested assets	5,550	787	4,900	3	8
Other revenue	179	226	158		
<b>Total activity revenue</b>	<b>12,327</b>	<b>6,531</b>	<b>11,296</b>		
<b>Operating expenditure</b>					
Land drainage	467	236	412		9
Sewerage	3,363	3,739	2,699	4	10
<b>Total operating expenditure</b>	<b>3,830</b>	<b>3,975</b>	<b>3,111</b>		
<b>Surplus/(deficit)</b>	<b>8,497</b>	<b>2,556</b>	<b>8,185</b>		

# How we performed

## Waste Water Services

### Waste Water Services Activity Capital Statement Financial summary for the year ended 30 June 2008

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Capital expenditure</b>					
Land drainage	-	143	20		
Sewerage	523	3,187	6,410	5	11
<b>Total Capital Expenditure</b>	<b>523</b>	<b>3,330</b>	<b>6,430</b>		

#### Financial commentary (actual 2008 compared to actual 2007)

1. *Targeted rates income* in 2008 is higher than in 2007 due the rise in the number of properties serviced and an increase in the Rolleston and Prebbleton individual targeted rates.
2. *Lump sum rates payments* vary from year to year depending on which schemes have been constructed/upgraded and require a ratepayer contribution.
3. *Vested assets revenue* recognises the sewer reticulation installed by land developers that transfer to the Council when a development is complete. The amount of assets vested from year to year depends on the level of subdivision activity.
4. *Sewerage expenditure* in 2008 is higher than in 2007 mainly due to
  - ▶ Operating costs in Rolleston due to growth in the population \$178,000
  - ▶ Higher depreciation costs due to the revaluation of sewerage assets \$300,000
5. *Sewerage capital expenditure* in 2008 is lower than in 2007 as that year included the expansion of the Rolleston sewerage treatment plant to cater for population growth.

#### Financial commentary (actual 2008 compared to budget 2008)

6. *Lump sum rates payments* - see note 2.
7. *The actual revenue from development contributions* in 2008 is higher than budget due to the difficulty in being able to accurately estimate when developers will complete their developments and pay their contributions.
8. *Vested assets revenue* - see note 3
9. *Land drainage expenditure* in 2008 is higher than budget as the expenditure includes the impact of the revaluation of infrastructure assets on the annual depreciation charge.
10. *Sewerage expenditure* in 2008 is below than budget as a number of projects were either not commenced in 2008 or deferred until 2009. The underspend on projects is partly offset by an increase in the annual depreciation charge due to the revaluation of infrastructure assets, plus increased operating costs for a number of schemes.
11. *Sewerage capital expenditure* in 2008 is below than budget as a number of capital projects were either not commenced in 2008 as they were not required, or deferred until 2009. The budget includes the value of vested assets (\$787,000) estimated to be received during the year, but these items are not included in the actual expenditure.

# How we performed

## Waste Water Services

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### ***Significant capital expenditure***

The significant capital project during the year was:

- ▶ Expenditure on the Rolleston waste water treatment plant to provide additional capacity to meet the demand of the growing population - \$409,000



# How we performed

## Water Services

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### Water Services

#### *Overall activity goal*

To provide a safe and sufficient network of potable water supplies which complies with the public health standards and water systems and meets with the current and likely future needs of the district.

To provide a water race network that meets the objectives of the consumers.

#### *Activity description*

The Council reticulated schemes currently supply potable water to around 12,000 properties within the district. Those customers are represented via 26 reticulated water schemes and 3 rural reticulated supplies. Overall there are 54 source points including wells and intakes, 28 storage facilities and 42 pump stations and the total length of the reticulation is 852 km.

The Council also operates four water race schemes. These are the Ellesmere, Paparua, Malvern and Selwyn water race systems. Both the Ellesmere and Selwyn systems are at different stages of discussion with their users over the future operation of the system. The Paparua system in 2002 obtained all the necessary consents to continue operating and has completed the physical works required by the consent conditions. The Malvern system has applied for the consents required for its continued operation.

#### *The Council contribution to community outcomes*

The Council's water activity is a contributor to the community outcomes 'air, land, water and general environment are kept in a health condition'.

Accordingly, the Council will ensure that:

- ▶ water for human consumption is safe to drink;
- ▶ the water looks, smells and tastes good;
- ▶ there is adequate water for consumers' needs;
- ▶ breakages in any water supply are promptly fixed.

# How we performed

## Water Services

### Statement of service performance

The Council's performance against the targets set out in the Selwyn Community Plan is set out in the table below. The Council achieved five of its eight targets, with 92% of residents surveyed indicating that the Council is doing a very good or adequate job in the provision of water supplies. The Council has not met its target in relation to the 'rating' of supplies, but does consider the secure supplies to be safe.

Water that is clean, safe and tastes and smells ok is one the key measures of the communities' achievement of the community outcomes that water is kept in a healthy condition. The residents' survey shows that 90% of residents consider the overall quality, taste and smell is very good or adequate. This indicates that the community is making good progress in relation to this outcome and this is having a positive impact on the social well-being of the district.

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Water is safe to drink	The Council will monitor its water supplies to ensure compliance with the New Zealand Drinking Water Standards 2005 and its Public Health Risk Management Plan (PHRMP)	Ratepayers satisfaction with the water quality is greater than 80% (as measured by the two yearly Council residents survey)	<b>Achieved</b> 92% of ratepayers were satisfied with the quality of their water
	The Council will ensure its water supplies comply with the New Zealand Drinking Water Standards 2005	All 20 secure water supplies will meet the Standard Rating of 'B' for treatment and for reticulation by 30 June 2009 (8 water supplies will meet criteria by 30 June 2008).	<b>Not Achieved</b> The Ministry of Health's 'new' grading criteria has resulted in all of the council's secure water supplies not complying with the technical standard. Council disputes the gradings and has objected to the Ministry. Despite this non-compliance the council continues to provide water that is safe to drink
		All eight unsecured water supplies will meet the Standards Rating of 'B' for treatment and 'b' for reticulation by 30 June 2009 (3 water supplies will meet criteria by 30 June 2008)	<b>Not Achieved</b> No unsecured water supplies met the standard rating or 'B' 'b' at 30 June 2008
There is adequate water for consumer needs	The Council will ensure its water supply systems have adequate capacity to met consumer needs	Ratepayers' satisfaction with their water pressure is greater than 80% (as measured by the two yearly Council residents' survey).	<b>Achieved</b> 83% of ratepayers were satisfied with their water pressure

