

SELWYN DISTRICT COUNCIL
Annual Report
for the year 2013/2014



Welcome to Selwyn District Council's Annual Report 2013/14

About the Annual Report

The purpose of the Annual Report is to compare the actual activities and performance of the Council against those set out in the Long Term Plan and Annual Plan. The Annual Report also enhances the Council's accountability to the community for the decisions made during the year by the Council.

The financial statements and performance information presented in this report are reporting against the second year of the Selwyn District Council Long term Plan 2012/2022 that was adopted on 27 June 2012.

Selwyn History

Selwyn District is named after the Selwyn River, which, in turn, is named after Bishop Selwyn, one of the first Europeans to walk through the area in the mid-1840s.

The District's current boundaries date from 1989 when three adjacent counties, Malvern, Ellesmere and the rural half of Paparua, were fused into a single District. A generation earlier, in 1963, Ellesmere had absorbed a neighbouring fourth county Springs. These counties had once been part of a larger Selwyn County.

Fastest growing District in New Zealand

The Selwyn District continues to be a great place to live, work and play. Selwyn is the fastest growing area in New Zealand and has also been ranked by BERL (Business and Economic Research Limited) as the district with the strongest economic performance in the country for the past two years running.

It really is an exciting time for the District with so much development taking place. The District continues to figure strongly in Canterbury's rebuild and economic growth. The total number of building consents issued in Selwyn for the year to June 2014 was 2,790, up from 2,390 in the twelve months to June 2013. The number of new dwelling consents rose more sharply – from 1,084 to 1,613.

How we performed – summary

Financials

Expenditure for the year was \$76 million compared with the budget of \$78 million.		The Council has a positive net operating cash flow of \$34 million. (The operating cash flow is used to fund the capital expenditure programme.)	Total assets of \$1.3 billion.
	\$32 million of Rates revenue was levied during the year.	\$26 million Capital works was completed during the year.	\$25 million of Development contributions revenue was received during the year.

Selwyn District Council has continued to experience unprecedented growth during the 2014 financial year. The financial results for the year are a reflection of a number of extraordinary circumstances. These include the rapid and sustained population growth in the District, plus the accounting recognition of profits released from equity in relation to the Council's liquidation of Selwyn Investment Holdings Limited (SIHL).

Expenditure for the year was \$75.6 million compared with the budget of \$77.9 million. The main variances compared with budget were:

- Finance costs were \$3.5 million; \$2.9 million lower than budgeted. This is partly because the Council's strong cash flows, particularly from development contributions, meant less borrowing was required than anticipated, and partly because of a reduction in the valuation of the Council's interest rate swap liability. The interest rate swap liability is a non-cash item that represents the difference between actual and market interest rates for the Council's interest rate swaps at the end of the financial year.
- Depreciation and amortisation expenditure was \$21.4 million, \$495,000 below budget, mainly due to the delay in the timing of capital projects.

Income for the year was \$150.6 million compared with the budget of \$78.2 million. The main variances compared with budget were:

- Fees and charges were \$14.1 million, \$1.3 million above budget of \$12.8 million, again reflecting the level of population growth in the district as developers and new residents paid for building and resource consents. Admission numbers to the Selwyn Aquatic Centre were also higher than originally budgeted.
- Gains on the disposal of property held for sale were \$8.7 million, \$2.6 million below budget, with significant sales settled post balance date.

In our income statement we have also incorporated a number of exceptional revenue items including:

- An accounting adjustment of \$24.9 million was recognised during the year. This adjustment is a technical accounting recognition of previous movements in the value of Council's investment in SIHL. The recognition of the investment gains through income in the current financial year is a technical adjustment that is required as part of the liquidation of SIHL. The profit release is akin to the realisation of an investment and does not increase the Council's overall equity as the other side of the transaction is recognised through other comprehensive income.
- Development contributions revenue was \$25 million, \$17.6 million above budget of \$7.4 million as the level of population growth in the district was much more rapid than expected. Development contributions are retained in a separate account to fund new infrastructure and are not available to reduce the level of rates.
- Vested asset income was \$30.3 million, \$23.3 higher than budget of \$7 million, due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- Central Plains Water Limited repaid all outstanding loan balances in full during the year. In previous financial years the Council had provided for the write-down of part of this loan. The related gain recognised this year reflects the reversal of the \$2.5 million impairment.

Service performance

	<p>There were 258,000 admissions to the Selwyn Aquatic Centre during the year.</p>		<p>Our performance rating for parks and reserves was 86/100 in the biennial residents' survey.</p>
<p>No rural properties were affected by unplanned water supply interruptions of more than 24 hours.</p>	<p>2,790 building consents were issued during the year with an average processing time of 11 days.</p>	<p>41% of residents used the Pines Resource Recovery Park during the year.</p>	<p>449 metres of pavement resealing was completed during the year.</p>

Our services

Over the past year, your Council has been busy working to provide services to you which continue to help make Selwyn a great place to live.

Some of the things we do every day include:

- Maintaining over 2,400 kilometres of roads.
- Providing rubbish and recycling services to more than 12,000 households. 90% of residents rated this service as good or very good.
- Providing and maintaining 191 reserves and playgrounds, and 35 recreation reserves. 76% of people living in Selwyn visited a park last year.
- Providing and running the Selwyn Aquatic Centre and eight community pools. The Aquatic Centre had 258,000 admissions in its first year, exceeding its target of 250,000 admissions. 4,450 enrolments have been taken for the centre's learn to swim programme, with 98% of swim school pupils coming from Selwyn. 55% of residents visited a swimming pool during the year, up from 12% in 2013.
- Providing and maintaining 24 community centres and halls. 79% of residents rated this service as good or very good.
- Running libraries in Darfield, Lincoln, Leeston, Rolleston and a mobile library and assisting a volunteer library. The percentage of registered library users is 55% of the total population. This is an increase of 5% on the previous financial year, and just below our target of 59%.
- Issuing building and resource consents. 99% of resource consents were issued on time and the average time it took to process a building consent in the past year was 11 working days compared to the statutory timeframe of 20 working days. 95% of the people who use consent services were satisfied with the service they received.

The Selwyn Aquatic Centre completed its first full year of operation

The Selwyn Aquatic Centre has completed a busy first year, with over a quarter of a million visits to the centre in its first 12 months. The centre employs around 50 staff in full and part-time roles which include swim coaches, lifeguards, aqua-fitness instructors and administration roles.

Selwyn retains top spot in economic rankings

For the second year running, Selwyn has been named as the district with the strongest economy in New Zealand.

According to regional economic rankings released by Business and Economic Research Limited (BERL), Selwyn was the top economic performer of 2013 and the fastest growing area in New Zealand.

Selwyn ranked third overall for employment growth in New Zealand, and ranked in the top five places for GDP and business unit growth, giving the district the highest overall ranking of any local authority area in New Zealand. Two other Canterbury districts, Waimakariri and Ashburton were ranked in second and third place overall.

Last year Selwyn's population grew by 4.5%, more than five times the national average of 0.8%. Employment grew by 6% in Selwyn, while nationally employment increased by 0.2%.

Employment growth looks set to continue in the future, with the continued development of Izone Business Park in Rolleston and the construction of the first stage of the Central Plains water scheme underway this year.

We continue to issue record numbers of Building and Resource Consents

Our building and resource consent staff continue to be extremely busy. In the year to June 2014, a total of 2,790 (2013: 2,390) building consents were issued – a 17% increase on last year and 45% higher than 2012. The number of resource consent applications processed also increased by 22% - up from 518 to 633.

The introduction of an electronic building consent processing system which allows people to lodge building consents online has continued to provide improvements to processing times. The new system was recognised as a finalist in the Local Government New Zealand Excellence Awards in the economic contribution category.

A new library for Lincoln has been completed

The Council's library network has continued to act as a central hub of the community providing information and a wide range of recreational, cultural and learning opportunities for all ages. Construction of the Lincoln Library and Service Centre was completed and supports the Council's "libraries for life strategy". The new library has had a record number of new members join since it opened its doors on 4 February 2014. In its first month the library issued almost 8,000 books and other items, up from 5,200 in February last year. The number of new members joining was more than three times as many as the same month in 2013.

The new \$3.3 million building on Gerald Street replaced the old library and service centre and is more than three times larger than that building.

In 2013, the Eastern Selwyn Sewerage Scheme was completed

The scheme, designed by MWH New Zealand Limited, connects Springston, Prebbleton, Lincoln, Rolleston and West Melton to the newly redeveloped Pines Wastewater Treatment Plant through a pipe network with pump stations at Lincoln and Rolleston.

In 2014 the scheme won an award for engineering excellence from the Institute of Public Works Engineering Australasia. To date the scheme's performance has exceeded expectations.

Earthquake repairs to Council infrastructure are now mostly complete

All roads, bridges, water and waste water systems have been repaired and most community facilities have been fixed. The Council is half way through its programme to fix cemetery headstones that were damaged in the earthquakes and will continue this work over the next two years.

Funding for repairs has come from a number of sources including insurance, the Earthquake Commission, New Zealand Transport Agency and Central Government. \$2 million was also raised from an Earthquake levy on Selwyn ratepayers which helped funded work which could not have otherwise been completed.

Selwyn 2031: District Development Strategy

The Council has continued to focus on planning for our future. Consultation closed in June on Selwyn 2031 – Draft District Development Strategy. Selwyn's population is expected to grow from around 45,000 now to over 74,000 by 2031.

The strategy looks at a range of issues across the district including commercial and residential land supply, and considers what Council facilities, infrastructure and services are needed to ensure the district remains prosperous and people are able to continue to enjoy a high quality of life in a strong and resilient community.

Rolleston Town Centre Master Plan

By 2031 it is expected that Rolleston's population will grow from around 10,000 to approximately 20,000. In 2014, the Council adopted two new master plans to guide the development of central Rolleston. The Rolleston Town Centre Masterplan focuses on developing a town centre and a main street as the heart of Rolleston, attracting people to shop and work in the town and to provide new facilities and public places for people to enjoy. The plan includes the development of a new library, community and technology centre and town square. The Foster Recreation Park Masterplan outlines the development of the Park as the largest sport and recreation park in Selwyn.

Foster Recreation Park

Earthworks also began this year at Foster Recreation Park in Rolleston, signalling the start of the construction of Selwyn's largest park. The park will be designed to be used for a range of activities including sports training and games, community events and concerts as well as exercising dogs, picnics and walking and cycling.

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Introduction – message from the Mayor & Chief Executive

The year in review

Dear Selwyn ratepayers and residents,

The past twelve months have seen our population continue to grow. Council services have made an important contribution to our district's prosperity and the wellbeing of residents.

Selwyn continues to be the fastest growing district in New Zealand and also the area with the strongest economic performance. With the continuing development of Izone and the start of the construction of the Central Plains Water Scheme, this growth is likely to continue into the future.

Our building and resource consent team have remained busy keeping up with the demand for consents. In the year to June 2014 we have processed 2,790 building consents. Of these, 1,613 were new dwelling consents – a big increase on the 616 new dwelling consents we issued two years earlier and the 1,084 last year. In the past year the performance of our new online building consent process has been acknowledged by Local Government New Zealand (LGNZ) with the system recognised as a finalist in their awards.

2014 has seen the opening of a new library at Lincoln – and it is pleasing to see that many new residents have become members of the library since it opened. The Selwyn Aquatic Centre, which opened in June 2013, has also completed a busy first year. Over a quarter of million visits were made to the new centre and over 1,200 children are currently enrolled in swim lessons at the centre.

The Eastern Selwyn Sewerage Scheme was completed last year and connects Springston, Prebbleton, Lincoln, Rolleston and West Melton to the newly redeveloped Pines Wastewater Treatment Plant. The scheme is the biggest and most complex project the Council has completed to date. The performance of the scheme to date has exceeded expectations and in 2014 it was recognised by the Institute of Public Works Engineering Australasia with an engineering award.

Earthquake repairs to Council infrastructure have now been mostly completed with only some further repairs to cemeteries and some community centres/ halls. Selwyn residents have also been working together to improve community resilience. Many local volunteers have come forward to help their communities in an emergency and over 5,000 households are signed up to the Selwyn Gets Ready website.

Planning for our district's future continues to be an important part of the Council's role. In 2014 we released Selwyn 2031 for consultation. The plan will provide a framework for future planning and development. Construction of Foster Recreation Park has also started and is the first part of wider development plans for the Rolleston town centre. In Darfield, consultation on McHugh's Plantation has been undertaken and a new community park has also opened in Prebbleton.

The past year has been a busy and successful time for the Council. We would like to acknowledge and thank all the district's elected representatives, Council staff but most of all the people of Selwyn for helping to make this a great year.



Kelvin Coe
Mayor



David Ward
Chief Executive

Introduction – statement of compliance and responsibility

Compliance

The Council and management of Selwyn District Council confirm that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

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

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

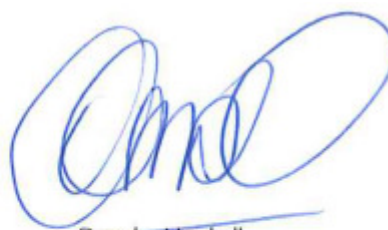
In the opinion of the Council and management of Selwyn District Council, the annual financial statements for the year ended 30 June 2014 fairly reflect the financial position and operations of the Selwyn District Council.



Kelvin Coe
Mayor of Selwyn District



David Ward
Chief Executive



Douglas Marshall
Manager Corporate Services

22 October 2014

Introduction – Māori involvement in decision making

As part of its strategic objectives, the 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 Māori, their culture, traditions, land and tāonga.

The Council has entered into a service and funding agreement with Mahaanui Karataiao Limited to assist the Council in meeting its obligations under Section 81 of the Local Government Act 2002.

Mahaanui Karataiao Limited is a runanga-owned entity and a consultancy which has been established specifically for the purpose of engaging with local government.

A broad range of services is offered under the agreement including advice/liaison and the facilitation of consultation on resource management issues, advice on policy and democratic processes and training for the Council and Runanga staff.

The Council will also continue to schedule bi-monthly meetings to engage with and share information with the Taumutu Runanga.

Significant activities – introduction to the significant activities

Introduction

The Council provides a wide range of services for and on behalf of the residents of the Selwyn District. For planning and reporting purposes, these services are grouped together as significant activities. The Council's plans for each significant activity for the 2013/14 financial year were set out in the Selwyn District Council Long Term Plan 2012/2022 (LTP).

The purpose of this section of the Annual Report is to report on the degree to which the Council achieved what it set out to do for each significant activity in both financial and non-financial terms, and its actual performance for the year.

This section of the Annual Report provides the following information for each activity:

- An overview of the group of activities that summarises services included in the group and what the Council has achieved during the financial year.
- An explanation of why the Council is involved in providing the group of activities.
- A summary of how the activity helps achieve the Council's community outcomes.
- Details of how the Council manages changing demand for any service, including the impact of population changes.
- Performance measures that illustrate the level of service the Council has provided against levels set out in the Council's LTP.
- A funding impact statement that shows how the group of activities has been paid for. More information on the funding impact statement is provided below.

Residents' survey

Some of the performance targets used to measure the level of service provided by the Council rely on a biennial residents' survey. The survey involves an independent telephone survey of 1,000 households in the Selwyn District. The results are expressed as a rating out of 100. The survey typically has a margin of error of +/-3%.

The survey asked respondents whether the Council is doing a very good job, a good job, a poor job, or a very poor job. The answers were weighted depending on the response with a very good job scoring 2, a good job scoring 1.5, a neutral response scoring 1, a poor job scoring -1.5 and a very poor job scoring -2. No responses scored 0. The weighted scores were converted to a 100 point scale, where a maximum score (all responses being a very good job) equals 100, and a minimum score (all responses being a very poor job) equals zero.

Funding impact statement

The funding impact statement is cash-based and presented in the prescribed form required by Section 15 of Schedule 10 of the Local Government Act 2002. The statement excludes non-cash income and expenditure items such as vested asset revenue (income that represents the value of assets transferred to the Council by sub-dividers) and depreciation (expenditure that represents the estimated value of assets used up in any one year).

The statement provides information on income sources, including general rates, targeted rates, fees and charges, subsidies, interest, dividends and development contributions. The income sources are split between those that fund operating items (day-to-day costs) and those that are specific to capital items (new and replacements assets). Where income funds both types of costs it is treated as operating income.

Similarly, expenditure is split between operating and capital items. The statement shows how the difference between income sources and expenditure has been met. This is through the use of borrowing, reserves or investments. For example, where operating and capital expenditure items exceed all income sources, the Council may borrow funds to meet the shortfall. This would typically occur during the development of a large capital project. Alternatively, the Council can use its investments to meet a shortfall. Investments include the use of general working capital (cash) balances, or the use of reserves that have been set aside for that activity. The use of reserves typically occurs where funds have been collected for a specific purpose, for example development or reserve contributions. The overall statement balances to nil as all differences between cash income and cash expenditure need to be funded by a combination of borrowing, investments and reserves.

The amount of general rate income allocated to each activity is based on the way the Council has determined it will fund specific activities. The Council's approach is set out in the Revenue and Financing Policy. The Council also receives income from dividends, interest and other sources that is used to reduce the amount of general rate income that needs to be charged to ratepayers. This income is treated as corporate income and included in the support services funding impact statement. This means that the general rate income line in this statement is actually a reduction in the general rate requirement, rather than an amount of income to be collected from ratepayers. In effect, it offsets the amount of general rate expenditure that would need to be charged to ratepayers if the Council did not have dividend and interest income.

	2014	2014	2013	2013
	Actual	Annual Plan	Actual	Annual Plan
	\$'000	\$'000	\$'000	\$'000
Sources of operating funding				
General rates	12,088	11,602	10,939	10,686
Targeted rates (other than for metered water supply)	19,532	19,053	17,686	17,619
Subsidies and grants for operating purposes	3,040	2,676	2,999	2,558
Fees, charges and targeted rates for metered water	14,050	12,761	12,071	10,136
Interest and dividends from investments	6,909	6,711	16,485	5,772
Other operating funding	485	185	1,460	181
Total operating funding (A)	56,104	52,988	61,640	46,952
Application of operating funding				
Payments to staff and suppliers	49,714	49,575	43,158	44,411
Finance costs	5,254	6,459	4,982	6,958
Other operating funding applications	373	564	220	417
Total application of operating funding (B)	55,341	56,598	48,360	51,786
Surplus / (deficit) of operating funding (A-B)	763	(3,610)	13,280	(4,836)
Sources of capital funding				
Subsidies and grants for capital expenditure	2,286	1,925	3,721	3,076
Development and financial contributions	24,961	7,411	12,456	5,698
Increase / (decrease) in debt	(14,966)	34,108	6,864	65,337
Gross sales proceeds from sale of assets	15,671	16,591	18,495	25,996
Total sources of capital funding (C)	27,952	60,035	41,536	100,107
Applications of capital funding				
Capital expenditure to meet additional demand	18,203	37,791	59,538	88,516
Capital expenditure to improve the level of service	2,515	12,674	1,873	10,240
Capital expenditure to replace existing assets	4,833	8,035	5,202	7,878
Increase / (decrease) in reserves	13,309	(3,861)	13,089	(5,191)
Increase / (decrease) of investments	(10,145)	1,786	(24,886)	(6,171)
Total applications of capital funding (D)	28,715	56,425	54,816	95,272
Surplus / (deficit) of capital funding (C-D)	(763)	3,610	(13,280)	4,836
Funding balance (A-B) + (C-D)	-	-	-	-

Significant activities – community facilities

Services covered

The services and assets covered by the community facilities activity are summarised in the table below:

Recreation reserves	35 main recreation reserves with a total area of over 785 ha.	Township reserves and streetscapes	191 reserves and playgrounds covering over 71 ha.
Cemeteries	19 cemeteries (two closed).	Rental housing	21 houses.
Public toilets	19 facilities.	Gravel reserves	223 sites in total with 12 operational.
Community centres and halls	24 facilities.	Forestry	57 sites with a total area of 162.7 ha.
Swimming pools	One District aquatic centre. Eight community pools.	Property and buildings	District Headquarters 21 strategic properties.
Libraries	At Darfield, Lincoln, Leeston, Rolleston plus two volunteer libraries and a mobile library.	Total asset value	\$219 million.

Why is the Council involved?

Local authorities provide public services that promote the well-being of their communities. There is mounting evidence of an association between strong safe communities and desirable outcomes, for example economic growth, social cohesion, improved health, more vibrant democratic institutions, and safety.

People have told the Council, through a number of community surveys and community consultations, how important it is to them to belong to safe, active, caring and cohesive communities. They support the Council's community development activities and believe that strengthening communities is fundamental to the continuing development of Selwyn.

Working in collaboration with others

We continue to work in partnership with other organisations to improve our services and our efficiency. In 2013 we joined the Kotui consortium – a group of libraries who use the same IT system. This enabled us to purchase and loan e-books to our library users, provide an improved search function and reduce the amount of time staff spend on data entry. We have also been working with other Canterbury Councils on a shared procurement and service agreement for GIS electronic mapping services.

Activity goal

Selwyn District's goal for the community facilities activities is:

"To provide community, cultural and recreational facilities that enhance the health and wellbeing of the District's communities and improve the overall quality of life for residents and to effectively manage the Council's property portfolio."

Council contribution to community outcomes

This activity contributes the following outcomes:

- A clean environment
- A rural district
- A healthy community
- A safe place in which to live, work and play
- An educated community
- A prosperous community
- A community which values its culture and heritage

Negative effects on the wellbeing of the community

There are no significant negative effects from this group of activities.

Statement of service performance

Many people choose to live in the Selwyn District because of its high quality natural environment populated with a number of townships, and a predominantly rural character. Both the townships and the rural environments present opportunities for the Council to add significantly to people's enjoyment and wellbeing on an everyday basis. The facilities provided by Council have a major impact on both the social and cultural quality of life for the District's residents, while enabling the retention of the best elements of its natural environment.

The Selwyn District has had unprecedented population growth since 1990 and continues to be the fastest growing territorial authority area in New Zealand. The Canterbury earthquakes have also seen more Christchurch people wanting to relocate to Selwyn. This growth has led to increasing demand for community activities, facilities and services. People choose to live where they can enjoy a range of amenities and facilities, not just where they can be within easy reach of employment opportunities. The Council aims, through community facilities, to create environments where there is a good balance of both economic and the more intangible benefits people look for when they settle into a community.

Swimming pools

The network of community swimming pools plus an indoor swimming complex, provide recreation, health and social opportunities for residents and visitors as well as life skills such as learning to swim.

The Selwyn Aquatic Centre has completed a busy first year, with over a quarter of a million visits to the centre in its first 12 months.

The centre has had 258,000 admissions in its first year, exceeding its target of 250,000 admissions. 4,450 enrolments have been taken for the centres learn to swim programme, with 98% of swim school pupils coming from Selwyn.

The centre employs around 50 staff in full-time and part-time roles which include swim coaches, lifeguards, aqua-fitness instructors and administration roles. The number of swims per capita increased to 5.44 and well in excess of the target of 3.5.

Reserves and open spaces

Open space in the townships, along streams, together with the larger parks in the rural areas, provides relief from the intrusion of everyday noise and distractions, enabling people to relax and enjoy the natural surroundings. Open space is important in forming landscapes which preserve the District's character and have cultural and environmental value. Recreation reserves enable residents to enjoy organised sport and informal recreation with all their accompanying benefits of health and social contact. 76% (2013: 73%) of residents surveyed have used or visited a public park or reserve in the past 12 months and residents' satisfaction rating remains high at 86/100.

Community centres and halls

Community centres and halls provide places where local communities can meet and enjoy a wide range of activities. Residents continue to be satisfied with the Council's provision of community centres and halls as local venues for recreational and social uses, scoring a 79/100 (2013: 84/100) performance rating. The number of buildings in average condition or below has decreased to 10.7% from 22.2% in 2013 and within our target of <25% of buildings being in average condition or below.

Cemeteries

Many headstones were damaged in the magnitude 7.1 September 2010 earthquake. Since the Canterbury earthquakes, the Council has been working through a staged programme of cemetery repairs to fix damaged headstones in public cemeteries. Repairs to Lincoln, Greendale, Springston, Dunsandel, Brookside, Shands Road, and Weedons cemeteries are now complete.

Around 1,115 headstones needed repairs as a result of the earthquakes and with repairs to Shands Road and Weedons cemeteries recently completed, 568 (or 51%) of these have been fixed.

The remaining repairs will be staged over the next two years and will include the cemeteries at Prebbleton, Bishops Corner, Killinchy, South Malvern, Kirwee, Kimberley, Waddington, Kowhai Pass, Hororata and Ellesmere Public and Catholic cemeteries.

The Council achieved its service target of less than 10 complaints in relation to cemeteries, with 4 complaints received during the year.

Libraries

The Council's library network has continued to act as a central hub of the community providing information and a wide range of recreational, cultural and learning opportunities for all ages. The percentage of registered library users is 55% of the total population. This is an increase of 5% on the previous financial year, and just below our target of 59%. During the year there were 13.5 issues per patron (2013: 16.4) which was below the target of 17 issues or better. Construction of the Lincoln Library and Service Centre was completed and supports the Council's "libraries for life strategy".

The new Lincoln Library has had a record number of new members join since it opened its doors on 4 February 2014.

In its first month the library issued almost 8,000 books and other items, up from 5,200 in February last year. The number of new members joining was more than three times as many as the same month in 2013.

The new \$3.3 million library and service centre on Gerald Street replaced the old library and service centre and is more than four times larger than that building.

Service targets for community facilities

Objective	Performance measure	Service target	Achievement
Recreation reserves			
Residents have opportunities to enjoy healthy, active lifestyles including provision of recreational open space and community facilities.	Hectares per 1000 population is above the average for similar sized district authorities (Minimum 3 ha/1000).	>4.5 ha	Achieved 4.88 ha (2013: Achieved)
Townships reserves and streetscapes			
Township reserves and streetscapes enhance the landscape character of the District and unique identity of township environments and provide places for recreational activities and social contact.	Percentage of townships where all residents are serviced by a reserve within 400 metres.	>70%	Achieved 75% (2013: Achieved)
Community centres and halls			
Community centres and halls provide local venues for social, cultural, recreational and educational uses.	Number of buildings in average condition or below.	<25%	Achieved 10.7% (2013: Achieved)
Swimming pools			
Public swimming pools contribute to Selwyn District being an attractive place to live and provide opportunities for residents to enjoy healthy, active lifestyles and to learn life skills such as swimming.	Number of local and District public pools.	8 local 1 indoor	Achieved (2013: Achieved)
	Number of swims per capita of District population per year.	3.5	Achieved 5.44 <i>(The Selwyn Aquatic Centre was closed for 3 weeks during the financial year due to pool contamination and to complete repairs and maintenance.)</i> (2013: Not achieved)
Public toilets			
Provision of public toilets helps to promote a healthy living environment for District residents and has economic benefits in supporting local businesses and visitor destinations.	Number of 'failures' per annum identified by independent audit.	Nil	Achieved Nil. (2013: Achieved)
Cemeteries			
A network of cemeteries is provided to meet the District's burial and remembrance needs.	Number of complaints received per annum related to cemetery service.	<10	Achieved <i>(4 complaints were received during the year.)</i> (2013: Achieved)
Libraries			
Provide library and cultural services.	Registered library users as a percentage of total population.	59%	Not achieved 55% (2013: Not achieved)
	Issues per patron per annum.	17	Not achieved 13.5 issues per patron. (2013: Not achieved)

Community facilities funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	4,794	4,720	4,280	
Targeted rates	5,242	5,015	4,730	Note 1
Subsidies and grants for operating purposes	108	12	11	
Fees and charges	3,124	2,922	2,265	Note 2
Internal charges and overheads recovered	-	-	-	
Other operating funding	100	1	1	Note 3
Total operating funding (A)	13,368	12,670	11,287	
Application of operating funding				
Payments to staff and suppliers	8,708	7,918	7,790	Note 4
Finance costs	963	1,623	1,137	Note 5
Internal charges applied	2,322	2,127	2,048	
Other operating funding applications	47	110	107	
Total application of operating funding (B)	12,040	11,778	11,082	
Surplus / (deficit) of operating funding (A-B)	1,328	892	205	
Sources of capital funding				
Subsidies and grants for capital expenditure	69	-	1,100	
Development and financial contributions	11,209	1,553	1,667	Note 6
Increase / (decrease) in debt	(1,230)	-	12,047	Note 7
Gross sales proceeds from sale of assets	5,737	6,499	7,981	Note 8
Total sources of capital funding (C)	15,785	8,052	22,795	
Applications of capital funding				
Capital expenditure to meet additional demand	4,741	1,082	18,378	Note 9
Capital expenditure to improve the level of service	647	3,453	8,074	Note 10
Capital expenditure to replace existing assets	666	723	1,226	
Increase / (decrease) in reserves	9,606	(973)	(713)	
Increase / (decrease) of investments	1,453	4,659	(3,965)	
Total applications of capital funding (D)	17,113	8,944	23,000	
Surplus / (deficit) of capital funding (C-D)	(1,328)	(892)	(205)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

Note 1 Targeted rates revenue is higher than the LTP due to substantial growth in the District.

Note 2 Fees and charges revenue is higher than the LTP due to higher admissions to the Selwyn Aquatic Centre than originally budgeted in the LTP.

Note 3 Other operating funding is higher than the LTP due to the receipt of insurance proceeds received and on-charging of the relocation costs of relocating the former Lincoln Library and Service Centre.

Note 4 Payments to staff and suppliers is higher than the LTP largely due to higher staff costs of operating the Selwyn Aquatic Centre due to increased demand, particularly around enrolments in the swim school programme.

Note 5 Finance costs are lower than the LTP due to lower borrowings than originally budgeted. The lower borrowing is due to the reduction in the requirement to borrow due to higher Council revenue than originally budgeted.

Note 6 Development contributions revenue is higher than the LTP due to substantial growth in the District.

Note 7 Debt has decreased due to the reduction in the requirement to borrow due to higher Council revenue than originally budgeted.

Note 8 Gross sales proceeds from the sale of assets are lower than the LTP due to properties originally planned to be sold during the year not being sold as planned.

Note 9 Capital expenditure to meet additional demand is higher than the LTP largely due to the timing of construction of the Lincoln Library which was completed during the current financial year.

Note 10 Capital expenditure to improve the level of service is lower than the LTP due to projects being carried forward for completion in the 2014/15 financial year. Significant projects carried forward include strategic land purchases \$556,000, gravel reserve development \$798,000 and construction of the Dunsandel Hall \$1.5 million.

Significant activities – community services

Overview

The role of community services is to provide and promote a wide variety of services and facilities which make Selwyn District a great place in which to live, work and play. These services and facilities focus on what people have told us is important to them and valued by them:

- Building strong, safe, communities
- Supporting local economic prosperity
- Enabling residents to live healthy and active lives.

We do this through working with the community to plan, provide/facilitate and promote:

- Community development services, which help build the capacity of local communities to develop activities and services and build a sense of community and neighbourliness.
- Recreation programmes, including physical activity programmes to meet the needs and interests of residents of all ages and life stages.
- Business promotion activities, including working with local businesses, research centres and the agriculture sector to encourage local economic development and jobs.
- Tourist promotion activities.
- Communications.
- Community research and social policy.
- Emergency preparedness services, including rural fire services and civil defence.

We also work with, and advocate to, a range of agencies to secure the best possible health, education and wellbeing for our residents. Agencies that we work with include other local authorities, Central Government agencies, local iwi, Canterbury District Health Board, Partnership Health Canterbury (PHO), businesses, schools, universities, research institutes and other education groups, community groups, sports and recreation clubs and churches.

Why is the Council involved?

Local authorities provide public services that promote the well-being of their communities. There is mounting evidence of an association between strong safe communities and desirable outcomes, for example economic growth, social cohesion, improved health, more vibrant democratic institutions, and safety.

People have told the Council through a number of community surveys and community consultations how important it is to them to belong to safe, active, caring and cohesive communities. They support the Council's community development activities and believe that strengthening communities is fundamental to the continuing development of Selwyn.

Activity goal

Our objectives are to:

- Build strong, safe communities
- Support local economic prosperity
- Enable residents to live healthy and active lives.

Council contribution to community outcomes

This activity contributes the following outcomes:

- A healthy community
- A safe place in which to live, work and play
- An educated community
- A prosperous community
- An ability to experience cultural activities.

Negative effects on the wellbeing of the community

There are no significant negative effects from this group of activities.

Statement of service performance

A high proportion of residents continue to report a sense of community with their neighbourhood in the latest residents' survey. 80% of residents reported a sense of community, consistent with the 2013 survey result. The Council's initiatives such as day clubs, newcomers groups and a variety of new agencies provide health and social services in the District all help to achieve this sense of community. The Council continues to introduce a number of recreation opportunities in the District, such as walking groups, dance and circuit classes, as well as activities for young people like holiday programmes and skate schools. In addition, many community groups have been given advice and assistance by Council staff. These activities and initiatives all contribute to the achievement of the community outcome, 'a healthy community'.

Biz-Online is a business directory hosted on the Selwyn District Council website. The Selwyn Business Directory is available for companies and organisations in Selwyn to promote their business, and to help Selwyn Residents find locally-provided goods and services. Listing is free and is available for businesses which are located within the Selwyn District, or provide services principally within the Selwyn District. During the year there has been a 13.7% increase in businesses listing on the Biz-Online directory, exceeding our target of 1%.

Business welcome packs are no longer offered to new businesses establishing in the Selwyn District due to the change in the contract with NZ Trade and Enterprise changing focus. However, Council has worked with new businesses individually.

Selwyn residents will soon have the opportunity to visit our newest sister city – Coventry in Rhode Island, USA. The relationship with Coventry was first established by former Selwyn Mayor Bill Woods and has been fostered by Selwyn's Sister City committee. It has now been formalised with the signing of a sister city agreement. Coventry will be Selwyn's fifth sister city. Other sister city / districts are: Akitakata-shi and Yubetsu-cho in Japan, Shandan in China and North Toraja Regency in Indonesia. The relationship developed with Coventry will create future opportunities to promote the Selwyn District on a global level.

The Creative Communities Scheme administered by the Selwyn District Council on behalf of Creative New Zealand supports local arts and cultural activities. The fund is used to support projects or activities that encourage community involvement, support diverse arts and cultural traditions, or enable young people to actively participate in the arts. The Council has administered \$28,000 of grants during the year. These grants have funded exhibitions, productions, concerts, festivals, workshops and presentations that offer opportunities for community involvement in the arts. Funding has also supported artist-led projects involving local communities, materials, promotion of arts activities, and personnel costs for one-off, short term projects.

Service targets for community services

Objective	Performance measure	Service target	Achievement
Provide community development services and advice to Selwyn residents.	Increase in number of businesses registering for Biz-Services or the Biz-Online Business Directory.	1% increase	Achieved Biz-services business training courses no longer offered as contract with NZ Trade and Enterprise has changed focus. 13.7% increase in Biz-Online listings. (2013: Achieved)
	Business 'welcome packs' developed and issued to new businesses establishing in the District.	2% increase	Not achieved Welcome packs not yet offered but businesses worked with individually. (2013: Not achieved)
	Percentage of businesses accessing the Council's training satisfied/very satisfied with service provided.	1% increase	Not measured Training/business courses no longer offered as contract with NZ trade and Enterprise has changed focus (2013: Not measured)

Community services funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	2,263	2,228	2,200	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	216	175	204	
Fees and charges	112	37	34	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	2,591	2,440	2,438	
Application of operating funding				
Payments to staff and suppliers	1,872	1,957	2,025	
Finance costs	-	-	-	
Internal charges applied	287	263	254	
Other operating funding applications	45	39	38	
Total application of operating funding (B)	2,204	2,259	2,317	
Surplus / (deficit) of operating funding (A-B)	387	182	121	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
Applications of capital funding				
Capital expenditure to meet additional demand	309	88	121	Note 1
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase / (decrease) in reserves	160	-	-	
Increase / (decrease) of investments	(82)	95	-	
Total applications of capital funding (D)	387	183	121	
Surplus / (deficit) of capital funding (C-D)	(387)	(182)	(121)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

Note 1 Capital expenditure to meet additional demand is higher than the LTP largely due to two additional projects included in the 2013/14 Annual Plan but not originally included in the LTP. These projects include the purchase of a new fire truck \$141,000 and the construction of a new fire shed in Southbridge \$120,000.

Significant activities – democracy

Overview

This activity covers the costs associated with the Council's democratic process. This includes Councillors' and Community Board Members' remuneration and the cost of providing them with professional advice and support as well as the cost of organising elections every three years. It also covers certain grants made by the Council and a levy imposed by the Canterbury Museum.

The Council operates in an open way. It has established arrangements that allow local people to participate in the decision making process and encourages the community to get involved.

Why is the Council involved?

The Council, as a creation of statute and elected by its residents, needs to have a structure which allows the communities' requirements to be identified and provided for by those individuals who are elected to office.

To achieve this, the Council has a small number of sub-committees and currently no standing committees (other than the Izone Southern Business Hub) as it believes, by conducting its business twice a month it can achieve better and faster results for the community.

In addition, the Council has Community Boards in the Selwyn Central Ward and the Malvern Ward. One role of Community Boards is to provide the Council with 'grass roots' information on the activities in their Ward and the issues that need to be resolved by the Board and the Council.

In each township, the Council has either a Community Committee or a Township Committee, or in some instances, a Ratepayers' Association exists to provide the Council and the Community Boards, in the relevant areas, with specific requests for services or resolution of issues that affect that particular town and its surrounding area.

The Council also has a number of Community Centres and Recreation Reserves. For each of these facilities, a Management Committee is elected to both govern the facility and ensure that the works that they decide are required for the Community Centre and Reserve are undertaken.

Working in collaboration with others

Under legislation, Hurunui, Waimakariri and Selwyn District Council, along with Christchurch City Council, contribute to the cost of running the Canterbury Museum. The museum is overseen by a Trust Board.