# How we performed

## Water Services

Service Target	What will the Council do to achieve the target?	How will we know if we have met the target?	Our achievement in 2007/2008
Water is supplied continuously 24 hours a day, 7 days a week	The Council monitors the majority of its water supply operations using a computer based radio telephone system to allow staff/ contractors to promptly respond to a problem	Ratepayers satisfaction with the promptness of problem resolution is greater than 80% (as measured by the two yearly Council residents survey)	<b>Achieved</b> 87% of ratepayers were satisfied with the way the council dealt with problems
	All disruptions on schemes not to exceed 4 hours without notice or 12 hours with at least 24 hours notice	The number of occasions when disruption exceeds allowable timeframes is less than five	<b>Achieved</b> During 2007/2008 there were two disruptions to water supplies.  One for Malvern Hills Rural Water Supply and one for Selwyn Rural Water Supply
Water looks, smells and tastes good	The Council will monitor its water supplies to ensure compliance with the New Zealand Drinking Water Standards 2005 and its Public Health Risk Management Plan (PHRMP)	Ratepayers satisfaction with the look, smell and taste of their water is greater than 80% (as measured by the two yearly Council residents survey)	<b>Achieved</b> Ratepayers were satisfied with their water quality as follows: 95% with appearance 94% with smell 93% with taste
There is adequate fire fighting flow in the approved areas	Council annually tests its approved water supplies to ensure adequate fire fighting flow	The number of times fire fighting code of practice not obtained is less than 20%	<b>Not Measured</b> This test was not undertaken in 2007/2008

# How we performed

## Water Services

### Water Services Activity Operating Statement

Financial summary for the year ended 30 June 2008

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
Targeted rates	2,753	2,943	2,354	1	
Lump sum rates payments	-	78	-		
Development contributions	1,703	1,088	1,898	2	6
Vested assets	1,445	635	1,445		7
Meter charges and connection fees	364	188	322		
Other revenue	182	35	297		
<b>Total activity revenue</b>	<b>6,447</b>	<b>4,967</b>	<b>6,316</b>		
<b>Operating expenditure</b>					
Urban water supplies	3,389	3,219	2,744	3	
Rural water supplies	400	559	454		
Water races	1,600	1,524	1,301	4	
Central Plains Water Scheme	-	-	-		
<b>Total operating expenditure</b>	<b>5,389</b>	<b>5,302</b>	<b>4,499</b>		
<b>Surplus/(deficit)</b>	<b>1,058</b>	<b>(335)</b>	<b>1,817</b>		

### Water Services Activity Capital Statement

Financial summary for the year ended 30 June 2008

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Capital expenditure</b>					
Urban water supplies	712	5,899	786		8
Rural water supplies	89	997	252	5	9
Water races	20	1,333	17		10
<b>Total Capital Expenditure</b>	<b>821</b>	<b>8,229</b>	<b>1,055</b>		

#### Financial commentary (actual 2008 compared to actual 2007)

1. *Targeted rates income* in 2008 is higher than in 2007 due to the increase in the number of properties serviced, plus the increase in rates for a number of supplies.
2. *Development contributions revenue* is dependent on the amount of waste water development contributions that subdividers have had to pay in any one year.
3. *Urban water expenditure* in 2008 is higher than 2007 due to the combined impact of increased connections and increased operating and maintenance costs, including the cost of repairing leaks.

# How we performed

## Water Services

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4. *Water races expenditure* in 2008 is above budget due to the cost of the resource consent process for the Malvern scheme (\$186,000) and the impact of the revaluation of infrastructure assets on the depreciation charge (\$60,000).
5. *Rural water capital expenditure in 2008* is lower than 2007 due to a number of planned projects not starting.

### ***Financial commentary (actual 2008 compared to budget 2008)***

6. *Development contributions revenue* - see note 2.
7. *Vested assets revenue* recognises the water assets installed by land developers that transfer to the Council when a *development* is complete. The amount of assets vested from year to year depends on the level of subdivision activity.
8. *Urban water supplies capital expenditure* in 2008 is below budget due to a significant number of projects that were not started as they were not required, or deferred until 2009. The budget includes the value of vested assets (\$635,000) estimated to be received during the year, but these items are not included in the actual expenditure.
9. *Rural water capital expenditure* in 2008 is below budget due to a number of projects that were not started as they were not required, or deferred until 2009.
10. *Water races capital expenditure* in 2008 is below budget due to a number of projects that were not started as they were not required or deferred until 2009

### ***Significant capital expenditure***

The significant capital project during the year was:

- The installation of a new water main in Darfield to improve the capacity of the supply - \$279,000

# How we performed

## Internal Council Services - Support Services

### Internal Council Services - Support Services

Internal support and administration functions exist to assist the Council's significant activities in the delivery of outputs and services with the exception of taxation expense. The cost of support services (overheads) is allocated to each of the Council's significant activities on a gross basis.