Activity goal

The democracy activity is used to provide effective and efficient representation for ratepayers in a fair and equitable manner.

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.

Negative effects on the wellbeing of the community

There are no negative effects from this activity.

The Council's 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.

	2014	2013
	Actual	Actual
Banks Peninsula trotting	2,104	1,474
Community special events	29,630	15,121
Discretionary fund - Wards	53,083	49,383
Discretionary fund - Councillors	8,908	9,734
Education bursaries	5,250	5,500
Life education	4,644	4,644
Lincoln Envirotown Trust	34,469	33,400
Mayoral fund	3,231	878
Summit Road protection authority	1,643	1,643
Waihora Ellesmere trust	23,014	22,300
Other minor grants	-	2,164
Total grant funding	165,976	146,241

In addition to the above grants, the Council also makes a grant to the Canterbury Museum Trust as per the Canterbury Museum Trust Board Act 1993 totalling \$348,840 (2013: \$319,956).

Statement of service performance

The Council strives to provide opportunities for the community to participate in decision-making that contributes to a well-governed District by providing information, undertaking consultation and processing the community's input.

The Council operates in an open way, with established arrangements that allow local people to participate in the decision making process and encourages the community to get involved.

We received 126 submissions on the Draft Annual Plan 2014/15 and we appreciate the time and thought that went into each of them. The submissions covered a range of matters, from road resealing and street lighting to submissions on the proposal to reduce the development contribution on the Eastern Selwyn Sewerage Scheme. We have responded to each submitter individually. The Annual Plan was formally adopted on the 25 June 2014.

The Council conducted 13.8% (2013: 15.2%) of Council's business in a public excluded meeting. It did not manage to achieve its performance measure of less than 5% of the Council business being publicly excluded. All sensitive business such as land purchases are conducted in a public excluded meeting to protect the Council's negotiating position. There were a significant number of items of this nature over the past year. Of a total of 203 reports, 28 were presented in publicly excluded meetings.

For many of the community outcomes, the Council has an advocacy role with government departments and other organisations. The Council takes every practical opportunity to undertake this advocacy role whether it is through formal meetings, submissions or informal gatherings at elected member or staff level. In this way, the Council has an impact on the social well-being of the community by ensuring a wide range of opportunities are available for individuals and groups to be involved in local government decision-making.

Service targets for democracy

Objective	Performance measure	Service target	Achievement
Take decisions in an open and accountable manner.	Conduct less than 5% (by item) of the Council business in a public excluded meeting.	<5%	Not achieved 13.8% of Council's business was held in a public excluded meeting. (2013: Not achieved)
Prepare key accountability documents in accordance with good practices that allow for easy input from ratepayers and meet statutory requirements.	The annual report, annual budget and LTP are prepared within statutory timeframes and, where relevant, with an unmodified opinion.	2013 annual report adopted on time with unmodified audit opinion. 2014/15 annual budget adopted on time.	Achieved The 2013 annual report was adopted on 30 October 2013 with an unmodified audit opinion. The annual plan 2014/15 was adopted on 25 June 2014. (2013: Achieved)

Democracy funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	2,613	2,573	2,479	
Targeted rates	575	606	475	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	64	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	91	-	-	
Total operating funding (A)	3,343	3,179	2,954	
Application of operating funding				
Payments to staff and suppliers	1,296	1,489	1,307	
Finance costs	-	-	-	
Internal charges applied	1,566	1,743	1,672	
Other operating funding applications	196	102	98	
Total application of operating funding (B)	3,058	3,334	3,077	
Surplus / (deficit) of operating funding (A-B)	285	(155)	(124)	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
Applications of capital funding				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase / (decrease) in reserves	(1)	-	-	
Increase / (decrease) of investments	286	(155)	(124)	
Total applications of capital funding (D)	285	(155)	(124)	
Surplus / (deficit) of capital funding (C-D)	(285)	155	124	
Funding balance (A-B) + (C-D)	-	-	-	

There are no significant variances to explain between actual results and the Long Term Plan.

Significant activities – environmental services

Overview

The environmental services group of activities contributes to the well-being of the residents of the District by working to protect the community from a variety of risks and to enhance the quality of the built and natural environment in which we live. It includes the following activities.

Building control

Building control receives and processes applications for building consents, undertakes the inspection of building works and issues the necessary certificates for building related work. Ongoing work is required to maintain the Council's accreditation as a Building Consent Authority following the biennial accreditation review by International Accreditation New Zealand in October 2011.

As a result of the 4 September 2010 earthquake, there has been and will continue to be additional work demand associated with the replacement of dwellings and the repair of earthquake damage. There is also additional demand associated with the construction of new dwellings for persons displaced from Christchurch City. This demand is being met by engaging additional staff and consultants. Although Central Government is investigating changes to how the building control function is delivered (including a more centralised consenting process), the timing of any future changes is uncertain.

District plan administration

This activity receives and processes resource consent applications, provides planning input into Project Information and Land Information Memoranda (PIMs and LIMs) and responds to requests for clarification or interpretation of District Plan provisions.

With significant changes having been made to the District Plan to provide for a more guided approach to development more evaluation will be required at the District Plan administration stage, particularly with regard to such matters as urban design.

Environmental health

This activity issues a range of licences including those relating to the sale and manufacture of food, the sale of liquor, hairdressers, amusement devices, mobile shops, hawkers and offensive trades. Complaints are also responded to and infectious and notifiable diseases investigated.

Monitoring

This activity monitors the conditions placed on resource consents for compliance and responds to complaints where activities are being conducted without the appropriate consent.

With Selwyn District being located close to Christchurch City and on relatively inexpensive land, there is increasing pressure to take action with regard to non-rural activities being established in rural locations without resource consents.

Strategy and policy

The Council undertakes strategic land use and policy functions to maximise the benefits of growth for its communities and to address its negative impacts. Through working with communities and other stakeholders, different growth scenarios are identified, analysed and a preferred option chosen.

One of the chief drivers for this strategic approach to managing growth is the Greater Christchurch Urban Development Strategy which covers the north eastern part of the District and includes the settlements of Lincoln, Prebbleton, Rolleston and West Melton. More recently the Council has been involved in the development of the Land Use Recovery Plan which provides clear direction where development should occur and what form it should take to support earthquake recovery. The Selwyn 2031: District Development Strategy which covers the balance of the District is a major initiative designed to investigate what opportunities existed and what the Council can do to create the desired future in the next 17 years.

The Council is also required to monitor the effectiveness and efficiency of its District Plan and this activity area prepares and promulgates plan changes where necessary.

Animal control

This activity area registers and keeps a record of all dogs (over 3 months of age) in the District, is responsible for administering and enforcing the Dog Control Act 1996 and the Council's Dog Control Bylaw and handles all stock related complaints. An important issue is the provision of exercise areas for dogs particularly in the larger settlements of Rolleston and Prebbleton. Micro-chipping clinics are also provided free of charge on a monthly basis for qualifying dogs.

Activity goal

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

Council contribution to community outcomes

The environmental services activities contribute to the achievement of the following community outcomes:

- A clean environment
- A rural District
- A safe place in which to live, work and play
- A prosperous community.

Negative effects of the activity

Apart from the time and cost to applicants and the community arising from planning, consultation and regulation, there are no negative effects arising from environmental services activity.

Statement of service performance

The Council met six out of fifteen performance measures in the 2013/2014 year for the environmental services activity.

Activity levels in the Council's consenting, registration and licensing services have increased noticeably in recent years. As the District's population grows, we've seen an increase in demand for every type of consent and licensing service – from building and resource consents to liquor licenses and dog registrations.

Animal control

Service performance in the animal control activity continues to be high with all known dogs registered by the end of June and 99% of 895 urgent callouts were attended to within 4 hours. The Council responded to 98% of 199 non-urgent callouts within 72 hours below our targets of 100% but still good results.

Building

Building and resource consent activity has shown another sharp rise in demand over the past year. In the year to June 2014, a total of 2,790 building consents were issued – a 17% increase on last year. The number of resource consent applications processed also increased by 22% - up from 518 to 633. 99% of resource consent applications received in the past year were processed within 20 working days. The Council processed 97% of building consents within statutory timeframes of 20 working days which was below our target of 100% but an improvement on last year, where 87% were processed within 20 working days. The average time taken to process building consents was 11 working days (2013: 14 working days).

The new online building consent system has been popular with consent applicants – with 87% of customers saying the online application process was clear and easy to compete. The system has been recognised in the Local Government New Zealand excellence awards as a finalist in the local economic contribution category.

Environmental health and sale of liquor

All premises have been classified according to risk and 98.5% of premises were inspected during the year.

Liquor licences were not all issued within the timeframes set out in our performance targets. The Sale of Liquor Act provides for Police and the Ministry of Health (MOH) to file a report within 15 working days. If no report is returned after 20 working days then the District Licensing Agency (DLA) can assume no opposition and issue the licence. The timing of these reports influences the ability of the Council to issue liquor licences within our targeted timeframes.

Policy and strategy

The policy and strategy function of the Council develops policies and plans that encourage high-quality development, ensuring sustainable growth in the District, whilst minimising adverse effects on the environment and preserving its rural character. A programme of plan changes to enhance the District plan is prepared and approved by the Council on a regular basis. Development also progressed through private plan changes, all of which were processed by the Council within statutory timeframes this year. This shows how these activities are contributing to the achievement of community outcomes, 'a rural District' and 'a prosperous community'.

Service targets for environmental services

Objective	Performance measure	Service target	Achievement
Animal control			
Registration of all known dogs.	Registration of all known dogs by year end 30 June.	100%	Achieved 100% 895 callouts (2013: Achieved)
All complaints in regard to dog control are investigated in a timely manner.	Percentage of urgent callouts attended to within 4 hours.	100%	Not achieved 99.09% 199 callouts (2013: Achieved)
	Percentage of non-urgent callouts attended to within 72 hours.	100%	Not achieved 98.35% (2013: Not achieved)
Building			
All buildings within Selwyn District are constructed in accordance with legislative and community expectations by making timely and quality decisions on issues related to building consents and ensuing project construction.	Proportion of building consents issued within statutory time frames.	100%	Not achieved 96.88% 2703 of 2790 consents (2013: Not achieved)
To interact with customers in a manner that results in a high level of customer satisfaction.	Proportion of Code Compliance Certificates issued within statutory time frames.	100%	Not achieved 94.29% 2031/2154 certificates (2013: Not achieved)
	Proportion of Building Consent Applicants satisfied or very satisfied.	90%	Achieved 94.89% (2013: Not achieved)
District plan administration			
All activities within the Selwyn District are undertaken in line with community expectations as expressed through the District Plan making timely and quality decisions on resource consents.	Proportion of resource consents issued within statutory time frames.	100%	Not achieved 99% 450/455 consents (2013: Not achieved)
	Preparation of Environment Court appeals settled or found in the Council's favour.	70%	Achieved 100% (no appeals) (2013: Achieved)
Interact with resource consent applicants in a manner which results in a high level of customer satisfaction.	Proportion of resource consent applicants very satisfied or satisfied.	85%	Achieved 95.65% (2013: Achieved)
Environmental health			
All registered premises are operated in a manner that minimises any adverse effects on public health.	All premises operated under Food Control Plans or National Programmes will be inspected at least annually.	100%	Not achieved 98.5% (2013: Not achieved)

Objective	Performance measure	Service target	Achievement
Sale of liquor			
All licence applications are processed efficiently in accordance with legislative requirements.	Proportion of special licences issued within 10 working days.	100%	Not achieved 40% (2013: Not achieved)
	Proportion of all other licences issued within 20 working days.	100%	Not achieved 70% (2013: Not achieved)

Policy and strategy

Planning and providing for the sustainable management, development and protection of natural and physical resources of the District as required by Section 5 of the Resource Management Act 1991 and to develop, amend, and review the Selwyn District Plan to reflect the strategic direction, and meet statutory requirements.	A programme of plan changes to enhance the District Plan is prepared and approved by the Council each year.	A Council report with programme of plan changes including progress on these changes is placed on the Council agenda twice a year.	Achieved Updates are supplied to Council meetings monthly for information and a full report prepared annually. (2013: Achieved)
	Private plan changes processed within statutory time frames.	100%	Achieved 100% (2013: Achieved)
Engaging with local communities, developers and other interested parties to develop a strategic direction.	Adoption of the strategies.	Implementation of the Future for Selwyn Strategy including structure plans.	Not achieved Consultation to be completed during the 15/16 financial year and adoption of strategies during the 16/17 financial year. (2013: Not achieved)

Statistics for resource and building consents

Indicator	Number processed	Working days target	Target % within working days	% achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	2	70	90%	50%	66
Subdivision consents – notified (no hearing)	1	50	90%	100%	40
Subdivision consents – limited notification (with hearing)	4	70	90%	100%	22
Subdivision consents – limited notification (no hearing)	3	70	90%	100%	39.33
Subdivision consents – non-notified (no hearing)	168	20	90%	99%	12.86
Land use consents – notified (with hearing)	5	70	90%	80%	65
Land use consent – notified (no hearing)	3	50	90%	100%	29
Land use consent – limited notification (with hearing)	7	70	90%	100%	34
Land use consent – limited notification (no hearing)	6	70	90%	100%	40.67
Land use consent – non-notified (no hearing)	434	20	90%	99%	9.54
Building consents	2,790	20	90%	96.88%	10.67
Full code of compliance certificates	2,154	20	100%	94.29%	9

Environmental services funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	3,715	3,658	3,638	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	129	26	46	
Fees and charges	6,136	4,506	4,367	Note 1
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	9,980	8,190	8,051	
Application of operating funding				
Payments to staff and suppliers	9,064	6,968	7,032	Note 2
Finance costs	-	-	-	
Internal charges applied	1,227	1,174	1,131	
Other operating funding applications	-	21	20	
Total application of operating funding (B)	10,291	8,163	8,183	
Surplus / (deficit) of operating funding (A-B)	(311)	27	(133)	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	42	-	-	
Total sources of capital funding (C)	42	-	-	
Applications of capital funding				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase / (decrease) in reserves	(392)	-	-	
Increase / (decrease) of investments	123	27	(133)	
Total applications of capital funding (D)	(269)	27	(133)	
Surplus / (deficit) of capital funding (C-D)	311	(27)	133	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

Note 1 Fees and charges revenue is higher than the LTP largely due to the level of building activity in the District. Building consent revenue received during the year was \$4.5 million, \$1.9 million higher than budgeted.

Note 2 Payments to staff and suppliers is higher than the LTP due to the additional staff costs and other variable costs associated with the increased building activity in the District.

Significant activities – transportation

Overview

The Council provides a roading network that covers the length and breadth of the District. This local network, when combined with the State Highway network, provides a diverse range of roading linkages that enable Selwyn residents and visitors to work and play in the District. Movement through the District will mainly take place either on a road, cycleway or path and these routes form an important part of how people experience the District. While geographically the large size of Selwyn means that the predominant form of travel is always likely to be by private motor vehicles, opportunities to enhance public transport and walking and cycling in Selwyn's growing townships are being continually sought out to provide a wider range of transport choices for people.

Transport, in whatever form, plays an integral part of our lives and is the principal thread that binds our communities together. It also provides access to wider experiences and opportunities in the region and beyond. This benefits our social and cultural development, commerce, and tourism enterprises. The health of the District very much relies on the performance of the veins and arteries provided by its various transport networks to move people and freight safely and efficiently.

While it may be thought that the Council's transport activities just involve roads, there are a significant number of supporting assets that all contribute to making a combined urban and rural transport system work. These include bridges, culverts, traffic signs and markings and those found mainly in townships such as footpaths, street lighting, cycleways, bus shelters, and kerb and channel to name a few. As the saying goes 'the parts make the whole'.

Why is the Council involved?

The management of roading and transport is a 'significant activity' under the terms of the Local Government Act 2002. The Council has a statutory obligation to provide an effective and efficient transport system including aligning it to the purpose and objectives of the Land Transport Management Act 2003 and any subsequent amendments to the Act. This is reflected at a more local level in the Council's land transport activity goals as presented below. To achieve this, the Council is required to take a leadership role on behalf of its community, to manage both expectations and compliance with legislative requirements. By managing the activity both at a detailed and network level, the Council can effectively and efficiently deliver a local road and transport network as part of a wider integrated regional and national transport system.

Without an appropriate, well maintained, and connected transport network, the mobility of people, goods and services are put at risk which can adversely affect individuals, communities, and the District's prosperity. An example that shows the vulnerability of a community to a loss of transport connectivity is when floods, snow or disasters like earthquakes close roads for significant periods, cutting off lifelines to food supplies and other essential services. On a more day-to-day basis, rough roads and congestion can increase travel times and costs to operate vehicles and deliver freight. Safety is a fundamental objective across all transport activities, and while there is always some risk attached to using roads, this needs to be mitigated in a practical way through a combination of measures such as engineering improvements, education, and enforcement. The Council has to be involved in all these transport related facets to provide a co-ordinated and measured response over the combined activity. An example of this, from a safety perspective, is the Council's 'Selwyn Safety Strategy to 2020' which blends the government's '2010 Safer Journeys' national strategy with those issues and matters of priority to the Council and its community, on a local level.

Working in collaboration with others

The Council does not work alone in meeting the District's transportation needs. It coordinates its activities with a wider regional group of other councils and the NZTA, to plan and integrate District and regional transportation networks. This is coordinated through the Regional Transport Committee run by The Canterbury Regional Council, which also has the responsibility to produce the Regional Land Transport Strategy. The Regional Council also provides public transport services in partnership with the Council, who provides the necessary supporting infrastructure. There are also other organisations and advocacy groups that have an interest in transport matters, for example, freight, walking and cycling, public health, disability and mobility, and road safety. Their involvement adds value and a different perspective which improves transport planning and decision-making processes.

Activity goal

To maintain, operate and, if necessary, improve the road network and other transport activities to achieve a range of facilities that provides for the safe and efficient movement of people and goods to a standard that is both acceptable and sustainable.

Council contribution to community outcomes

This activity contributes the following outcomes:

- A clean environment
- A safe place in which to live, work and play
- Effective and accessible transport system

Statement of service performance

The Council has met seven out of twelve performance measures in the 2013/14 year for the transportation activity, which is an overall improvement on the previous financial year.

The service request helpdesk system has continued to be well utilised and reflects that the public are well aware that it is available to communicate their transport related issues to Council. The Council has been actively promoting the helpdesk system and encouraging members of the community to report potholes and other minor defects on the network. The Council received 2,539 (2013: 1,450) public service requests in relation to road maintenance, works and operations, which was greater than the target level of less than 2,100 requests but was likely higher partially due to the active promotion of the helpdesk system.

Service request levels for road safety and street lighting were within our service performance targets, however we received 150 service requests for walking, cycling and public transport putting it above our target of less than 110. This likely reflects our growing urban communities and the demand for transport choices that are not dependant solely on private motor vehicles.