#### Support Services Activity Operating Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
Corporate revenue					
- Dividends	4,815	4,566	5,976	1	
- Interest	1,865	1,786	2,760	2	
- Commercial Property Leases	44	44	44		
Sundry revenue	481	513	608		
<b>Total activity revenue</b>	<b>7,205</b>	<b>6,909</b>	<b>9,388</b>		
<b>Operating expenditure</b>					
Chief executive's department	542	475	515		
Policy and communications unit	161	186	145		
Administration	882	805	903		
Corporate	144	186	193		
Finance	1,024	874	892	3	6
Information systems	1,542	1,525	1,263	4	
Vehicles/Infrastructure rates & insurance	366	232	281		
Asset management	2,435	2,430	1,270	5	
<b>Total operating expenditure</b>	<b>7,096</b>	<b>6,713</b>	<b>5,462</b>		
less Allocation to activity statements	(6,320)	(5,454)	(5,462)		
<b>Surplus/(deficit)</b>	<b>6,429</b>	<b>5,650</b>	<b>9,388</b>		
Plus Internal Interest		2,067			
<b>Surplus/(deficit)</b>	<b>6,429</b>	<b>7,717</b>	<b>9,388</b>		

# How we performed

## Internal Council Services - Support Services

### Support Services Activity Capital Statement

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Capital Expenditure</b>					
Vehicles	350	220			
Information services	266	195	223		
Administration	16	25	3		
Corporate	77	-	9		
Finance	-	-	11		
<b>Total Capital Expenditure</b>	<b>709</b>	<b>440</b>	<b>246</b>		

### *Financial commentary (actual 2008 compared to actual 2007)*

1. *Dividends* in 2008 are lower than 2007 due to a special dividend paid by Orion in that year.
2. *Interest revenue* in 2008 is lower than 2007 as the Council cash balances were lower.
3. *Finance operating expenses* in 2008 are higher than 2007 due to additional costs of staffing and the cost of valuing the Council's land, building and infrastructure assets.
4. *Information systems expense* in 2008 are higher than in 2007 due to the additional costs of licences, the costs of setting up the systems in the headquarters and additional depreciation costs.
5. *Asset management operating expenses* in 2008 are shown as being higher than in 2007 due to a change in the Council's approach to allocating assets management costs to services.

### *Financial commentary (actual 2008 compared to budget 2008)*

6. *Finance operating expenses* - see note 3

# How we performed

## Internal Council Services - Izone

### Izone Southern Business Hub and Property Sales

#### *Nature and scope*

During 2001 the Council purchased 130 hectares north west of Rolleston for the establishment of an industrial park. The purchase was in response to issues identified in the economic development strategy, particularly those relating to employment opportunities within the district. This project will occur over the next 10-15 years.

A project team has been established to manage the development.

In 2007/2008 the Council continued with project management, administration and promotion of the Selwyn Industrial Park.

The project is self-funding with the cost of development being repaid by the sale of sections. The development will provide the Council with interest income as well as profits from the sale or lease of the land in the future.

#### **Izone Activity Operating Statement**

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Activity revenue</b>					
Izone Southern Business Hub sales	8,343	5,427	2,459	1	7
Other property gain on sale	-	-	1,146	2	
Other revenue	487	-	65	3	8
<b>Total activity revenue</b>	<b>8,830</b>	<b>5,427</b>	<b>3,670</b>		
<b>Operating expenditure</b>					
Property development	3,244	3,258	189	4	9
Izone development contributions	1,355		2,162	5	10
Infrastructure depreciation	-	44	-		
<b>Total operating expenditure</b>	<b>4,599</b>	<b>3,302</b>	<b>2,351</b>		
<b>Surplus/(deficit)</b>	<b>4,231</b>	<b>2,125</b>	<b>1,319</b>		

#### **Izone Activity Capital Statement**

*Financial summary for the year ended 30 June 2008*

	Actual 2008 \$000	Budget 2008 \$000	Actual 2007 \$000	Note Actual 2008 v Actual 2007	Note Actual 2008 v Budget 2008
<b>Capital expenditure</b>					
Property development	5,689	1,074	4,248	6	11
<b>Total Capital Expenditure</b>	<b>5,689</b>	<b>1,074</b>	<b>4,248</b>		



# How we performed

## Internal Council Services - Izone

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### ***Financial commentary (actual 2008 compared to actual 2007)***

1. *Property sales in 2008* are higher than in 2007. During 2008, Izone benefited from strong sales growth with buyers having a choice of developed lots in stages 3 and 4.
2. *Other property gain on sale in 2008* is recognised in the community services activity operating statement.
3. *Other revenue* in 2008 relates to Orion's contribution to the installation of stages 3 and 4 electricity reticulation.
4. *Property development costs* in 2008 include the completion of stage 3, expected to have been completed in 2007 and stage 4 which was larger in development size than budgeted.
5. *Izone development contributions* in 2008 relate to stage 4.
6. *Property development capital expenditure* in 2008 includes:
  - ▶ Land purchases in Hoskyns Road for future Izone land development \$2,890,000
  - ▶ Designline building construction \$558,000.

Although neither of these items of capital expenditure were included in the budget, they have been undertaken after financial analysis showed the benefits that each would have to the future development of Izone.

### ***Financial commentary (actual 2008 compared to budget 2008)***

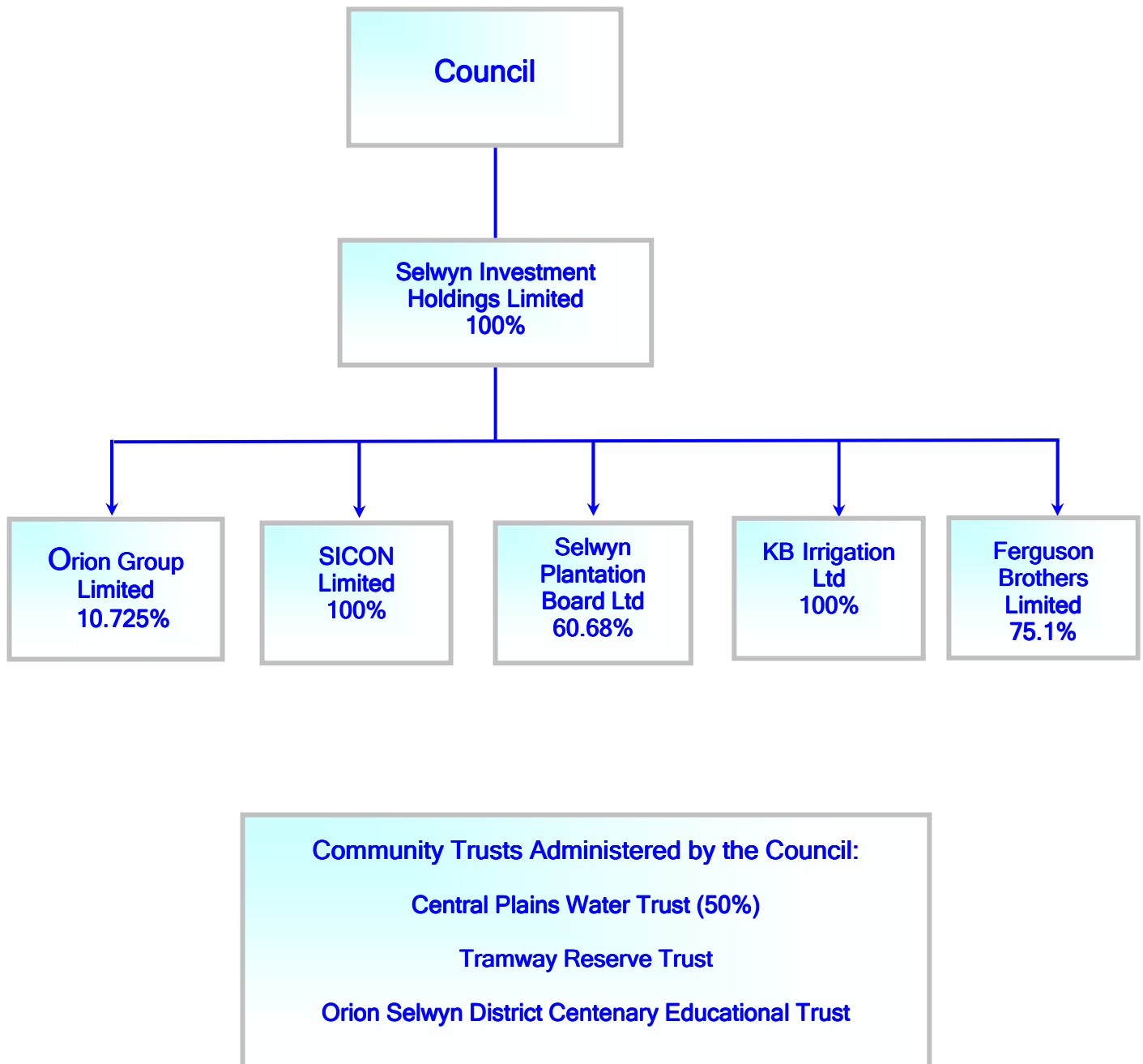
7. *Refer note 1.*
8. *Refer note 2.*
9. *Refer note 4.*
10. *Refer note 5*
11. *Property Development budgeted capital expenditure* did not allow for land purchases or the Designline building. The land purchases were required due to the higher than expected sales growth which resulted in the land being sold faster than anticipated. The Designline building investment was made in line with the Commercial Property guidelines.

### ***Significant capital expenditure***

The significant capital projects during the year were:

- ▶ Land acquisition and construction work on stages 3 and 4 of Izone to meet the demand for industrial land in the district and achieve a financial return for ratepayers - \$5,131,000
- ▶ The initial cost of constructing the Designline building - \$558,000

### Financial Interests



## Selwyn Investment Holdings Limited

### *Relationship to the Council*

The Council retains control over the activities of the company through the company's annual Statement of Intent, the company's constitution and the ability to appoint directors.

### *Nature and scope of the company*

This enterprise is a company established to combine the Council's trading investments under one umbrella and thereby facilitate effective management of the Council's investments and cash flows. This arrangement is aimed at separating the trading investments from the ordinary operations of the Council and to ensure that the Council's relationship with its investment companies is handled in a commercial manner. The security provided by this ownership gives the Council a facility to efficiently borrow in commercial markets.

The company's revenue is in the form of dividends from Orion Group Limited, SICON Limited, Selwyn Plantation Board Ltd and KB Irrigation Limited. The surplus is distributed to the Council via a fixed dividend distribution policy.

### *Objective*

To enable the efficient management of the Council's trading investments.

### *Statement of service performance for the year ended 30 June 2008*

Following is an analysis of performance relative to the financial performance targets outlined in Selwyn Investment Holdings Limited Statement of Intent for the year ended 30 June 2008.

Indicators	Target	Achievement
Surplus before tax	\$5,343,777	\$4,678,455
Surplus after tax	\$5,343,777	\$4,705,794
Proposed dividend	\$4,809,399	\$4,660,610
Debt/total assets	6.3%	0.0%
Return on total assets	4.5%	4.0%
Return to shareholders' funds	4.9%	4.9%

### *Statement of financial performance*

	Actual 2008 \$000	Actual 2007 \$000
Revenue	5,818	7,086
Expenditure	1,139	505
Surplus before taxation	4,479	6,581
Surplus after taxation	4,706	6,577
Ordinary dividend	4,661	5,919

## **SICON Limited**

### *Relationship to the Council*

The board appoints its own chief executive and the Council has no involvement in the day-to-day management of SICON Limited. The Council solely retains control over the activities of the company through ratification of its annual statement of intent. In this regard the operation of SICON Limited is no different from the other companies the Council has a majority shareholding in.

### *Nature and scope of the company*

SICON Limited is in the business of management, construction and maintenance of South Island infrastructure, assets and amenity assets. Consistent with its objectives, the company will pursue activities designed to ensure the efficient and prudent utilisation of its capital assets.

### *Objective*

To operate as a successful, growth focussed contracting business and follow these key principles which are central to its business strategy:

- ▶ Commitment to quality.
- ▶ Commitment to its shareholders.
- ▶ Commitment to Selwyn district.
- ▶ Commitment to its people.
- ▶ Commitment to health and safety.
- ▶ Commitment to the environment.
- ▶ Commitment to future growth.

### *Key performance targets*

- ▶ Provide a quality service as attested by maintaining accreditation to ISO 9001:2000 Quality Standard Certification.
- ▶ Provide a safe workplace as attested by maintaining ACC Workplace Safety Management Practices Certification to tertiary level.