Urban roads received a performance rating in the residents' survey of 74/100 a slight decrease on the previous financial year. The Council achieved its targeted length of annual pavement resealing by resealing 449 metres during the year. The residents' satisfaction survey provided a favourable result in footpaths of 74/100. In recent times Council has been constructing new sections of footpath on busier roads and filling in gaps in the existing footpath network.

Work has continued during the year to improve road safety in the District. Council continues to actively promote driver awareness and safety through our road safety campaigns by highlighting the key risks to drivers along with encouraging positive behaviour change. A Regional Road Safety Working Group has also been established that aims to improve cooperation and collaboration on road safety over the region. This new initiative in part reflects concerns on curbing increasing rates of crashes in some areas, including Selwyn's roading network which has a high number of long straight rural roads with numerous intersections. The 'Selwyn Safety Strategy 2020' along with the government's '2010 Safer Journeys' national strategy makes it a priority in making our roads safer for all road users. Positively changing the behaviour of road users is a long term process that Council needs to consistently apply to generate future benefits.

There were 11 (2013: 9) deaths and 33 (2013: 26) serious casualties in the 2013/14 year. This was the highest crash level of fatal and serious casualties to occur on the District's roading network, including state highways, over the past five years. The main factors leading to these crashes are poor handling and observation, too fast for the conditions, alcohol, and failing to stop or give way. The increase can be largely attributed to the District experiencing considerable growth over the same period with more traffic on the roads and more people commuting to and from metropolitan Christchurch in the post-earthquake environment.

The Council utilised 95% (2013: 72%) of its New Zealand Transport Authority Agency funding for minor safety improvements which met its target of 95%. The remaining funding has been carried forward to 2014/15 to combine with a continuing programme of intersection upgrades along key arterial routes. The community has recognised the Council's efforts in promoting road safety with a 75/100 performance rating in the residents' survey. The Council also received a performance rating of 65/100 from the community demonstrating that the perception is that our local roads are becoming safer. There was more public service requests for road safety issues than the level set, which was an increase compared with the 2012/13 financial year.

We have attended all relevant meetings held by the Regional Transport Committee and Regional Transport Officers Group during the year. This demonstrates our commitment to the coordinating on a strategically important regional basis, both at political and technical officer levels to all parties' mutual benefit.

Service targets for transportation

Objective	Performance measure	Service target	Achievement
Provide a well maintained, operated and affordable land transport system.	The number of public service requests received each year. Targets increase reflecting growth in ratepayers likely to make a request and further promotion and use of service request system.	Road maintenance, works and operations <2,100	Not achieved 2,539 service requests received (2013: Achieved)
		Road safety <200	Achieved 197 service requests received (2013: Achieved)
		Walking, cycling and public transport <110	Not achieved 150 service requests received (2013: Not achieved)
		Street lighting <200	Achieved 197 service requests received (2013: Achieved)
	The length in kilometres of annual pavement resealing achieved.	>75	Not achieved 48.7 km (2013: Not achieved)
Cater for any significant projected traffic increases in a sustainable manner.	The number of larger capital projects undertaken each year to upgrade significant road routes as identified by strategies and upgrade schedules.	-	Achieved 7 larger projects were undertaken during the year. (2013: Achieved)
	The percentage of larger capital projects generally completed in the year that they were programmed to occur.	>75%	Achieved 6 of 7 (86%) planned projects were completed during the year. (2013: Achieved)
	The number of off-road cycleway projects implemented consistent with the Walking and Cycling Strategy and Action Plan.	2	Not achieved 1 footpath and cycleway project completed (Jones Road). (2013: Achieved)
	The length in metres of new or extended township footpaths installed per year consistent with the Walking and Cycling Strategy and Action Plan.	>350	Achieved 449 metres completed during the year. (2013: Not achieved)
Pedestrians, cyclists and motor vehicle users can safely move around the Selwyn District.	Reducing the trend of fatal and serious casualties as a key target from the Selwyn Road Safety Strategy.	Progressively reducing number of fatal and serious casualties.	Not achieved 11 deaths and 33 serious injuries. (2013: Not achieved)
	Utilisation of New Zealand Transport Agency funding for minor (safety) improvements.	>95%	Achieved 95% (2013: Not achieved)
Contribute to an integrated and responsive local and regional transportation system.	Attendance at relevant Regional Transport Committee (RTC) and Regional Transport Officers Group (TOG) meetings and forums.	>95%	Achieved 100% attendance at relevant meetings (2013: Achieved)

Transportation funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	4,841	4,767	3,727	Note 1
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	2,501	2,176	2,276	
Fees and charges	-	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	150	185	180	
Total operating funding (A)	7,492	7,128	6,183	
Application of operating funding				
Payments to staff and suppliers	5,366	4,652	4,678	Note 2
Finance costs	769	1,070	784	Note 3
Internal charges applied	1,148	1,175	1,132	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	7,283	6,897	6,594	
Surplus / (deficit) of operating funding (A-B)	209	231	(411)	
Sources of capital funding				
Subsidies and grants for capital expenditure	2,217	1,925	1,976	Note 1
Development and financial contributions	1,657	787	782	Note 4
Increase / (decrease) in debt	3,045	3,040	3,750	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	6,919	5,752	6,508	
Applications of capital funding				
Capital expenditure to meet additional demand	2,462	423	2,810	Note 5
Capital expenditure to improve the level of service	1,284	1,033	816	Note 6
Capital expenditure to replace existing assets	3,592	4,010	4,010	Note 7
Increase / (decrease) in reserves	1,747	656	(1,417)	
Increase / (decrease) of investments	(1,957)	(140)	(121)	
Total applications of capital funding (D)	7,128	5,982	6,098	
Surplus / (deficit) of capital funding (C-D)	(209)	(231)	411	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

- Note 1** Subsidies and grants for operating and capital expenditure is higher than the LTP due to higher levels of subsidies received from NZTA than originally budgeted. Additional subsidies were received to meet the funding requirements of cleaning up damage after a major storm event.
- Note 2** Payments to staff and suppliers is higher than the LTP due to one off costs associated with storm event repair work.
- Note 3** Finance costs are lower than the LTP due to lower borrowings than originally budgeted. The lower borrowing is due to the reduction in the requirement to borrow due to higher Council revenue than originally budgeted.
- Note 4** Development contributions revenue is higher than the LTP due to substantial growth in the District.
- Note 5** Capital expenditure to meet additional demand is higher than the LTP due to the timing of completion of some significant roading projects, including the development of Lowes Road \$605,000, additional reseal funding \$573,000, pavement rehabilitation funding \$513,000, and the purchase of two portable speed signs \$54,000.
- Note 6** Capital expenditure to improve the level of service is higher than the LTP due to the timing of capital projects that were carried forward and completed from the 2012/13 financial year.
- Note 7** Capital expenditure to replace existing assets lower than the LTP due to the timing of completing capital projects.

Significant activities – solid waste management

Overview

The Council provides a variety of services related to the management of waste in the more populous parts of the District, covering more than 12,000 households. Essentially, waste is mostly collected through the rubbish, recycling and organic kerbside collection system. The remainder of the waste, recycling and organics is taken directly by residents to the Pines Resource Recovery Park. Residents pay for the service through a mix of targeted and compulsory rates.

It was a requirement of the Waste Minimisation Act 2008 for all local authorities to complete a Waste Management and Minimisation Plan (WMMP) by July 2012 and the Council adopted its WMMP in August 2011. Improving the efficiency of resource use will reduce the amount of residual waste that has to be collected and disposed of. In Selwyn's case, the disposal of residual waste is to the Kate Valley Regional Landfill. The Act also requires local authorities to reduce waste at source, but this is more difficult, as it relates to the way products are manufactured, marketed and sold, all areas over which the Council has limited influence.

Why is the Council involved?

The management of solid waste is a 'significant activity' under the terms of the Local Government Act 2002. The Council has a statutory obligation to promote effective and efficient waste management and to achieve this it takes a leadership role in managing waste activities. By managing the activity, the Council is in the best position to serve the needs of the community, provide a sustainable service and keep costs down.

It is important to manage solid waste well, given the health implications which could arise if the service was unsatisfactory and waste was not promptly collected, handled, and disposed of. Damage to the environment and community could easily occur if waste accumulated and was left to rot and become a source of disease. There is also a danger that pollution of groundwater could occur, with the potential to affect drinking water supplies, where wells are shallow. The activity must be managed in a sustainable manner for today's communities and for future generations.

The Council therefore takes responsibility for fulfilling legal and statutory obligations, waste minimisation, policy, strategic direction, educational programmes and providing clean fill sites and the Pines Resource Recovery Park (waste transfer facilities, recycling and also composting of green waste). It manages all aspects of the activity including the managing of private providers/contractors, who carry out the following, under contract to the Council.

Waste collection services

The Council provides kerbside waste collections in urban, rural-residential and some rural areas. Residual waste (rubbish) and recycling waste are currently collected with a garden and food waste collection available in the five major townships, on a voluntary basis.

Residual waste disposal facilities

Residual waste (rubbish) is sent to the Kate Valley Regional Landfill, which has resource consent for approximately twenty six more years.

The Council could be challenged by private providers of these services but customer feedback reveals a very high level of satisfaction with the current services and associated costs. Ratepayers do have the choice of using private providers but the number doing so is relatively small because the Council provides a reliable and cost effective service.

Working in collaboration with others

The Kate Valley landfill is situated within the Hurunui District but is a joint venture between Canterbury Waste Services Limited (which is owned by Waste Management (NZ) Limited and five local authorities in Canterbury, including Selwyn District Council). The Councils' collective share is 50% with 3% of that belonging to Selwyn District Council. The company's name is Transwaste Canterbury Limited.

Activity goal

To promote effective and efficient waste management within the District whilst having regard to the environmental costs and benefits to the District and ensuring that the management of waste does not cause a nuisance or be injurious to health.

Council contribution to community outcomes

This activity contributes the following outcomes:

- A clean environment

Statement of service performance

The Council met its performance measures in the solid waste activity other than for the amount of residual waste to landfill compared with the previous year. There was in fact an increase in the amount of residual waste per head of population compared with the previous financial year. This is due to an increase in visitor numbers to the Pines Resource Recovery Park, new home construction, and demolition waste and significantly lower disposal fees when compared to Christchurch City Council.

In the Selwyn District, residents can use the kerbside collection service or take their organic, recyclable and residual waste to the Pines Resource Recovery Park (RRP) in Rolleston. Community satisfaction with the Council's rubbish, recycling and organic waste kerbside collection services attracted scores of 90/100, 89/100, and 74/100 respectively. In addition 41% of surveyed residents independently use the Resource Recovery Park. The number of residents using the RRP compared with 37% in 2013 and 26% in 2012 is correlated with the increased waste being disposed of as a result of rapid growth and construction in the District and advertising what services are available at the RRP.

The Waste Minimisation and Management Plan sets out objective, policies and methodologies for the Council to achieve waste minimisation goals and also to be aligned with the activity goal. One of our methodologies for reducing waste is to offer a kerbside organic material collection service. The organic material goes to the RRP, where it is processed by a HotRot in vessel composting system.

Service targets for solid waste management

Objective	Performance measure	Service target	Achievement
The Council protects the environment from illegal dumping.	Number of written complaints received per annum related to solid waste service.	<15	Achieved No written complaints were received during the year. (2013: Achieved)
The solid waste service is effective and efficient.			
The Council's service is sustainable.	Numbers of customers changing to private providers.	<5%	Achieved No changes to private providers. (2013: Achieved)
Waste minimisation is achieved by reducing the amount of residual waste.	The annual reduction in the amount of residual waste per head of population.	5% reduction in kg per head of waste to landfill compared with the previous year.	Not achieved 7.9% increase due to increase in visitor numbers to the Pines RRP, new home construction, and demolition waste and significantly lower disposal fees when compared to Christchurch City Council. (2013: Not achieved)

Solid waste management funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	-	-	-	Note 1
Targeted rates	4,097	3,637	3,486	
Subsidies and grants for operating purposes	-	15	15	
Fees and charges	1,515	1,354	1,288	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	5,612	5,006	4,789	
Application of operating funding				
Payments to staff and suppliers	5,063	4,408	4,206	Note 2
Finance costs	-	-	-	
Internal charges applied	317	335	323	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	5,380	4,743	4,529	
Surplus / (deficit) of operating funding (A-B)	232	263	259	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	Note 3
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
Applications of capital funding				
Capital expenditure to meet additional demand	261	529	145	Note 3
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase / (decrease) in reserves	-	-	-	
Increase / (decrease) of investments	(29)	(266)	115	
Total applications of capital funding (D)	232	263	260	
Surplus / (deficit) of capital funding (C-D)	(232)	(263)	(259)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

- Note 1** Targeted rates revenue is higher than the LTP due to a higher demand for waste collection stemming from growth in the District.
- Note 2** Payments to staff and suppliers is higher than the LTP due to increased demand for waste collection in the District. The corresponding increase in targeted rates revenue is associated with the additional cost of meeting the increased demand for waste management services.
- Note 3** Capital expenditure to meet additional demand is lower than the LTP due to the timing of completing capital projects.

Significant activities – 5 waters services

Activities covered

Community water supplies	31 schemes (public health)
Land drainage	10 schemes (making land farmable)
Stormwater urban	22 schemes (urban stormwater management)
Water races rural and urban	111,246 ha (stock water, amenity, habitat)
Community wastewater schemes	14 schemes and ESSS (public health)

Overview

The availability of clean safe to drink water and the safe disposal of waste water are fundamental to the health and welfare of the Selwyn community. The 5 Waters service provides clean safe to drink water for households and removal of sewage and rain water in a way that protects the health of the population and natural environment. The 5 Waters service also provides river water for livestock and drains certain land so that it is usable. These services are provided through 82 separately rated water based schemes within the District. The 5 Waters assets are valued at \$418 million with water supplies valued at \$96 million, sewerage schemes \$164 million, stormwater \$30 million, land drainage \$42 million and water races \$86 million.

Drinking water is provided by the Council to over 72% of the population of the District, around 33,000 people. By comparison, wastewater services are provided to approximately 20,000 people. The largest consented wastewater treatment and disposal area is the Pines Wastewater Treatment Plant, servicing Rolleston, West Melton, Lincoln, Prebbleton and Springston.

It has always been clear that the water services are interlinked, if not directly, then via natural pathways. This reflects the unique geographical 'mountains to sea' layout of the Selwyn District. There is a strong connection between these services and it is essential that they are looked after. The Council's approach is to manage the 5 Waters activities in a coordinated way.

Why is the Council involved?

The Council is in the best position to respond to the expectations of the communities it serves and to translate these needs into levels of service, which have funding options accompanying them, for public scrutiny and comment. The Local Government Act 2002 clearly sets out how the Council must consult with residents over significant decisions and this ensures the community has a major decision making role. The 5 Waters assets are listed as 'Strategic' in the 2012/2022 Long Term Plan for the very reason that failure of these services has a devastating and far-reaching effect on the District. The Council is well positioned to take a major leadership role in planning and managing the assets and networks that deliver these essential services.

By managing all of the 5 Waters activities, the Council can plan ahead in a coordinated way and take advantage of the opportunities to introduce new initiatives e.g. the potential in the future to use treated wastewater to irrigate reserves, if this is feasible and acceptable to the public. When prioritising across the 5 Waters Activities, opportunities to combine projects will become apparent.

There is also the need to comply with a raft of legislative and statutory processes, which the Council recognises in its strategic plan, policies, education programmes, and commitment to sustainable practices. The Council's seven principles of sustainability can be applied across all the activities and this coordinated application brings better results than a fragmented approach, which could occur if the activities were separated, especially if managed by more than one provider.

The security of the District's water supply is paramount as our communities require reliable, clean, safe water to serve their day-to-day needs. These water-related activities also protect and sustain the health of the environment, particularly the sensitive Te Waihora (Lake Ellesmere) catchment, by responsibly dealing with waste water and the draining and disposing of groundwater and excess stormwater run-off.

The sewerage asset is expected to increase rapidly with the Eastern Selwyn Sewerage Scheme (ESSS) being constructed. Stormwater assets have been, and will continue to be, rapidly developed to meet the increased standards reflected in the Regional Council's Natural Resources Regional Plan rules.

Activity goal

Selwyn District Council's goal for the 5 Waters activities is:

'To provide water services that meet all relevant standards and are at a service level the public can afford and have confidence in, now and forward into the future.'

Council contribution to community outcomes

This activity contributes the following outcomes:

- A clean environment
- A living environment where the rural theme of Selwyn is maintained
- Selwyn people have access to appropriate health, social and community services
- A safe place in which to live, work and play
- A prosperous community.

Statement of service performance

Safe drinking water

The Council achieved 98% and 97% compliance for E-Coli in water leaving the treatment plant, and water in the distribution systems respectively. We did not achieve our high performance targets of 99% and 99.5% with 43 transgressions from 2,206 water samples taken from water leaving the treatment plants and 34 transgressions from 1,187 water samples taken from water in the distribution systems. By keeping water safe to drink, the Council is achieving its community outcome of 'a clean environment'.

Firefighting (urban fire districts)

63% of the urban fire district area is within 135m of one fire hydrant and 270m of two fire hydrants which is consistent with last year's 63% and above our target of 56%.

Extended water supply interruption

In the past year, water services have proved to be reliable with one property affected by unplanned water supply interruptions of more than 5 hours due to the failure of the Council's infrastructure. No properties were affected by water supply interruptions of more than 24 hours.

Water quality

Selwyn residents tend to be high users of water, using an average of 1,300 litres of water per residential property per day in the 2013/14 year. This can be attributed to mostly outdoor use – residents tend to have larger sections and therefore wish to maintain these sections. The Council has a role to play in continuing to educate the community on water conservation, with a long term view to changing behaviour on water consumption.

Serviced area and operating costs

74% of residential properties in Selwyn are serviced with water and 55% of residential properties are serviced by the Council's waste water systems. The average cost per serviced property for water services provided in the District is \$308 per year for water and \$365 per year for wastewater both below our targeted costs for these services.