## Financial interests

### Statement of service performance for the year ended 30 June 2008

Indicators	Target	Achievement
<b>Indicator 1</b>		
<i>Return on total assets</i>		
Return before interest & tax to total assets at start of period	12.00%	1.34%
<b>Indicator 2</b>		
<i>Return on shareholders' funds</i>		
Return after tax to opening shareholders' funds	15.00%	-2.71%
<b>Indicator 3</b>		
<i>Performance ratio</i>		
Shareholders' consolidated funds to total assets (excluding deferred tax)	40.00%	47.91%
<b>Indicator 4</b>		
<i>Quality services</i>		
ISO 9001: 2000 quality standard certification	Maintain	Maintained
<b>Indicator 5</b>		
<i>Health and safety</i>		
ACC WSMP certification to tertiary level	Maintain	Maintained
<b>Indicator 6</b>		
<i>Environment</i>		
NZS 14001 environmental standard certification	Maintain	Maintained

### Statement of financial performance for the year ended 30 June 2008

	Actual 2008 \$000	Actual 2007 \$000
Revenue	44,310	43,399
Expenditure	44,521	41,715
Surplus/ (deficit) before taxation	(211)	1,684
Surplus after taxation	(230)	1,174
Ordinary dividend	-	587

## Selwyn Plantation Board Ltd

### *Relationship to the Council*

The Council exercises influence on the Board through approval of its annual Statement of Intent.

### *Nature and scope of the company*

The core business of the Selwyn Plantation Board Ltd is to operate a financially successful forestry and land utilisation business on the plains and foothills of Canterbury in an environmentally and socially sustainable manner.

Selwyn Plantation Board Ltd will engage in any operations or industry relative to the planting, growing, silviculture, felling, cutting, extraction, removal, conversion, manufacture, transport, distribution, or sale of logs, timber or other forest products and any management practices relevant to maximising land utilisation including purchase and disposal. It will also convert existing plains forests to a sustainable form of pasture and/or cropping to enhance the financial and productive capacity of this land, and allowing for future land options.

### *Statement of service performance for the period ended 30 June 2008*

Indicators	Achievement
<b>Indicator 1</b>	
Silviculture	
<i>To establish 5 hectares of forest per annum</i>	2 hectares
<i>To prune and thin 185 hectares</i>	293 hectares
<b>Indicator 2</b>	
Production	
<i>To produce a minimum of 237,500 tonnes of wood per annum (includes third party harvest volumes)</i>	254,685 tonnes
<b>Indicator 3</b>	
Land conversion	
<i>To covert 400 hectares of land</i>	359 hectares
<b>Indicator 4</b>	
Financial	
<i>Debt to equity ratio of less than 40%</i>	Present ratio is 0%
<i>Operating surplus before revaluation, impairment and creation of Bankside provision of \$1,473,000</i>	Deficit of \$202,000

## Financial interests

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### *Statement of financial performance for the period ended 30 June 2008*

	Actual 2008 \$000	Actual 2007 \$000
Revenue	15,966	16,531
Expenditure	22,569	14,169
Surplus / (deficit) before taxation	(6,603)	2,362
Surplus / (deficit) after taxation	(5,433)	2,307
Ordinary dividend	1,638	1,200

The company's expenditure for the period ended 30 June 2008 included a revaluation decrement of \$3,003,000 (2007: a revaluation decrement of \$1,398,000) and a provision for the remediation of the Bankside Depot of \$2,218,000 (2007: nil).

# Financial interests

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## KB Irrigation Limited

### *Relationship to the Council*

The Council exercises influence on the Board through approval of its annual Statement of Intent.

### *Nature and scope of the company*

KB Irrigation Limited is in the business of the provision of quality pastoral irrigation services throughout the South Island. Consistent with its objectives, the company will conduct its business in a technically responsible manner to provide quality solutions to its clients and to continually look at opportunities to maintain a competitive advantage. It will pursue activities designed to ensure the efficient and prudent utilisation of its capital assets and human resources.

### *Statement of service performance*

Indicators	Target	Achievement
Debt/total assets	40%	47.5%
Return on total assets	0.0%	0.0%
Return on shareholders' funds	0.0%	0.0%
Dividend payable	nil	nil

### *Statement of financial performance for year ended 30 June 2008*

	Actual 2008 \$000	Actual 2007 \$000
Revenue	7,820	9,024
Expenditure	8,952	9,060
Surplus / (deficit) before taxation	(1,132)	(36)
Surplus / (deficit) after taxation	(1,149)	(25)
Ordinary dividend	0	0



## Financial interests

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### Ferguson Brothers Limited

#### *Relationship to the Council*

The Council exercises influence on the Board through approval of its annual Statement of Intent.

#### *Nature and scope of the company*

Ferguson Brothers Limited is a Greymouth-based roading and earthmoving contractor.

#### *Statement of service performance*

Indicators	Target	Achievement
Debt/total assets	40%	51.76%
Return on total assets	7.19%	4.64%
Return on shareholders' funds	14.37%	12.35%
Dividend payable	\$215,472	\$240,091

#### *Statement of financial performance for period ended 30 June 2008*

	Actual 2008 \$000	Actual 2007 \$000
Revenue	12,380	0
Expenditure	11,474	0
Surplus before taxation	906	0
Surplus after taxation	600	0
Ordinary dividend	240	0

### Orion Group Limited

#### *Relationship to the Council*

Selwyn Investment Holdings Limited has a 10.725% shareholding in Orion Group Limited.

The shareholders exercise influence on the company through the negotiation of the annual Statement of Intent.

#### *Nature and scope of the company*

Orion plans, constructs and maintains a reliable and secure electricity distribution network in the Christchurch and Central Canterbury region. The network's capacity is matched as closely as possible to actual and forecast market demand for electricity.

Orion's networks consist of approximately 186,000 connections, 14,000 km of lines and cables and 9,500 distribution substations and pole-mounted transformers.

#### *Overall goal*

To operate as a successful business. Orion's priority is the efficient and effective management of its electricity network. The company aims to provide customers with a high level of service, a reliable and secure supply and competitive prices. Orion also aims to provide shareholders with an attractive risk adjusted return on their investment.