Service targets for 5 waters activities

Objective	Performance measure	Service target	Achievement
Safe drinking water			
The community is provided with water services to a standard that protects their health and property.	Compliance with national standards for bacterial (E. coli) criteria for water leaving treatment plant as reported by the Ministry of Health, for each registered drinking water supply.	99%	Not achieved 98% compliance for E-Coli, 43 transgressions from 2,206 water samples. (2013: Not achieved)
	Compliance with national standards for bacterial (E. coli) criteria for water in the distribution system as reported by the Ministry of Health, for each registered drinking water supply.	99.5%	Not achieved 97% compliance for E-coli, 34 transgressions from 1,187 water samples. (2013: Not achieved)
Firefighting (urban fire districts)			
The community is provided with water services to a standard that protects their health and property.	The proportion of an urban fire district area within 135m of one fire hydrant and 270m of two fire hydrants.	56%	Achieved 63% of the urban fire District is within stated parameters. (2013: Achieved)
Extended water supply interruption (urban)			
The community is provided with water services to a standard that protects their health and property.	The proportion of properties affected by unplanned water supply interruptions of more than five hours per 1000 properties.	45%	Achieved One property was affected by unplanned water supply interruptions of more than 5 hours. (2013: Achieved)
Extended water supply interruption (rural restricted)			
The community is provided with water services to a standard that protects their health and property.	The proportion of properties affected by unplanned water supply interruptions of more than 24 hours per 1000 properties.	45%	Achieved No properties were affected by unplanned water supply interruptions of more than 24 hours. (2013: Achieved)
Wastewater overflows			
The community is provided with water services to a standard that protects their health and property.	The total number of sewer and sewer pump station overflows events (wet and dry weather).	≤3	Not achieved There were 7 overflow events during the year. Overflows were minor in nature being of very low volumes. (2013: Not achieved)
Water quantity			
The community is provided with water services to a standard that protects their health and property.	Average volume of water consumed per residential property per day in the 'Total Water Served Area' (litres/property/day).	1,000	Not achieved Average volume of water consumed per residential property per day in the total urban water serviced area was 1,300 litres. (2013: Not achieved)
Service disruption response (water races)			
Problems with water services are addressed in a timely manner and prioritised according to risk and need.	The average duration for which a serviced property in the 'Total Water Race Served Area' is without supply due to unplanned interruption hours.	10hr	Not achieved The average duration was greater than 10 hours. (2013: Not achieved)

Serviced area

Service capacity is provided to accommodate growing communities, where this growth is sustainable.	Proportion of residential properties serviced with water within the District expressed as a percentage of total residential properties.	74%	Achieved 74% of residential properties are serviced with water. (2013: Achieved)
	Proportion of residential properties serviced with wastewater within the District expressed as a percentage of total residential properties.	54%	Achieved 55% of residents are serviced by the Council's waste water systems. (2013: Not achieved)

Operating costs

Water Services are provided in a cost effective manner.	Total average water operating cost per serviced property.	\$335	Achieved \$308 per annum. (2013: Achieved)
	Total average wastewater operating cost per serviced property.	\$380	Achieved \$365 per annum. (2013: Achieved)

Community water supplies funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	-	-	-	
Targeted rates (other than for metered water supply)	3,622	3,400	3,125	Note 1
Subsidies and grants for operating purposes	-	-	-	
Fees and charges and targeted rates for metered water	858	464	447	Note 2
Internal charges and overheads recovered	877	792	764	
Other operating funding	-	-	-	
Total operating funding (A)	5,357	4,656	4,336	
Application of operating funding				
Payments to staff and suppliers	2,425	2,175	2,807	Note 3
Finance costs	-	-	-	
Internal charges applied	1,754	1,585	1,528	
Other operating funding applications	71	-	-	
Total application of operating funding (B)	4,250	3,760	4,335	
Surplus / (deficit) of operating funding (A-B)	1,107	898	-	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	762	175	165	Note 4
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	762	175	165	
Applications of capital funding				
Capital expenditure to meet additional demand	2,739	-	4,211	Note 5
Capital expenditure to improve the level of service	4	21	-	
Capital expenditure to replace existing assets	421	435	1,190	
Increase / (decrease) in reserves	(61)	1,367	(1,468)	
Increase / (decrease) of investments	(1,234)	(749)	(3,768)	
Total applications of capital funding (D)	1,869	1,074	165	
Surplus / (deficit) of capital funding (C-D)	(1,107)	(898)	-	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

Note 1 Targeted rates revenue is higher than the LTP due to substantial growth in the District.

Note 2 Fees and charges revenue is higher than the LTP due to a higher level of new water connections in the District as a result of the substantial population growth, as well as some increased water consumption per household.

Note 3 Payments to staff and suppliers is higher than the LTP due to both increased cost of supply and growth in the District.

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

Note 5 Capital expenditure to meet additional demand is higher than the LTP due to the completion of projects carried forward from the previous financial year. These projects included Darfield water reticulation upgrade \$1,500,000, Rolleston water upgrade Izone \$305,000, West Melton infrastructure upgrade \$226,000 and Harper Hills water reserve \$345,000.

Community wastewater funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	-	-	-	
Targeted rates	3,613	3,738	3,498	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	570	211	203	Note 1
Internal charges and overheads recovered	492	431	416	
Other operating funding	-	-	-	
Total operating funding (A)	4,675	4,380	4,117	
Application of operating funding				
Payments to staff and suppliers	2,742	2,790	2,694	
Finance costs	2,361	3,610	2,567	Note 2
Internal charges applied	984	862	831	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	6,087	7,262	6,092	
Surplus / (deficit) of operating funding (A-B)	(1,412)	(2,882)	(1,976)	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	10,949	2,937	2,868	Note 3
Increase / (decrease) in debt	(7,629)	1,500	24,000	Note 4
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	3,320	4,437	26,868	
Applications of capital funding				
Capital expenditure to meet additional demand	3,048	2,862	25,933	
Capital expenditure to improve the level of service	488	431	418	
Capital expenditure to replace existing assets	85	142	1,326	
Increase / (decrease) in reserves	1,873	413	(1,465)	
Increase / (decrease) of investments	(3,586)	(2,293)	(1,319)	
Total applications of capital funding (D)	1,908	1,555	24,893	
Surplus / (deficit) of capital funding (C-D)	1,412	2,882	1,976	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

- Note 1** Fees and charges revenue is higher than the LTP is largely due to trade waste revenue totalling \$338,000 being received during the year.
- Note 2** Finance costs are lower than the LTP due to lower borrowings than originally budgeted. The lower borrowing is due to the reduction in the requirement to borrow due to higher Council revenue than originally budgeted.
- Note 3** Development contributions revenue is higher than the LTP due to substantial growth in the District.
- Note 4** Debt has decreased due to the reduction in the requirement to borrow due to higher Council revenue than originally budgeted.

Community stormwater funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	-	-	-	
Targeted rates	463	439	426	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	-	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	463	439	426	
Application of operating funding				
Payments to staff and suppliers	330	364	532	
Finance costs	145	231	197	
Internal charges applied	171	137	132	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	646	732	861	
Surplus / (deficit) of operating funding (A-B)	(183)	(294)	(435)	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	384	222	216	
Increase / (decrease) in debt	23	-	540	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	407	222	756	
Applications of capital funding				
Capital expenditure to meet additional demand	36	5	780	
Capital expenditure to improve the level of service	46	135	233	
Capital expenditure to replace existing assets	-	9	-	
Increase / (decrease) in reserves	111	(31)	150	
Increase / (decrease) of investments	31	(190)	(842)	
Total applications of capital funding (D)	224	(72)	321	
Surplus / (deficit) of capital funding (C-D)	183	294	435	
Funding balance (A-B) + (C-D)	-	-	-	

There are no significant variances to explain between actual results and the Long Term Plan.

Water races and land drainage funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	16	16	15	
Targeted rates	1,645	1,691	1,558	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	218	166	160	
Internal charges and overheads recovered	269	270	260	
Other operating funding	-	-	-	
Total operating funding (A)	2,148	2,143	1,993	
Application of operating funding				
Payments to staff and suppliers	1,431	1,539	1,860	
Finance costs	-	-	-	
Internal charges applied	538	540	521	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	1,969	2,079	2,381	
Surplus / (deficit) of operating funding (A-B)	179	63	(387)	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
Applications of capital funding				
Capital expenditure to meet additional demand	122	-	463	
Capital expenditure to improve the level of service	46	509	699	
Capital expenditure to replace existing assets	69	-	126	
Increase / (decrease) in reserves	74	(155)	(277)	
Increase / (decrease) of investments	(132)	(291)	(1,398)	
Total applications of capital funding (D)	179	63	(387)	
Surplus / (deficit) of capital funding (C-D)	(179)	(63)	387	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

Note 1 Capital expenditure to improve the level of service is lower than the LTP due to Malvern and Ellesmere water race projects being carried forward for completion in the 2014/15 financial year.

Note 1

Significant activities – Izone Southern Business Hub

Overview

Izone Southern Business Hub (Izone) is a 200 hectare park being developed by the Council at Rolleston.

The development which commenced in 2001 initially comprised of 130 hectares but since that time a further 70 hectares has been purchased to accommodate growth and demand for industrial land within Selwyn.

The park, which is located next to State Highway 1 and the Main South and Main West railway lines, has been very popular with parties interested in purchasing land.

Why is the Council involved?

In the late 1990s the Council's strategic planning identified:

- A desire for more Selwyn residents to be able to work in the District.
- There was a lack of industrial land in the District. The Council found there was no private sector interest in developing more industrial land. The Council identified the opportunity to address the lack of industrial land by purchasing the land known as Izone.

Activity goal

Izone is designed to provide employment within the Selwyn District. A secondary goal is to provide a financial return to the Council.

Council contribution to community outcomes

The Izone Southern Business Hub contributes to the community outcome 'a prosperous economy' by encouraging potential employers to locate their operations within the District.

Statement of service performance

The Council has not achieved the budgeted sales target of 10 hectares but has achieved the budgeted level of revenue from Izone for the current financial year with 7.6 hectares of land sold during the year for \$8.8 million. Izone had budgeted for sales of \$10.1 million. The Council brought forward the development of Stage 6 in 2012 and has continued the development during 2013. Demand continues to be strong with high sales activity expected for the 2014 financial year.

Businesses in Izone continue to be a major employer in the District with more jobs being created as the development progresses. The employment opportunities being created for the District at Izone demonstrate how this activity is helping to achieve the community outcome, 'a prosperous community'.

Service targets for Izone Southern Business Hub

Objective	Performance measure	Service target	Achievement
To provide employment opportunities by selling 10 ha of land on an annual basis.	Sale of 10 ha per year.*	10 ha	Not achieved 7.6 hectares of land sold. (2013: Achieved)

* Projected asset sales are based on 77 ha over 10 years.

Izone Southern Business Hub funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	-	-	-	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	32	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	56	-	-	
Total operating funding (A)	88	-	-	
Application of operating funding				
Payments to staff and suppliers	2,137	1,152	1,120	Note 1
Finance costs	653	1,879	1,555	Note 2
Internal charges applied	-	-	-	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	2,790	3,031	2,675	
Surplus / (deficit) of operating funding (A-B)	(2,702)	(3,032)	(2,675)	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	(2,587)	(4,000)	20,000	Note 3
Gross sales proceeds from sale of assets	8,796	10,092	18,015	Note 4
Total sources of capital funding (C)	6,209	6,092	38,015	
Applications of capital funding				
Capital expenditure to meet additional demand	3,935	2,539	35,169	Note 5
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase / (decrease) in reserves	-	-	-	
Increase / (decrease) of investments	(428)	521	171	
Total applications of capital funding (D)	3,507	3,060	35,340	
Surplus / (deficit) of capital funding (C-D)	2,702	3,032	2,675	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

- Note 1** Payments to staff and suppliers is higher than the LTP due to the level of sales activity and associated costs, including legal and marketing expenditure.
- Note 2** Finance costs are lower than the LTP due to lower interest costs on borrowings than originally budgeted. The lower borrowing is due to the reduction in the requirement to borrow due to higher Council revenue than originally budgeted.
- Note 3** Debt has decreased by less than the LTP had projected due to the timing of capital projects.
- Note 4** Gross sales proceeds from sale of assets are lower than the LTP due to the timing of the sale of commercial property at the Izone Southern Business Hub.
- Note 5** Capital expenditure to meet additional demand is higher than the LTP due to construction work carried out in Stage 6 and the start of construction work in Stage 7 of Izone during the year.

Significant activities – 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 all support services (overheads) is allocated to each of the Council's significant activities on a cost basis.

Support services include; CEO's department, Finance function, Information services, Records management, Asset management and service delivery.

The internal Council services activity also covers the Council's corporate income, including dividends, interest and property leases. Because it includes corporate income, the Internal Council Services activity generates a surplus. This surplus is used to reduce the general rate requirement so that all ratepayers benefit from this income. As a result, the general rates line in the funding impact statement represents a reduction to general rates rather than funding from general rates.

Working in collaboration with others

We collect rates on behalf of the Canterbury Regional Council and in return they pay us a fee and a portion of the rating valuation cost. The income received is used to offset the cost of running our rates department.

Internal Council services funding impact statement

	2014	2014	2013	Movement
	Actual	LTP	Annual Plan	Actual vs
	\$'000	\$'000	\$'000	LTP 2014
Sources of operating funding				
General rates	(6,154)	(6,353)	(5,653)	
Targeted rates	275	320	320	
Subsidies and grants for operating purposes	86	7	7	
Fees and charges	1,421	2,384	1,373	Note 1
Internal charges and overheads recovered	9,961	9,655	9,296	Note 2
Other operating funding	6,997	6,487	5,772	Note 3
Total operating funding (A)	12,586	12,500	11,115	
Application of operating funding				
Payments to staff and suppliers	9,280	8,668	8,360	Note 4
Finance costs	363	1,266	718	Note 5
Internal charges applied	1,285	1,209	1,163	
Other operating funding applications	14	159	154	
Total application of operating funding (B)	10,942	11,302	10,395	
Surplus / (deficit) of operating funding (A-B)	1,644	1,200	719	
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase / (decrease) in debt	(6,588)	-	5,000	Note 6
Gross sales proceeds from sale of assets	1,096	-	-	
Total sources of capital funding (C)	(5,492)	-	5,000	
Applications of capital funding				
Capital expenditure to meet additional demand	550	512	506	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase / (decrease) in reserves	192	-	-	
Increase / (decrease) of investments	(4,590)	688	5,213	
Total applications of capital funding (D)	(3,848)	1,200	5,719	
Surplus / (deficit) of capital funding (C-D)	(1,644)	(1,200)	(719)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long Term Plan:

- Note 1** Fees and charges revenue is lower than the LTP due to the sale of an investment property during the 2013 financial year leading to lower levels of rental income received.
- Note 2** Internal charges and overheads recovered is higher than the LTP due to higher staff costs due to the restructuring in the asset service area and as a result of a changed approach to on-charging water testing costs.
- Note 3** Other operating funding revenue is higher than the LTP due to higher interest revenue received on cash balances held. Cash balances held are significantly higher than budgeted in the LTP following the liquidation of Selwyn Investment Holdings Limited.
- Note 4** Payments to staff and suppliers is higher than the LTP largely due to \$248,000 of earthquake repairs being completed during the year that were not forecast in the LTP.
- Note 5** Finance costs are lower than the LTP due to lower interest costs on borrowings than originally budgeted. The lower interest costs were partially due to the timing of capital projects and the reduction in the requirement to borrow due to higher Council revenue than originally budgeted.
- Note 6** Debt has decreased due to the reduction in the requirement to borrow due to higher Council revenue than originally budgeted and the receipt of the loan repayment from Central Plains Water Limited.

Financials – financial highlights

Introduction

Selwyn District Council has continued to experience unprecedented growth during the 2014 financial year. The financial results for the year are a reflection of a number of extraordinary circumstances. These include the rapid and sustained population growth in the District, plus the accounting recognition of profits released from equity in relation to the Council's liquidation of Selwyn Investment Holdings Limited (SIHL).

Expenditure

Operating expenditure for the year was \$75.6 million compared with a budget of \$77.9 million. The main variances were:

- Finance costs were \$2.9 million lower than budgeted. This is partly because the Council's strong cash flows, particularly from development contributions, meant less borrowing was required than anticipated, and partly because of a reduction in the valuation of the Council's interest rate swap liability. The interest rate swap liability is a non-cash item that represents the difference between actual and market interest rates for the Council's interest rate swaps at the end of the financial year.
- Depreciation and amortisation expenditure was \$21.4 million, \$495,000 below budget, mainly due to the delay in the timing of capital projects.

Income

Income for the year was \$150.6 million compared with the budget of \$78.2 million. The main variances compared with budget were:

- Fees and charges were \$14.1 million, \$1.3 million above budget of \$12.8 million, again reflecting the level of population growth in the district as developers and new residents paid for building and resource consents. Admission numbers to the Selwyn Aquatic Centre were also higher than originally budgeted.
- Gains on the disposal of property held for sale were \$8.7 million, \$2.6 million below budget, with significant sales settled post balance date.

In our income statement we have also incorporated a number of exceptional revenue items including:

- An accounting adjustment of \$24.9 million was recognised during the year. This adjustment is a technical accounting recognition of previous movements in the value of Council's investment in SIHL. The recognition of the investment gains through income in the current financial year is a technical adjustment that is required as part of the liquidation of SIHL. The profit release is akin to the realisation of an investment and does not increase the Council's overall equity as the other side of the transaction is recognised through other comprehensive income.
- Development contributions revenue was \$25.0 million, \$17.6 million above budget of \$7.4 million as the level of population growth in the district was more rapid than expected. Development contributions are used to fund the new sewerage, water systems, roads and reserves required to cater for new residents and are not available to reduce the level of rates.
- Vested asset income was \$30.3 million, \$23.3 million higher than budget of \$7.0 million due to the higher than expected level of sub-division activity. This is a non-cash item and, again, is not available to reduce the level of rates.
- Central Plains Water Limited repaid all outstanding loan balances in full during the year. In previous financial years the Council had provided for the write-down of part of this loan. The related gain recognised this year reflects the reversal of the \$2.5 million impairment.

Financials – annual report disclosure statement for year ending 30 June 2014

What is the purpose of this statement?

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

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

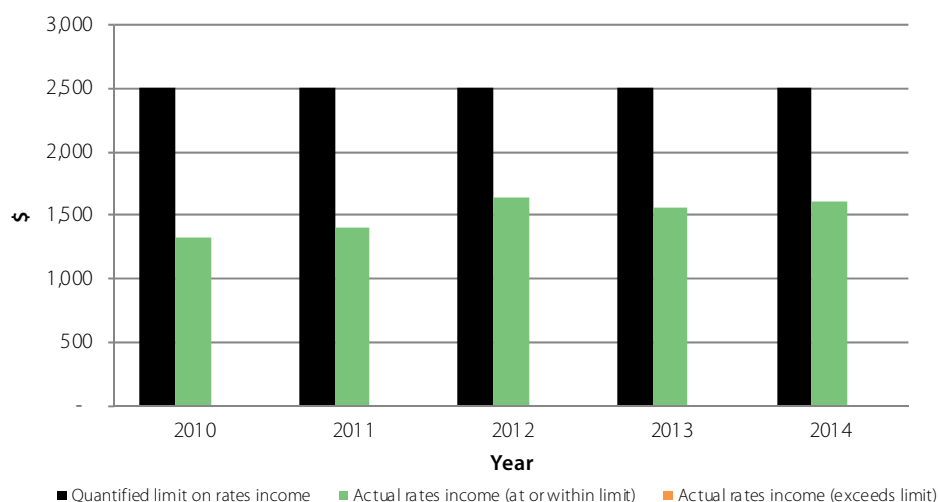
Rates affordability benchmark

The council meets the rates affordability benchmark if –

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

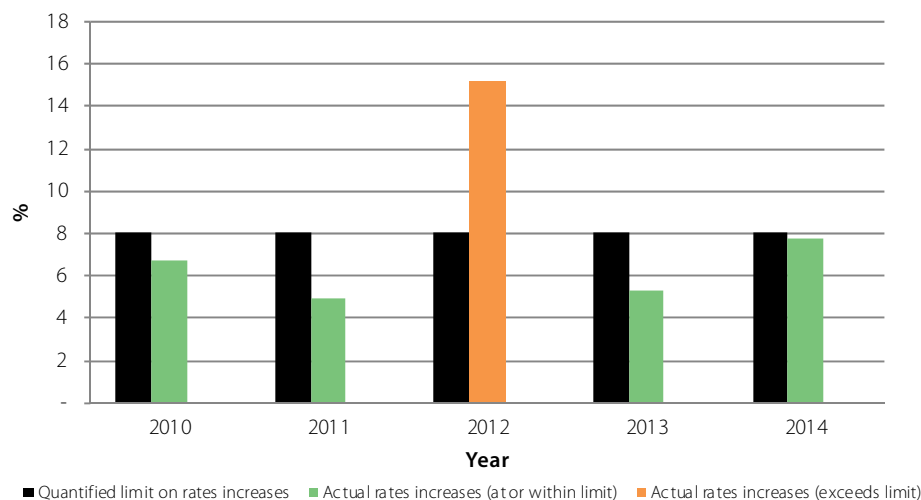
Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is actual rates income (excluding GST) will not exceed \$2,500 per ratepayer.



Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 8% per annum.



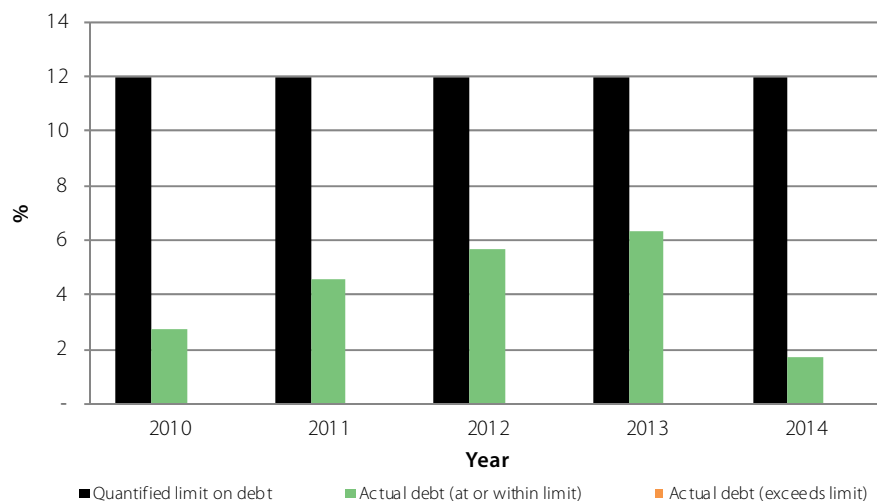
2012 – The Council exceeded the quantified limit on rates increases in 2012 as a result of the introduction of a one-off \$135 earthquake rate per rating unit to help meet the costs associated with the 4 September 2010 earthquake damage.

Debt affordability benchmark

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

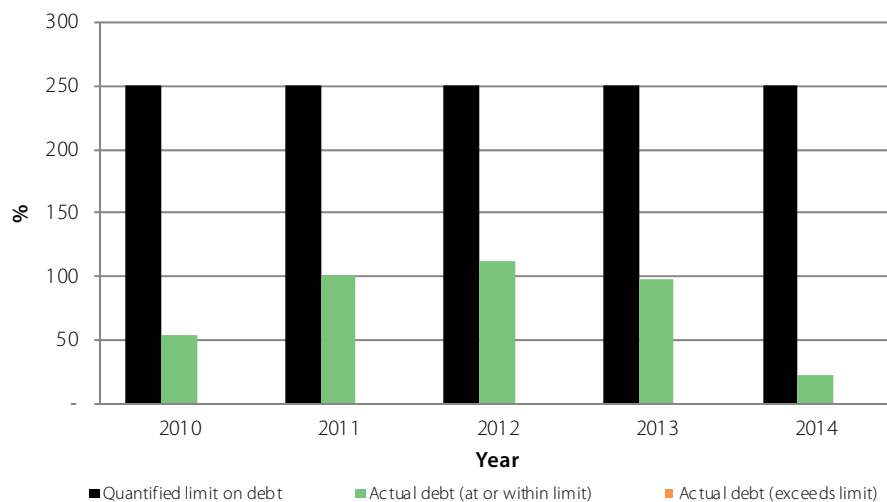
Net borrowing as percentage of equity

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net borrowing as a percentage of equity will be less than 12%.



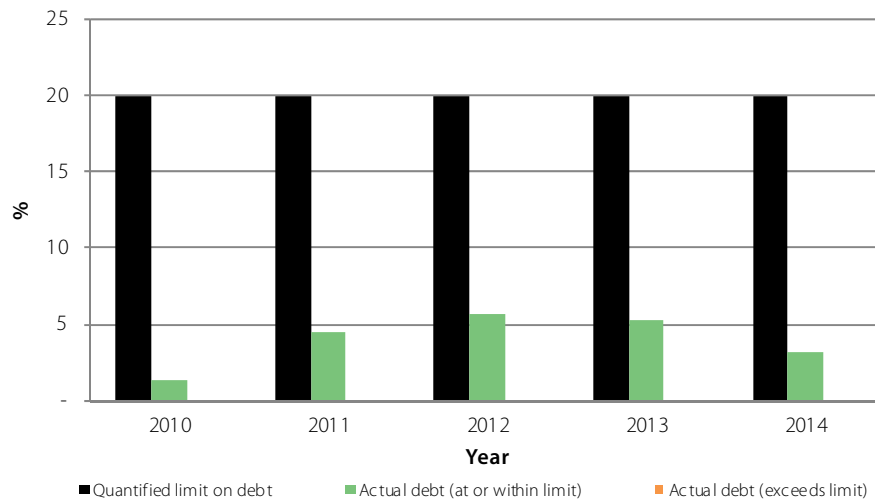
Net borrowing as percentage of income

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net borrowings as a percentage of income will be less than 250%.



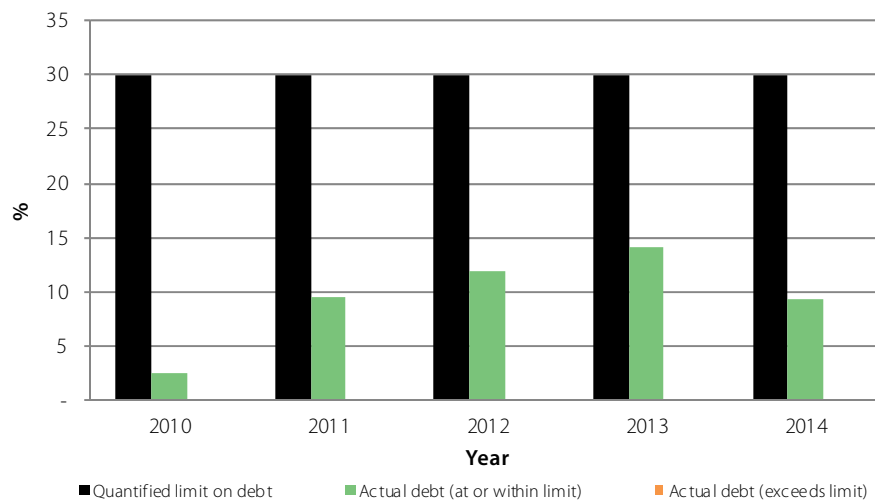
Net interest as percentage of income

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net interest as a percentage of income will be less than 20%.



Net interest as percentage of rates income

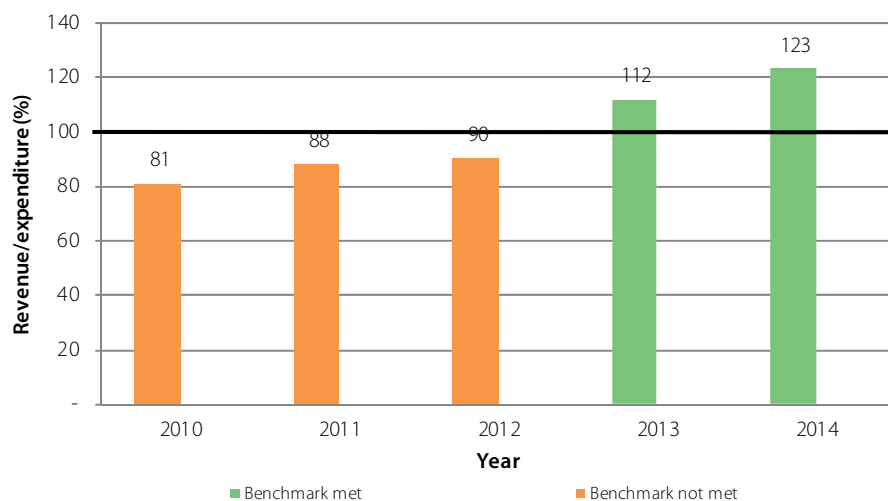
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest as a percentage of rates income will be less than 30%.



Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluation of property, plant or equipment).

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



2010 to 2012 – The Council did not meet the balanced budget benchmark during the 2010, 2011 and 2012 financial years due to the Council's decision to not fully fund depreciation (the Council generally funds renewals rather than depreciation).

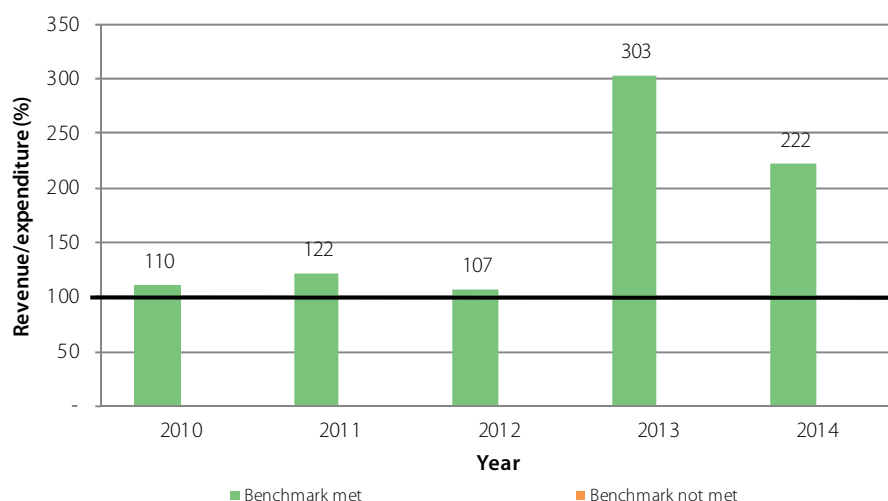
2013 – The Council met the balanced budget benchmark largely because of a one off special dividend received from Selwyn Investment Holdings Limited totalling \$11.0 million during the financial year.

2014 – The Council met the balanced budget benchmark due to a non-cash accounting adjustment of \$24.9 million, as a result of Council liquidating its former investment in Selwyn Investment Holdings Limited in September 2013. This is a technical accounting recognition of previous movements in the value of Council's investment in SIHL, and does not increase the Council's overall equity.

Essential services benchmark

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

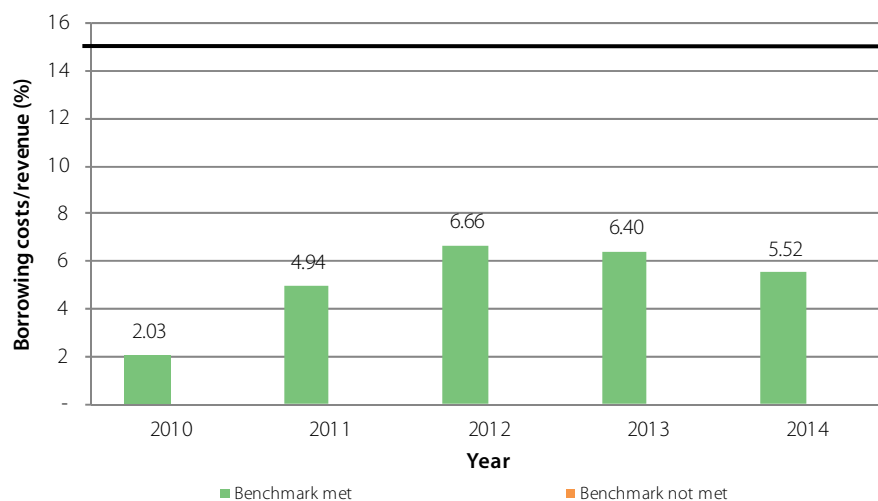
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant, or equipment).

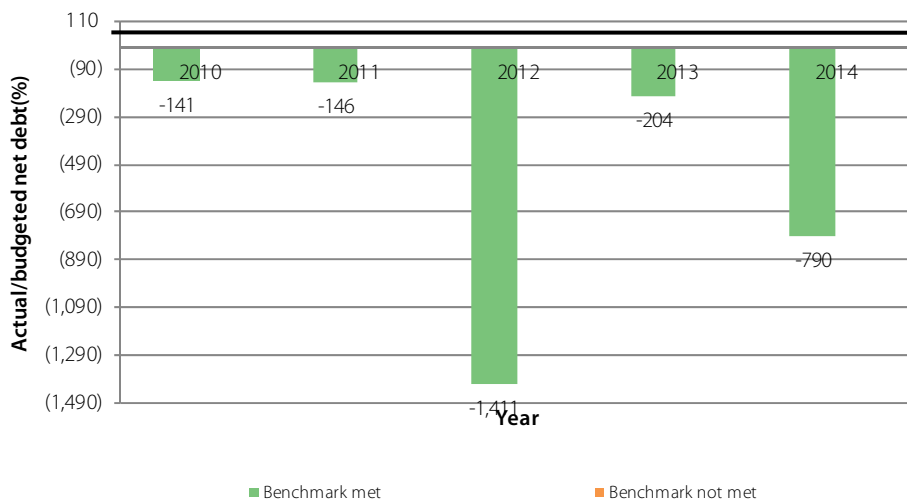
Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it means the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

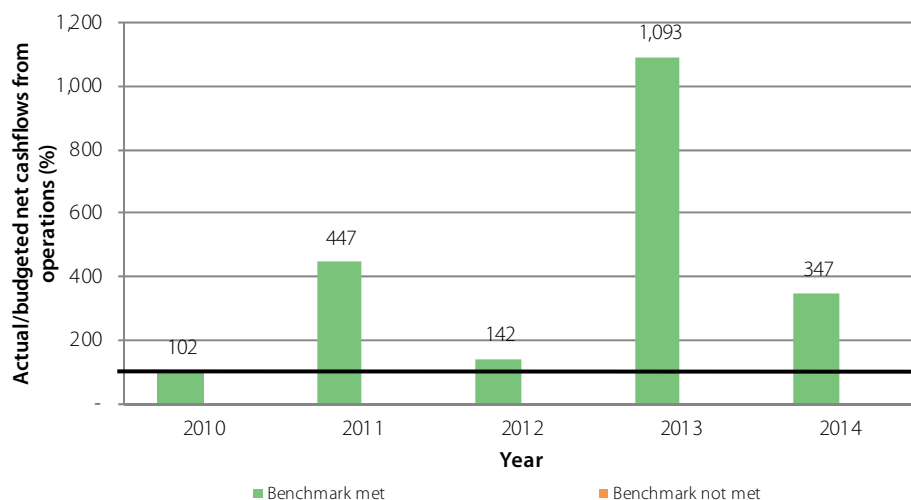
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flows from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Rating base information

- The number of rating units within the district at the end of the preceding financial year: 22,069
- The total capital value of rating units within the district at the end of the preceding financial year: \$15,046 million
- The total land value of rating units at the end of the preceding financial year: \$8,393 million

Insurance of assets

- The total value of all assets that are covered by insurance contracts: \$807.8 million
- The maximum amount to which assets are insured: \$487.8 million
- The maximum amount to which assets are covered by financial risk sharing arrangements: \$250 million
- The total value of the Council's self-insurance fund: \$12.2 million

The total value of all assets covered by insurance contracts is \$807.8 million. \$570 million of these assets are underground assets which are covered by \$250 million through financial risk sharing arrangements.

Central Government provides financial support for essential repairs to a Council's infrastructure after a natural disaster. The support equates to 60% of a Council claim.

The Council's underground insurance policy provides cover up to a maximum of \$250 million with 40% or \$100 million provided by the insurance policy and 60% or \$150 million provided by Central Government.

Council also has 2 self-insurance funds as follows:

- Earthquake self-insurance reserve as at 30 June 2014 \$11.5 million.
- General insurance reserve as at 30 June 2014: \$0.7 million.

Financials – statement of comprehensive income for the year ended 30 June 2014

	Note	Council 2014 \$000	Council Budget \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Income						
Rates, excluding targeted water supply rates	2	31,620	30,655	28,625	31,615	28,620
Fees, charges and targeted rates for metered water	3	14,050	12,761	12,071	13,817	11,856
Development and financial contributions		24,961	7,411	12,456	24,961	12,456
Subsidies and grants	4	5,326	4,601	6,720	5,326	6,720
Other revenue	5	37,722	13,317	31,784	69,855	59,885
Gains	6	11,979	9,432	12,449	12,523	13,511
Release to profit from fair value through equity reserve	29	24,932	-	-	-	-
Total income	1	150,590	78,177	104,105	158,097	133,048
Expenditure						
Employee benefit expenses	7	14,321	13,918	11,802	26,947	27,134
Depreciation and amortisation expense	8	21,395	21,890	19,580	23,504	22,341
Other expenses	9	36,385	35,602	33,052	53,484	53,669
Finance costs	10	3,536	6,459	3,038	3,732	3,375
Total operating expenditure	1	75,637	77,869	67,472	107,667	106,519
Operating surplus / (deficit) before taxation		74,953	308	36,633	50,430	26,530
Share of associate surplus / (deficit)	18	-	-	-	-	-
Surplus / (deficit) before taxation		74,953	308	36,633	50,430	26,530
Income taxation expense / (benefit)	11	1	-	(53)	1	68
Surplus / (deficit) after taxation		74,952	308	36,686	50,429	26,462
Surplus after taxation from discontinued operation	42	-	-	-	133	1,864
Surplus after taxation and discontinued operation		74,952	308	36,686	50,562	28,326
<i>Surplus / (deficit) attributable to:</i>						
Selwyn District Council		74,952	308	36,686	50,562	27,592
Non - controlling interest		-	-	-	-	733
Surplus after taxation and discontinued operation		74,952	308	36,686	50,562	28,325
Other comprehensive income						
<i>Items that will be reclassified to surplus / (deficit)</i>						
Financial assets at fair value	29	13,279	1,802	(2,524)	13,612	-
Realisation of assets	29	(24,932)	-	-	-	-
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Gain / (loss) on infrastructure assets revaluation	21	(16,487)	109,790	49	(16,487)	49
Gain on land and building revaluation	21	-	-	23,107	60	23,900
Impairment of property plant and equipment	21	-	-	-	-	-
Deferred taxation on revaluation	11	-	-	(18)	-	(18)
		(28,140)	111,592	20,614	(2,815)	23,931
Other comprehensive income (discontinued operation)	42	-	-	-	-	-
Total other comprehensive income		(28,140)	111,592	20,614	(2,815)	23,931
Total comprehensive income		46,812	111,900	57,300	47,747	52,256
<i>Total comprehensive income attributable to:</i>						
Selwyn District Council		46,812	111,900	57,300	47,747	51,523
Non - controlling interest		-	-	-	-	733
Total comprehensive income		46,812	111,900	57,300	47,747	52,256

The accompanying notes form part of these financial statements.