# Financial interests

## Statement of service performance for the year ended 31 March 2008

Indicators	Actual 2008	Target 2008	Disclosed Average 2007
Profit after tax (\$m)	65.5	39.7	
Net profit to average shareholders' equity (%)	9.5	6.7	
Electricity network regulatory return on investment (%) refer to note below.	Not yet published	8.1	
Debt (%)	6	9	
Equity (%)	94	91	
Equity/total assets (%)	73	70	
Dividends (\$m)	45	35	
<b>Electricity network reliability</b>			
<i>All interruptions:</i>			
The following targets include interruptions sourced from the Orion network, Transpower network and the generation companies.			
Duration of supply interruptions:			
▶ SAIDI - minutes per year			
○ Urban	13	20	
○ Rural	344	432	
○ Overall	54	68	348
Number of supply interruptions			
▶ SAIFI - times per year			
○ Urban	0.3	0.5	
○ Rural	4.2	4.0	
○ Overall	0.7	0.9	3.1
<b>Orion network interruptions only:</b>			
The following targets include interruptions sourced from the Orion network only.			
Duration of supply interruptions			
▶ SAIDI - minutes per year			
○ Urban	13	19	
○ Rural	271	412	
○ Overall	45	64	272
Number of supply interruptions			
▶ SAIFI - times per year			
○ Urban	0.3	0.4	
○ Rural	3.3	3.6	
○ Overall	0.6	0.8	2.3

The disclosed average 2007 figures are stated only where comparable data is available.

## Financial interests

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### *Statement of financial performance for the year ended 31 March 2008*

	Actual 2008 \$000	Actual 2007 \$000
Revenue	212,818	198,298
Expenditure	138,859	127,820
Surplus before taxation	73,959	70,478
Surplus from continuing operations after taxation	65,510	49,154
Surplus/(deficit) on discontinued operations	-	11,454
Surplus after taxation	65,510	60,608
Ordinary dividend	45,000	38,000

## Central Plains Water Trust

### *Relationship with the Council*

Central Plains Water Trust is a Council-controlled organisation, jointly controlled by the Selwyn District Council (50%) and the Christchurch City Council (50%). The Council exercises significant influence over the activities of the trust through its ability to appoint the trustees.

Central Plains Water Trust is a charitable trust for the benefit of present and future generations of Christchurch City and Selwyn District residents.

The Trust will hold all necessary resource consents when obtained by Central Plains Water Limited.

### *Policies and objections in regard to ownership and control*

The Council recognises a major regional economic benefit in managing the water resource in the Central Canterbury Plains including significant employment creation. The Council also wishes to be involved to ensure its own infrastructure will not be adversely affected by any proposed scheme.

### *Statement of service performance for the year ended 30 June 2008*

#### *Indicator 1*

To provide assistance to Central Plains Water Limited and monitor progress of accumulating scientific studies necessary to support the application hearing process for resource consents for the Central Plains irrigation scheme on behalf of the Trust.

#### *Achievement 1*

The Trust has monitored progress with regard to the various resource consent applications, funding and other priority matters through regular reports, briefings and meetings between the company, the Trust, project management and consultants.

The Trust met formally and informally on 28 occasions during the year under review.

The Trust has also monitored legal matters undertaken by the company and the preparation of scientific and technical studies that support the consent application.

#### *Indicator 2*

Monitor the SFF project 05/177 to complete a sustainability code in consultation with core stakeholders.

#### *Achievement 2*

The Trust's role, as consistent with Trust Deed objects, as guardian incorporating the Ngai Tahu Iwi role of kaitiaki is to protect and enhance the environment; ensure sustainable use of the land and existing water bodies, including groundwater as part of the living system.

The Trust determined that the Sustainable Farming Code of Practice was the mechanism to deliver this outcome.

The Sustainability Code of Practice setting out the policies procedures and awareness raising that Central Plains Water Ltd (CPWL) will follow in the development, operation and maintenance of the Central Plains Water enhancement scheme. The Code will ensure that both the scheme operators and the water users can achieve high environmental standards and sustainable outcomes.

The Sustainability Farming Code of Practice was finalised and launched by stakeholders during the year under review.

The Sustainability Code of Practice and farm Management Plan is an integral part of the Memorandum of Agreement License to Use Water agreements between Central Plains Water Trust and Central Plains Water Limited anticipates specifically developed to meet the Trust's objectives.

#### *Indicator 3*

To develop and implement scheme recreational opportunities and environmental community enhancers.

## Financial interests

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### *Achievement 3*

The Trust commissioned research in 2007 to identify recreational opportunities. During 2008 priority has been directed towards consent hearings and the presentation of evidence. In support of that evidence the Trust and the company engaged in consultative meeting with river recreational users. As a consequence of these meetings evidence in rebuttal will reinforce the role of the Trust and align scheme parameters with amenity values of both rivers and recreation expectations of the community.

### *Indicator 4*

The Trustees' will develop and adopt an annual budget and will report the financial results by providing financial statements to the settlors' quarterly - for the quarter year to 30 September, 31 December, 31 March and an audited statement for the year ended 30 June.

### *Achievement 4*

The Trust has prepared an annual budget as part of the revenue in advance provided by Central Plains Water Limited (refer to note 4).

Financial statements were provided to the settlors for the quarters ending 30 September, 31 December, 31 March and the year ended 30 June.

### *Statement of financial performance for the year ended 30 June 2008*

	Actual 2007 \$000	Actual 2006 \$000
Revenue	67	40
Expenditure	62	40
Surplus	5	-

### Tramway Reserve Trust

#### *Nature and scope of activities*

Tramway Reserve Trust is a Council Controlled Organisation of the Council.

Tramway Reserve at the end of Tramway Reserve Road will be subject to restoration and enhancement to be led by the Tramway Reserve Trust. The restoration project was agreed as mitigation for the past and ongoing use of Tramway Reserve Drain for waste water management. The Trust was established as part of that agreement between Ngai Tahu and the Council as a condition of the upgraded Leeston (Ellesmere) sewerage treatment site.

#### *Statement of service performance*

The Trust will continue work towards returning the Tramway Reserve waterway to its natural state and facilitating public access.

#### *Statement of financial performance for the year ended 30 June 2008*

	Actual 2008 \$000	Actual 2007 \$000
Revenue	1	-
Expenditure	1	-
Surplus	-	-

### Orion Selwyn District Centenary Educational Trust

#### *Nature and scope of activities*

Orion Selwyn District Centenary Educational Trust is a Council-controlled organisation of the Council. The trust was established in November 2003 by Orion New Zealand Limited.

The purpose of the Trust is to promote and support the education of students who are attending Ellesmere College, Lincoln High School and Darfield High School and any other high school established in the Selwyn district in the future and who are intending to undertake a course of tertiary education in New Zealand.

#### *Statement of service performance*

The Trust expects to receive enough investment income each year to be able to pay out scholarships to recipients from the three current High Schools in the area. In the year ended 30 June 2008 the Trust earned \$4,236 in interest revenue and paid out scholarships totalling \$3,000 to students from the three designated schools.

#### *Statement of financial performance for year ended 30 June 2008*

	Actual 2008 \$000	Actual 2007 \$000
Revenue	4	5
Expenditure	3	3
Surplus	1	2



## Contact details

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### Mayor and Councillors

MAYOR  
KELVIN COE

IRWELL  
513 THE LAKE ROAD  
RD 3  
LEESTON 7683  
(H) (03) 329 1768  
(F) (03) 329 1786  
(C) 027 267 7732  
[KELVIN.COE@SELWYN.GOV.T.NZ](mailto:KELVIN.COE@SELWYN.GOV.T.NZ)

DEPUTY MAYOR  
JOHN MORTEN

(MALVERN WARD COUNCILLOR)  
224 WAIREKA ROAD  
RD 1  
DARFIELD 7571  
(H) (03) 317 9001  
(F) (03) 317 9002  
(C) 027 200 2578  
[JOHN.MORTEN@SELWYN.GOV.T.NZ](mailto:JOHN.MORTEN@SELWYN.GOV.T.NZ)

SELWYN CENTRAL WARD

GARY DOYLE  
782 WEEDONS ROAD  
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CHRISTCHURCH 7675  
(H) (03) 347 8458  
(C) 027 364 5834  
[GARY.DOYLE@SELWYN.GOV.T.NZ](mailto:GARY.DOYLE@SELWYN.GOV.T.NZ)

SPRINGS WARD

DEBRA HASSON  
152 CHAMBERLAINS ROAD  
SPRINGSTON, RD 4  
CHRISTCHURCH 7674  
(H) (03) 329 5445  
(C) 027 435 5055  
[DEBRA.HASSON@SELWYN.GOV.T.NZ](mailto:DEBRA.HASSON@SELWYN.GOV.T.NZ)

ANNETTE  
FOSTER

'BROOMLEIGH'  
1092 GOULDS ROAD  
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CHRISTCHURCH 7675  
(H) (03) 347 8651  
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520 SPRINGS ROAD  
  
PREBBLETON 8153  
(H) (03) 349 7990  
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(C) 027 433 9964  
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WALTERS

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(H) (03) 325 7670  
  
(F) (03) 325 2139  
(C) 027 295 3868  
[LINDSAY.PHILPS@SELWYN.GOV.T.NZ](mailto:LINDSAY.PHILPS@SELWYN.GOV.T.NZ)

MALVERN  
WARD

PAUL STEWART  
2551 WARDS ROAD  
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(F) (03) 318 8768  
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WARD

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PO Box 80  
1450 LEESTON ROAD  
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(F) (03) 324 3903  
(C) 027 295 3857  
[JACK.PEARCY@SELWYN.GOV.T.NZ](mailto:JACK.PEARCY@SELWYN.GOV.T.NZ)

NIGEL BARNETT

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RD 2  
LEESTON 7682  
(H) (03) 325 4392  
(C) 027 484 4888  
[NIGEL.BARNETT@SELWYN.GOV.T.NZ](mailto:NIGEL.BARNETT@SELWYN.GOV.T.NZ)

### Mayor and Councillors Retired as at October 2007

Mayor Michael McEvedy  
Councillor Jens Christensen

## Contact details

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### Community Board Members

#### MALVERN COMMUNITY BOARD

##### CHAIRPERSON

**IAN WARREN**  
WAIANIWA  
WARRENS ROAD  
GREENDALE  
RD 1  
CHRISTCHURCH 7671  
(H) (03) 318 0798  
(F) (03) 318 8186  
[IFWARREN@XNET.CO.NZ](mailto:IFWARREN@XNET.CO.NZ)

**MARY IRELAND**  
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(H) (03) 318 8649  
(F) (03) 318 8648  
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**BOB MUGFORD**  
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COALGATE 7646  
(H) (03) 318 2877  
(F) (03) 318 2861  
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**ANNIE SMITH**  
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DARFIELD 7510  
(H) (03) 318 7317  
(F) (03) 318 8104  
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**ALLAN THORNE**  
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(H) (03) 318 3798  
(F) (03) 318 0797  
[ALLAN.THORNE@SELWYN.GOV.T.NZ](mailto:ALLAN.THORNE@SELWYN.GOV.T.NZ)

#### SELWYN CENTRAL COMMUNITY BOARD

##### CHAIRPERSON

**BRUCE RUSSELL**  
123 FINLAYS ROAD  
RD 5  
CHRISTCHURCH 7675  
(H) (03) 347 9692  
(F) (03) 384 1788  
(CELL) 0274 361 727  
[MARG.BRUCE@SLINGSHOT.CO.NZ](mailto:MARG.BRUCE@SLINGSHOT.CO.NZ)

##### DEPUTY

##### CHAIRPERSON

**MARK ALEXANDER**  
TWO CHAIN ROAD  
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(H) (03) 347 6393  
(F) (03) 347 6392  
[MARK.ALEXANDER@SELWYN.GOV.T.NZ](mailto:MARK.ALEXANDER@SELWYN.GOV.T.NZ)

**JEFF BLAND**  
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[THEBLANDS@XTRA.CO.NZ](mailto:THEBLANDS@XTRA.CO.NZ)

**JOYCE DAVEY**  
6 JULIET PLACE  
ROLLESTON 7614  
(H) (03) 347 8217  
[JDAVEY@SLINGSHOT.CO.NZ](mailto:JDAVEY@SLINGSHOT.CO.NZ)

### Retired Community Board Members as at October 2007

#### *Malvern Community Board*

Chris McSherry  
Warwick Judd  
Brian Redfern

#### *Selwyn Central Community Board*

Dorothy Oakley  
Marian Powell

## Where we go for more information

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This Annual Report 2007/2008 is also available at [www.selwyn.govt.nz](http://www.selwyn.govt.nz) or you can get a copy at any Selwyn District library or service centre (see list below).