Financials – statement of changes in equity for the year ended 30 June 2014

	Note	Council 2014 \$000	Council Budget \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Balance at 1 July		1,195,968	1,166,643	1,138,668	1,195,968	1,164,882
Total comprehensive income for the year		46,812	111,900	57,300	47,747	52,256
Realisation of assets		-	-	-	-	(21,170)
Balance at 30 June	28-32	1,242,780	1,278,543	1,195,968	1,243,715	1,195,968
<i>Total comprehensive income for the year is attributable to:</i>						
Selwyn District Council		46,812	111,900	57,300	47,747	51,523
Non - controlling interest		-	-	-	-	733
Total comprehensive income		46,812	111,900	57,300	47,747	52,256

The accompanying notes form part of these financial statements.

Financials – statement of financial position as at 30 June 2014

	Note	Council Actual 2014 \$000	Council Budget 2014 \$000	Council Actual 2013 \$000	Group Actual 2014 \$000	Group Actual 2013 \$000
Current assets						
Cash and cash equivalents	12	3,462	10,483	3,529	4,850	4,210
Trade and other receivables	13	13,060	13,188	9,057	18,268	13,997
Inventory and work in progress	15	13	-	-	1,273	1,081
Other financial assets	16	50,789	153	11,165	50,429	41,384
Income taxation receivable	11	3	-	-	6	60
Property held for sale	17	13,320	2,416	14,292	13,453	15,892
Investment in joint venture	18	-	-	-	102	310
Total current assets		80,647	26,240	38,043	88,381	76,934
Non-current assets						
Trade and other receivables	13	227	165	148	227	148
Other financial assets	16	5,599	41,806	6,663	5,599	6,663
Investment in council controlled organisations	16	93,647	76,882	112,969	83,647	70,035
Investment in associates	17	-	-	-	-	-
Investment property	19	10,545	21,743	11,025	9,875	10,415
Forestry assets	20	293	334	548	293	548
Property, plant and equipment	21	1,147,288	1,242,025	1,133,051	1,157,149	1,144,702
Development property	22	3,219	18,153	3,199	3,219	3,199
Deferred tax	11	-	-	-	182	196
Intangible assets	23	391	163	325	745	665
Total non-current assets		1,261,209	1,401,271	1,267,928	1,260,936	1,236,571
Total assets		1,341,856	1,427,511	1,305,971	1,349,317	1,313,505
Current liabilities						
Trade and other payables	24	14,318	15,051	13,084	16,211	15,323
Employee benefit liabilities	25	1,081	-	874	2,439	2,887
Other provisions	26	6,915	-	2,606	6,982	2,656
Income taxation payable	11	-	-	-	-	-
Derivative financial instruments	14	250	-	686	250	686
Borrowings	27	40,058	-	19,969	40,230	20,153
Total current liabilities		62,622	15,051	37,219	66,112	41,705
Non-current liabilities						
Employee benefit liabilities	25	111	-	108	129	124
Other provisions	26	391	383	386	391	386
Deferred tax	11	218	-	219	399	414
Derivative financial instruments	14	663	3,834	1,945	663	1,945
Borrowings	27	35,071	129,700	70,126	37,908	72,963
Total non-current liabilities		36,454	133,917	72,784	39,490	75,832
Equity						
General funds	28	653,253	584,837	588,489	654,927	613,782
Fair value through other comprehensive income reserve	29	42,023	60,337	53,676	41,022	27,410
Special funds	30	64,163	34,501	50,863	64,163	50,863
Asset revaluation reserve	31	483,341	598,868	502,940	483,603	503,913
Non-controlling interest	32	-	-	-	-	-
Total equity		1,242,780	1,278,543	1,195,968	1,243,715	1,195,968
Total liabilities and equity		1,341,856	1,427,511	1,305,971	1,349,317	1,313,505

The accompanying notes form part of these financial statements.

Financials – statement of cash flows for the year ended 30 June 2014

	Note	Council Actual 2014 \$000	Council Budget 2014 \$000	Council Actual 2013 \$000	Group Actual 2014 \$000	Group Actual 2013 \$000
Operating activities						
<i>Cash was provided from:</i>						
Receipts from customers		78,490	58,994	68,378	85,642	106,734
Agency receipts		1,565	619	1,420	1,565	1,420
Interest received		2,333	2,162	735	2,341	1,159
Dividends received		5,649	4,549	17,991	4,899	3,782
Income taxation received		-	-	18	-	18
Goods and services taxation (net)		(1,069)	-	150	(1,101)	222
		86,968	66,324	88,692	93,346	113,335
<i>Cash was applied to:</i>						
Payments to suppliers and employees		46,352	49,520	41,344	52,368	75,482
Agency payments		1,565	619	1,420	1,565	1,420
Income taxation		5	-	-	5	2
Interest paid		5,288	6,459	5,075	5,496	5,413
		53,210	56,598	47,839	59,434	82,317
Net cash flow from operating activities	33	33,758	9,726	40,853	33,912	31,018
Investment activities						
<i>Cash was provided from:</i>						
Sale of property, plant & equipment		11,790	6,499	2,320	12,862	5,236
Sale of property intended for sale / investment property		3,770	10,092	16,175	3,770	16,175
Proceeds from investments		47,811	31,000	-	48,098	55,051
		63,371	47,591	18,495	64,730	76,462
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		26,802	46,511	67,895	27,596	69,495
Purchase of intangible assets and development property		1,902	11,987	221	1,902	221
Purchase of investments and goodwill		53,526	35,000	12,888	53,526	55,107
		82,230	93,498	81,004	83,024	124,823
Net cash flow from investing activities		(18,859)	(45,907)	(62,509)	(18,294)	(48,361)

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of these financial statements.

Financials – statement of cash flows for the year ended 30 June 2014 (continued)

	Note	Council Actual 2014 \$000	Council Budget 2014 \$000	Council Actual 2013 \$000	Group Actual 2014 \$000	Group Actual 2013 \$000
Financing activities						
<i>Cash was provided from:</i>						
Loans raised		6,918	34,107	8,864	6,918	8,864
		6,918	34,107	8,864	6,918	8,864
<i>Cash was applied to:</i>						
Settlement of loans		21,884	-	2,000	21,893	5,715
Dividend paid		-	-	-	-	-
		21,884	-	2,000	21,893	5,715
Net cash flow from financing activities		(14,966)	34,107	6,864	(14,975)	3,149
Net increase / (decrease) in cash and cash equivalents		(67)	(2,074)	(14,792)	643	(14,194)
Plus: opening cash and cash equivalents		3,529	12,557	18,321	4,207	18,401
Cash, cash equivalents at the end of the year		3,462	10,483	3,529	4,850	4,207
<i>Summary of cash resources:</i>						
Cash and bank		3,458	10,483	3,524	4,846	4,205
Short term deposits maturing within 3 months		4	-	5	4	5
Bank overdrafts		-	-	-	-	(3)
Cash, cash equivalents at the end of the year		3,462	10,483	3,529	4,850	4,207

The accompanying notes form part of these financial statements.

Financials – statement of accounting policies

Statement of reporting entity

Selwyn District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Selwyn District Council group consists of the ultimate parent Selwyn District Council and its subsidiary Sicon Ferguson Limited (100% owned), the Selwyn District Charitable Trust (100% controlled) and its associate Central Plains Water Trust which is equity accounted (50% owned). Ferguson Brothers Limited was amalgamated with SICON Limited on the 31 March 2012.

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

The primary objective of the Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly the 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 the Council and group are for the year ended 30 June 2014. The financial statements were authorised for issue by Council on 22 October 2014.

Basis of preparation

Statement of compliance

The financial statements of the 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 generally accepted accounting practice in New Zealand (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.

Measurement base

With the exception of Selwyn Investment Holdings Limited, 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 of Selwyn Investment Holdings Limited (SIHL) were prepared on a realisation basis for the year ended 30 June 2013. On the 26 June 2013 Selwyn District Council approved the Board's Strategic Plan for the Company, which provided for liquidation of the company's assets and for the proceeds to be returned to the shareholder.

For the year ended 30 June 2013, SIHL no longer adopted the going concern assumption for accounting purposes as all assets were expected to be realised within 12 months of balance date and therefore classified its assets as current within the Statement of Financial Position, the valuation of assets, and Statement of Comprehensive Income disclosures. All assets have now been realised. Property, plant and equipment were classified as assets held for sale at 30 June 2013.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Council and group is New Zealand dollars (NZ\$). 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 surplus or deficit.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

New standards and interpretations issued and not yet adopted

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards have been developed by the XRB based on the current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. This means the Council will transition to the new standards in preparing its 30 June 2015 financial statements. The Council has yet to complete a detailed assessment of the implications of the new Accounting Standards Framework.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Significant accounting policies

The Council has adopted the following significant accounting policies in the preparation and presentation of the financial report.

Basis of consolidation

The purchase method is used to prepare the consolidated financial statements. This 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.

Sicon Ferguson Limited and group entities that have been consolidated have a balance date of 30 June.

Subsidiaries

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

The Council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given and 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 the Council's consolidated interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the 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 surplus or deficit.

Associates

The Council accounts for an investment in an associate in the group financial statements using the equity method. An associate is an entity over which the 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 the Council's share of the surplus or deficit of the associate after the date of acquisition. The Council's share of the surplus or deficit of the associate is recognised in the Council's surplus or deficit. Distributions received from an associate reduce the carrying amount of the investment.

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

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

The investment in associate is carried at cost in the Council's parent entity financial statements.

Discontinued operation

A discontinued operation is a component of the group's business that represents a separate major line of business that has been discontinued. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period. The comparative statement of financial position is not restated.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from 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.

Rates collected on behalf of Environment Canterbury (Ecan) are not recognised in the financial statements as the Council is acting as an agent for Ecan.

Other revenue

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

The Council receives government grants from New Zealand Transport Agency which subsidises part of the Council's costs of 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 New Zealand Transport Agency 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 the Council are recognised as revenue when control over the asset is obtained.

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Revenue from sale of goods is recognised when the 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 the 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.

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 are recognised against the surplus or deficit except when it relates to items recognised in other comprehensive income or directly 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.

Trade and other receivables

Trade 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.

Inventories and work in progress

Inventories held for use in the production of goods and services are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the weighted average method. In the 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 surplus or deficit.

Work in progress is stated at cost and consists of direct materials, direct labour and plant costs with a proportion of overhead costs. Contract payments (i.e. work invoiced prior to completion) have been deducted. For major contracts the percentage completion method is used.

Other financial assets

Selwyn District Council classifies financial assets into the following categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and financial assets at fair value through other comprehensive income. 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 surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

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:

Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading and those designated at fair value through surplus or deficit 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 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 surplus or deficit.

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

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 surplus or deficit.

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

Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the 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 surplus or deficit.

Currently, the Council holds bond investments in this category.

Financial assets at fair value through other comprehensive income

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

This category encompasses:

- Investments that the Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings which the Council holds for strategic purposes. The 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 investment in Orion New Zealand Limited is valued based on an independent valuation as at 30 June 2014 completed by Ernst & Young Corporate Transaction Advisory Services Limited, Wellington dated 5 August 2014. The investment in Sicon Ferguson Limited is valued based on an independent valuation as at 31 December 2013 completed by Ernst and Young Corporate Transaction Advisory Services Limited, Wellington dated 25 June 2014.

Gains and losses are recognised in other comprehensive income except for impairment losses which are recognised in the surplus or deficit. In the event of impairment any cumulative losses previously recognised in other comprehensive income will be reclassified from equity and recognised in the surplus or deficit even though the asset has not been derecognised.

Impairment of financial assets

At each balance date the 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 surplus or deficit except where it reverses a gain previously recognised in other comprehensive income.

Derivative financial instruments

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

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

The associated gains or losses of derivatives are recognised in the surplus or deficit.

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 the Council consist of:

- Operational Assets - these include land, farm land, buildings, heritage assets, library books and plant and machinery.
- Infrastructural Assets – infrastructural assets are fixed utility systems and roading networks owned by the Council. Each asset class includes all items that are required for the network to function.

Property, plant and equipment are 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 the 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 surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

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:

Asset class	Useful life	Annual depreciation rate
Buildings	20 – 180 years	0.6% - 5%
Heritage	20 – 180 years	0.6% - 5%
Heavy plant and machinery	10 years	10%
Other plant and machinery	5 years	20%
Motor vehicles	4 years	25%
Furniture and fittings	10 years	10%
Library books	7 years	14.3%
Computer equipment	4 years	25%

Roads

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

Water races (structure)	30 – 122 years	0.8% - 3.3%
Water races (race)	Not depreciated	

Land drainage

Land drainage (structure)	9 – 100 years	1% - 11%
Land drainage (drain)	Not depreciated	

Water supplies

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%

Sewerage systems

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.

Sicon Ferguson 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 associated depreciation rates of major classes of assets have been estimated as follows:

Asset class	Useful life	Annual depreciation rate
Buildings	10 – 33 years	3% - 10%
Improvements	10 – 50 years	2% – 10%
Plant and machinery	2 - 12 years	8.3% - 50%
Motor vehicles	6 – 10 years	10% - 16.7%
Furniture and fittings	3 – 10 years	10% - 33%
Computer equipment	3 years	33%

Revaluation

Those asset classes that are revalued are valued either on a yearly or three 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 on a three yearly valuation cycle at fair value, as determined from market-based evidence by an independent valuer. The last valuation of the Council's farm land 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 2013.

Other land and buildings

Other land and buildings are valued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation of such property held by the Council S E J Newberry B Com (VPM) SPINZ (ANZIV) Registered Valuer of Ford Baker Limited and the valuation is effective as at 30 June 2013.

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 was last valued as at 30 June 2014 by Mike Tapper (BE (Elec), MPINZ) who is a senior valuer with Beca Valuation Limited. Water, sewerage, stormwater, land drainage and water race assets were last valued as at 30 June 2014 by Amy Paterson-Horner NZ Dip Eng, Dip Civil Eng Applied, CertETN a valuer at MWH.

Land under roads

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

Accounting for revaluations

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

The results of revaluing are credited or debited to other comprehensive income and accumulated in an asset revaluation reserve for that class of asset for the Council and for each asset for Sicon Ferguson Limited. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed and recognised in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive income.

Joint ventures

A joint venture is a contractual arrangement which involves two or more parties who undertake an economic activity subject to joint control. A jointly controlled entity involves the establishment of a corporation, partnership or other entity where each venturer has an interest. The venturers contribute cash or other resources to the jointly controlled entity and the contributions are recognised in the venturer's financial statements as an investment in a jointly controlled entity. Sicon Ferguson Limited accounts for its interest in jointly controlled entities using the equity method where the initial investment is recognised at cost. The carrying amount is increased or decreased to recognise the venturer's share of profit or loss. If the share of losses exceeds the interest in the joint venture, the share of further losses is not recognised.

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 surplus or deficit.

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

Non-current assets (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 surplus or deficit.

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, the Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuations were performed by S E J Newberry B Com (VPM) SPINZ (ANZIV) Registered Valuer of Ford Baker Limited and the valuations are effective as at 30 June 2014.

The fair value of investment property has been determined by reference to the capitalisation of rental income, discounted cash flows and comparable sales methods. These valuations use assumptions including future rental income, anticipated costs and appropriate discount rates.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

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 2014 by Terry O'Neill, Qualified Forester.

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 surplus or deficit. The costs to maintain the forestry assets are recognised in the surplus or deficit.

Intangible assets

Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over the 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 the 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 surplus or deficit.

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

Asset class	Useful life	Annual amortisation rate
Selwyn District Council	4 years	25%
Sicon Ferguson Limited	2-3 years	33%-50%

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 surplus or deficit.

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

Asset class	Useful life	Annual amortisation rate
Haast	33 years	3.0%
Paringa	31.42 years	3.2%
Caravan Knob	39.33 years	2.5%
Whataroa	31.42 years	3.2%

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 surplus or deficit.

For assets not carried at a revalued amount the total impairment loss is recognised in the surplus or deficit.

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

For assets not carried at a revalued amount (other than goodwill), the reversal of impairment loss is recognised in the surplus or deficit.

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 Inland Revenue Department, 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.

Trade and other payables

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

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 the 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 the 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.

The 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 the Council anticipates it will be used by staff to cover those future absences.

The 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 surplus or deficit as incurred.

Defined benefit schemes

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

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

Provisions

The 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 surplus or deficit as a time value adjustment.

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

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

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 the Council.

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

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

The Council objectives, policies and processes for managing capital are described in Note 41.

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.

Finance leases as lessee

At the commencement of the lease term the 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 the 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.

Finance leases as lessor

The Council recognises a receivable equal to the net investment in the lease. Lease payments are allocated between principal repayments and finance income, based on the interest rate implicit in the lease.

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/Long Term Plan (LTP). The budget figures have been prepared in accordance with NZ GAAP using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Cost allocation

The Council has derived the cost of service for each significant activity of the 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 the 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:

The impact of the Canterbury earthquakes

In accounting for the impact of earthquakes the Council has made estimates and assumptions based on the best available information available at the time the financial statements were prepared.

The key estimates are:

- the cost of damage where repairs have not yet been undertaken
- the proportion of repair and other costs that will be recovered through insurance and other sources.

The key assumptions are that:

- the full extent of the damage has been identified through the inspection and assessment procedures undertaken to date and that any unidentified damage is unlikely to be significant.
- there has been no impact on the useful life of assets, including underground assets that cannot be readily inspected for damage.

Other financial assets – fair value through other comprehensive income

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 the Council's investments.

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 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 which are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated.
- The possible impact of the Canterbury earthquakes.

These estimates can be affected by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Selwyn District Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. 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.

The Selwyn District Council has no evidence that the Canterbury earthquakes of 2010 and 2011 have impacted on the remaining use of lives of assets and no adjustment has been made as a result of the earthquakes. It is possible that information will come to light at a later date that will change this assumption.

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

Provisions

Note 26 comments on the exposure of the Selwyn District Council in relation to weather tightness claims.