### **Customer services**

For general enquiries, assistance and information, telephone (03) 347 2800.

### **Website**

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

### **Selwyn District Council Headquarters**

2 Norman Kirk Drive  
PO Box 90  
ROLLESTON

### **Service Centres**

#### **Leeston Service Centre**

High Street  
Private Bag 1  
LEESTON  
Phone (03) 324 8080  
Fax (03) 324 3531

#### **Darfield Service Centre**

South Terrace  
DARFIELD  
Phone (03) 318 8338  
Fax (03) 318 7640

#### **Lincoln Service Centre**

Gerald Street  
LINCOLN  
Phone (03) 325 3288  
Fax (03) 325 3060

#### **Rolleston Community Centre**

Rolleston Drive  
Rolleston  
Phone (03) 347 9699  
Fax (03) 347 7219

### **Auditors**

Audit New Zealand  
PO Box 2  
CHRISTCHURCH  
On behalf of the Auditor-General

### **Bankers**

Westpac  
PO Box 2545  
CHRISTCHURCH

### **Solicitors**

Buddle Findlay  
PO Box 322  
CHRISTCHURCH

### **Sister District**

Akitakata City  
Yoshida 791  
Akitakata City  
Hiroshima 731 0592  
JAPAN

# Council controlled trading organisations

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## **Council Companies** (Appointments as at 30 June 2008)

### **Selwyn Investment Holdings Limited** (100% owned by Council)

P O Box 2935  
CHRISTCHURCH  
Phone (03) 366 5601  
Fax (03) 366 5608  
Website [www.sih.co.nz](http://www.sih.co.nz)

#### *Board*

EM Frew (Chairperson)  
WJ Bell  
J Morten  
SA Leck  
RB MacGeorge

#### *Investment Manager*

A Bartlema

#### *Company Secretary*

DF Emerson

### **SICON Limited**

(100%) owned by Selwyn Investment Holdings Limited)

3 South Terrace  
PO Box 40  
DARFIELD  
Phone (03) 324 3068 or (03) 318 8320  
Fax (03) 318 8578  
E-mail [sicon@sicon.co.nz](mailto:sicon@sicon.co.nz)  
Website [www.sicon.co.nz](http://www.sicon.co.nz)

#### *Board*

WJ Bell (Chairperson)  
KJ Beams  
GH Clemens  
LA McCracken  
T Tattersfield

#### *Chief Executive Officer (from 1 July 2008)*

B Beagley

### **Selwyn Plantation Board Ltd**

(60.68% owned by Selwyn Investment Holdings Limited)

Horndon Street  
PO Box 48  
DARFIELD  
Phone (03) 318 8311  
Fax (03) 318 8812  
Website [www.spbl.co.nz](http://www.spbl.co.nz)

#### *Board*

R Polson (Chairperson)  
A Berg  
J Christensen  
PJ Coakley  
GD Heenan

#### *Chief Executive*

A Russell

### **KB Irrigation Limited**

(100% owned by Selwyn Investment Holdings Ltd)

135 Alford Forest Road  
PO Box 379  
ASHBURTON  
Phone (03) 308 9419  
Fax (03) 308 8199  
Website [www.kbirrigation.co.nz](http://www.kbirrigation.co.nz)

#### *Board*

EM Frew (Chairperson)  
LA McCracken  
GH Clemens

#### *Chief Executive*

N Gillot

### **Ferguson Brothers Limited**

(75.1% owned by Selwyn Investment Holdings Limited)

Main South Road  
PO Box 332  
GREYMOUTH  
Phone: (03) 768 4181  
Fax (03) 768 4180

#### *Directors*

T Tattersfield (Chairperson)  
S Leck  
M Ferguson

#### *Managing Director*

M Ferguson

### Other Council Organisations (Appointments as at 30 June 2008)

#### **Central Plains Water Trust**

(50% owned by Selwyn District Council)

PO Box 90  
ROLLESTON  
Phone (03) 347 2800  
Fax (03) 347 2799

#### *Trustees*

DG Marsh (Chairperson)  
DJ Catherwood  
RW Davison  
DAR Haslam  
DJ O'Rourke  
V Smart  
C Williams

#### **Izone Southern Business Hub**

Council committee established to develop an industrial park at Rolleston:

PO Box 90  
ROLLESTON  
Phone (03) 347 2800  
Fax (03) 347 2799

#### *Committee Members*

(Chairman) JL Christensen  
WJ Bell  
R Schulz  
Councillor A Foster

#### *Chief Executive*

RD Hughes Developments Limited  
Attention: Robin Hughes  
Phone (03) 379 2609

#### *Council Manager Responsible*

DD Marshall - Manager Corporate Services  
Selwyn District Council

[www.izone.org.nz](http://www.izone.org.nz)



## District Statistics

### Population

- Estimated Resident Population (June 2007) 36,400 (Source: Statistics New Zealand)

### Area

- Area 6492 square kilometres

### Rates

- Rateable assessments 17,771

## Valuation

- Rateable capital value \$9,747,953,723
- Rateable land value \$5,915,488,750

## Roading

- Sealed Roads 1,349.3km
- Unsealed Roads 1,118.2km

## Infrastructure

- Number of Bridges 120
- Length of Classified Drains 366km
- Length of Water Races 2,063km