Financials – notes to the financial statements

Note 1: Summary of cost of service

	Council 2014 \$000	Council Budget \$000	Council 2013 \$000
Income			
Democracy	730	616	534
Community facilities	21,673	11,885	14,832
Community services	338	186	511
Environmental services	6,307	4,851	5,615
Transportation	6,524	5,347	5,984
Solid waste management	5,612	5,171	5,041
Community water supplies	5,288	4,231	5,111
Community waste water supplies	15,350	8,975	9,608
Stormwater	847	668	703
Water races and land drainage	1,862	1,824	1,813
Izone southern business hub	6,980	6,586	9,734
Total activity income	71,511	50,340	59,486
General rates	11,783	11,602	10,696
Rates penalties	305	225	243
Other corporate revenue	36,661	8,970	19,842
Vested assets	30,330	7,040	13,838
Total income	150,590	78,177	104,105
Expenditure			
Democracy	3,058	3,133	2,931
Community facilities	15,562	15,808	12,999
Community services	2,360	2,557	2,335
Environmental services	10,397	9,067	8,130
Transportation	17,377	16,642	16,514
Solid waste management	5,542	5,285	4,994
Community water supplies	5,856	6,455	5,144
Community waste water supplies	10,260	11,116	9,140
Stormwater	1,140	1,685	869
Water races and land drainage	2,152	2,755	1,949
Izone southern business hub	2,887	1,930	2,072
Other corporate expenditure	(954)	1,436	395
Total activity expenditure	75,637	77,869	67,472
Total operating expenditure	75,637	77,869	67,472

Each significant activity includes targeted rates attributable to a particular activity (refer Note 2). Other corporate revenue includes income sources, which are not directly attributable to a significant activity, for example dividends, interest and insurance proceeds. Other corporate expenditure includes expenditure sources, which are not directly attributable to a significant activity, for example, interest rate swap valuation movements and earthquake repair costs (other corporate expenditure is negative in 2014 due to reduction in the interest rate swap liability). Other corporate revenue and expenditure is included in the support services activity operating statement in Section 2 of the annual report. Significant income and expenditure variance explanations are included for each activity in Section 2 of the annual report (how we performed).

Note 2: Rates revenue

	Council Actual 2014 \$000	Council Actual 2013 \$000	Group Actual 2014 \$000	Group Actual 2013 \$000
General rates	11,783	10,696	11,778	10,691
Rates penalties	305	243	305	243
<i>Targeted rates:</i>				
Community facilities	5,259	4,823	5,259	4,823
Democracy	575	480	575	480
Solid waste management	4,097	3,706	4,097	3,706
Community waste water supplies	3,653	3,239	3,653	3,239
Community water supplies	3,840	3,471	3,840	3,471
Stormwater	463	423	463	423
Water races and land drainage	1,645	1,544	1,645	1,544
Total rates, excluding targeted water supply rates	31,620	28,625	31,615	28,620

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of the Council for the year ended 30 June 2014 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council Actual 2014 \$000	Council Actual 2013 \$000	Group Actual 2014 \$000	Group Actual 2013 \$000
Rates, excluding targeted water supply rates	31,620	28,625	31,615	28,620
Targeted water supply rates	546	435	546	435
Total annual rates income	32,166	29,060	32,161	29,055

Rates remissions

Rates revenue is shown net of rates remissions. The Council's 'Rates Remission Policy' allows for rates remission on condition of a ratepayer's extreme financial hardship and allows for rates remission for

- community, sporting and other organisations
- sewerage rates for schools
- vacant land
- Plunket branches, scout group halls
- masonic lodges
- properties and open space covenants
- school and service club endowment land
- land protected for natural, historic or cultural conservation.

A copy of the Council's 'Rates Remission Policy' is included in the Long Term Plan 2012/2022.

	Council Actual 2014 \$000	Council Actual 2013 \$000	Group Actual 2014 \$000	Group Actual 2013 \$000
Total gross rates, excluding targeted water supply rates	31,666	28,682	31,661	28,677
<i>Rates remissions:</i>				
Earthquake related remissions	9	20	9	20
Sports bodies	16	16	16	16
Churches	17	17	17	17
Other social and cultural organisations	4	4	4	4
Total remissions	46	57	46	57
Rates (net of remissions), excluding targeted water supply rates	31,620	28,625	31,615	28,620

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.

Note 3: Fees, charges and targeted rates for metered water

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Building consents	4,508	4,220	4,508	4,220
Connection and irrigation fees	410	335	410	335
Dog registration	330	320	330	320
Gravel royalties	91	89	-	-
Leases	371	389	284	307
LIM revenue	329	281	329	281
Rental and hire charges	862	914	862	914
Rental income from investment properties	877	851	822	807
Resource consent fees	1,017	847	1,017	847
Selwyn Aquatic Centre	1,078	38	1,078	38
Solid waste fees and charges	1,515	1,334	1,515	1,334
Targeted rates for water supply	546	435	546	435
Other fees and charges	2,116	2,018	2,116	2,018
Total fees, charges and targeted rates for metered water	14,050	12,071	13,817	11,856

Note 4: Subsidies and grants

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
New Zealand Transport Agency subsidy	4,709	4,852	4,709	4,852
Selwyn Aquatic Centre grants	54	1,192	54	1,192
Other subsidies and grants	563	676	563	676
Total subsidies and grants	5,326	6,720	5,326	6,720

Selwyn Aquatic Centre grants revenue for 2013 includes \$680,000 received from the Lottery Grants Board, \$300,000 received from the Southern Trust, and \$100,000 received from the Canterbury Community Trust.

There are no unfilled conditions and other contingencies attached to subsidies and grants recognised (2013: \$nil).

Note 5: Other revenue

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Dividend revenue	4,664	15,767	4,664	3,782
Earthquake insurance recoveries	72	796	72	796
Interest revenue	2,245	898	2,241	1,431
Petroleum tax	167	176	167	176
Provisions reversed during the year	31	-	31	-
Vested assets	30,330	13,838	30,330	13,838
Other income - Council	213	309	213	309
Other trading income - Sicon Ferguson Limited	-	-	32,137	39,553
Total other revenue	37,722	31,784	69,855	59,885

Note 6: Other gains

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Gain on disposal of property held for sale	6,893	11,068	6,893	11,068
Gain on changes in fair value of forestry (Note 20)	-	214	-	214
Gain on fair value of derivatives	44	25	44	25
Gain on disposal of investment property	-	83	-	83
Gain on disposal of property, plant and equipment	1,767	229	1,767	229
Gain on changes in fair value of investment property (Note 19)	610	830	550	785
Other gains	137	-	741	1,107
Gain on reversal of impairment of loans and receivables	2,528	-	2,528	-
Total gains	11,979	12,449	12,523	13,511

Note 7: Employee benefit expenses

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Salaries and wages	13,879	11,654	26,862	26,264
Employer contributions to superannuation plans	232	139	513	381
Employer contributions to other plans & benefits	-	-	15	17
Increase / (decrease) in employee liabilities	210	9	(443)	472
Total employee benefit expenses	14,321	11,802	26,947	27,134

Employer contributions to superannuation plans include contributions to KiwiSaver and the National Provident Fund.

Council employee numbers and remuneration

	Council 30 June 2014
<i>Number of employees receiving total annual remuneration:</i>	
Less than \$60,000	163
\$60,001 - \$80,000	47
\$80,001 - \$100,000	38
\$100,001 - \$120,000	10
\$140,001 - \$180,000	5
\$180,001 - \$260,000	4

Number of employees employed by Selwyn District Council	267
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	Council 30 June 2013
<i>Number of employees receiving total annual remuneration:</i>	
Less than \$60,000	144
\$60,001 - \$80,000	38
\$80,001 - \$100,000	25
\$100,001 - \$120,000	6
\$140,001 - \$180,000	6
\$180,001 - \$220,000	2

Number of employees employed by Selwyn District Council	221
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At balance date, the Council employed 149 (2013: 144) full-time employees, with the balance of staff representing 47 (2013: 37) full-time equivalent employees. A full-time employee is determined on the basis of a minimum of a 37.5 hour working week. Total remuneration includes non-financial benefits provided to employees.

Note 8: Depreciation and amortisation

Depreciation and amortisation by group of activity

	Council 2014 \$000	Council Budget \$000	Council 2013 \$000
<i>Directly attributable depreciation and amortisation expense by group of activity:</i>			
Community facilities	2,798	2,842	2,043
Community services	156	194	195
Democracy	-	-	-
Environmental services	106	33	45
Transportation	9,994	10,008	9,955
Solid waste management	162	181	162
Water supply	2,483	2,457	2,306
Wastewater	4,387	4,466	3,695
Stormwater	476	686	418
Water races and land drainage	451	549	448
Izone southern business hub	20	15	19
Internal Council services	362	458	294
Total depreciation and amortisation	21,395	21,890	19,580

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Operational assets (Note 21a and 21b)	3,333	2,537	5,414	5,271
Infrastructural assets (Note 21c)	17,954	16,985	17,954	16,985
Intangible assets (Note 23)	108	58	136	85
Total depreciation and amortisation	21,395	19,580	23,504	22,341
Depreciation and amortisation relating to continuing operations	21,395	19,580	23,504	22,341
Total depreciation and amortisation	21,395	19,580	23,504	22,341

Note 9: Other expenses

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
<i>Fees to auditors:</i>				
- fees to Audit New Zealand for audit of the financial statements	108	105	163	197
- fees to Audit New Zealand for other services	8	9	8	9
- fees to Audit New Zealand for audit of amendment to the 2012 - 2022 LTP	8	4	8	4
Bad debts written off	13	17	115	53
Directors' and members' remuneration	545	526	650	675
Grants	163	145	163	145
Impairment of trade receivables	-	23	-	23
Impairment of other financial assets	-	53	-	53
Loss on changes in fair value of forestry (Note 20)	29	-	29	-
Litigation settlements and fines	-	-	30	-
Loss on disposal of assets	355	1,386	409	1,386
Minimum lease payments under operating leases	171	156	827	1,044
Refuse contract payments	2,070	1,914	2,070	1,914
Refuse transfer station operations	3,247	2,861	3,247	2,861
Roading	7,282	6,559	7,282	6,559
Valuation services	159	155	159	155
Other operating expenses	22,227	19,139	38,324	38,591
Total other expenses	36,385	33,052	53,484	53,669

The fees paid to Audit New Zealand for other services were for audit fees paid by the Council on behalf of subsidiary entities.

Note 10: Finance costs

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Interest expense				
- interest on bank borrowings	5,254	4,982	5,448	5,314
- interest on finance leases	-	-	2	5
Revaluation of interest rate swap	(1,718)	(1,944)	(1,718)	(1,944)
Total finance costs	3,536	3,038	3,732	3,375

Note 11: Income taxation

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Relationship between taxation expense and accounting profit				
Surplus / (deficit) before tax continuing activities	74,953	36,633	50,430	26,529
Surplus / (deficit) before tax discontinued activities	-	-	185	2,175
Taxation at 28%	20,987	10,257	14,172	8,037
Plus / (less) tax effect of:				
Permanent adjustments	(20,986)	(10,205)	(13,225)	(2,166)
Prior year adjustment	-	(49)	-	24
De-recognition of future income taxation benefit	-	-	(116)	(69)
De-recognition of taxation losses to carry forward	-	-	-	-
Capital gain on Selwyn Plantation Board Limited realisation	-	-	-	(4,313)
Recognition of prior year losses	-	(56)	(92)	(1,135)
Taxation expense	1	(53)	739	378
Components of tax expense				
Current taxation expense	-	-	-	313
Prior year adjustments	-	(49)	-	24
Deferred taxation expense	1	(4)	1	42
Change in taxation rate	-	-	-	-
Taxation expense	1	(53)	1	379
Taxation expense attributable to:				
Continuing operations	1	(53)	1	68
Discontinued operation	-	-	-	311
Total taxation expense / (benefit)	1	(53)	1	379
Amounts charged directly to other comprehensive income				
Deferred income taxation	-	18	-	18
Total	-	18	-	18
Taxation receivable / (provision)				
Opening balance 1 July	-	(49)	60	1,312
Less: current taxation expense	-	-	-	(313)
Less: taxation refund	-	-	(57)	-
Prior period adjustments	-	49	-	51
Plus: taxation paid	3	-	3	2
SPBL's current year tax during liquidation	-	-	-	(992)
Taxation receivable / (provision)	3	-	6	60

Deferred taxation assets / (liabilities)

	Opening Balance 1 July 2013 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Liquidation of SPBL \$000	Closing Balance 30 June 2014 \$000
Parent					
Deferred tax liabilities					
Investment property	(133)	(2)	-	-	(135)
Property, plant & equipment	(86)	3	-	-	(83)
Deferred taxation liabilities	(219)	1	-	-	(218)
Deferred tax assets					
Trade and other payables	-	-	-	-	-
Employee benefits and other accruals	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-
Net deferred taxation balance	(219)	1	-	-	(218)

	Opening Balance 1 July 2012 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Amalgamation \$000	Closing Balance 30 June 2013 \$000
Parent					
Deferred taxation liabilities					
Investment property	(131)	(2)	-	-	(133)
Property, plant & equipment	(74)	6	(18)	-	(86)
Deferred taxation liabilities	(205)	4	(18)	-	(219)
Deferred taxation assets					
Trade and other payables	-	-	-	-	-
Employee benefits and other accruals	-	-	-	-	-
Deferred taxation assets	-	-	-	-	-
Net deferred taxation balance	(205)	4	(18)	-	(219)

	Opening Balance 1 July 2013	Charged to Surplus	Charged to other comp- rehensive income	Amalgamation	Closing Balance 30 June 2014
	\$000	\$000	\$000	\$000	\$000
Group					
Deferred tax liabilities					
Property, plant & equipment	(218)	1	-	-	(217)
Trade and other receivables	(196)	14	-	-	(182)
Deferred taxation liabilities	(414)	15	-	-	(399)
Deferred tax assets					
Property, plant & equipment	315	(106)	-	-	209
Trade and other payables	85	(6)	-	-	79
Interest rate swap	-	-	-	-	-
Employee benefits and other accruals	262	(49)	-	-	213
Derecognition of other temporary differences	(466)	146	-	-	(320)
Benefit of tax losses (future income tax benefits)	-	-	-	-	-
Deferred taxation assets	196	(15)	-	-	182
Net deferred taxation	(218)	-	-	-	(217)
<i>Deferred taxation attributable to:</i>					
Continuing operations					(217)
Discontinued operation					-
Net deferred tax balance					(217)

	Opening Balance 1 July 2012	Charged to Surplus	Charged to other comp- rehensive income	Amalgamation	Closing Balance 30 June 2013
	\$000	\$000	\$000	\$000	\$000
Group					
Deferred taxation liabilities					
Property, plant & equipment	(438)	(291)	(18)	529	(218)
Trade and other receivables	(171)	(25)	-	-	(196)
Deferred taxation liabilities	(609)	(316)	(18)	529	(414)
Deferred tax assets					
Property, plant & equipment	-	315	-	-	315
Trade and other payables	69	16	-	-	85
Interest rate swap	25	(25)	-	-	-
Employee benefits and other accruals	388	(102)	-	(24)	262
Derecognition of other temporary differences	(585)	119	-	-	(466)
Benefit of tax losses (future income tax benefits)	124	(124)	-	-	-
Deferred taxation assets	21	199	-	(24)	196
Net deferred taxation	(588)	(117)	(18)	505	(218)
<i>Deferred taxation attributable to:</i>					
Continuing operations					(218)
Discontinued operation					-
Net deferred taxation					(218)

Sicon Ferguson Limited losses carried forward have been de-recognised and deductible temporary differences have been de-recognised to the extent they exceed the balance of taxable temporary differences, on the basis that it is not probable that taxable profit will be available against which these deductible temporary differences and losses can be utilised. A deferred tax asset has not been recognised in relation to tax losses of \$3,268,000 (2013: \$6,250,000) and temporary differences of \$1,139,000 (2013: \$1,667,000).

Note 12: Cash and cash equivalents

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Cash at bank and on hand	3,458	3,524	4,846	4,205
Term deposits with maturities less than 3 months	4	5	4	5
Total cash and cash equivalents	3,462	3,529	4,850	4,210

The carrying value of cash at bank and term deposits with maturities less than three months approximates their fair value.

Cash, cash equivalents, and bank overdrafts include the following for the purposes of the statement of cash flows:

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Cash at bank and on hand	3,458	3,524	4,846	4,205
Term deposits with maturities less than 3 months	4	5	4	5
Bank overdrafts (Note 27)	-	-	-	(3)
Total	3,462	3,529	4,850	4,207

Note 13: Trade and other receivables

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Rates receivables	2,372	2,484	2,372	2,484
<i>Other receivables:</i>				
- Other	5,776	2,222	11,091	7,513
- Related party receivables (Note 36)	80	84	55	6
Community loans	227	148	227	148
Dividend receivable	-	985	-	-
Sundry receivables & prepayments	4,873	3,367	4,913	4,106
Gross trade and other receivables	13,328	9,290	18,658	14,257
Less: provision for impairment	(41)	(85)	(163)	(112)
Total trade and other receivables	13,287	9,205	18,495	14,145
Less: non - current community loans	(227)	(148)	(227)	(148)
Current portion	13,060	9,057	18,268	13,997

Community loans have been valued at amortised cost, which approximates the loan's fair value. The face value of community loans is \$254,000 (2013: \$174,000).

Fair value

Trade and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of trade and other receivables 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.

Impairment

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. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's 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.

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

The ageing profile of receivables at year end is detailed below:

	Gross 2014 \$000	Impairment 2014 \$000	Council Net 2014 \$000	Gross 2013 \$000	Impairment 2013 \$000	Council Net 2013 \$000
Not past due	5,222	-	5,222	1,413	-	1,413
Past due 1 - 30 days	145	-	145	133	-	133
Past due 31 - 60 days	39	-	39	273	-	273
Past due > 61 days	2,742	(41)	2,701	2,887	(85)	2,802
Total	8,148	(41)	8,107	4,706	(85)	4,621

	Gross 2014 \$000	Impairment 2014 \$000	Group Net 2014 \$000	Gross 2013 \$000	Impairment 2013 \$000	Group Net 2013 \$000
Not past due	9,880	-	9,880	6,039	-	6,039
Past due 1 - 30 days	666	-	666	526	-	526
Past due 31 - 60 days	117	-	117	515	-	515
Past due > 61 days	2,800	(163)	2,637	2,917	(112)	2,805
Total	13,463	(163)	13,300	9,997	(112)	9,885

As of 30 June 2014 and 2013, 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 past due or impaired.

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of the specific overdue receivables. Expected losses have been determined based on a review of specific receivables at balance date.

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	(85)	(62)	(112)	(79)
Additional provisions made during the year	-	(40)	(96)	(54)
Provisions reversed during the year	31	-	32	-
Receivables written-off during the period	13	17	13	21
Closing balance 30 June	(41)	(85)	(163)	(112)

Note 14: Derivative financial instruments

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
Total current asset portion	-	-	-	-
Non-current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
Total non-current asset portion	-	-	-	-
Total derivative financial instrument assets	-	-	-	-
Current liability portion				
Interest rate swaps - cash flow hedges	250	686	250	686
Total current liability portion	250	686	250	686
Non-current liability portion				
Interest rate swaps - cash flow hedges	663	1,945	663	1,945
Total non-current liability portion	663	1,945	663	1,945
Total derivative financial instrument liabilities	913	2,631	913	2,631

Interest rate swaps

The fair value of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs to the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amounts of the Council's interest rate swap contracts is \$46 million (2013: \$63 million) and for the group \$46 million (2013: \$63 million). As at 30 June, the Council's fixed interest rates of cash flow hedge interest rate swaps varied from 4.293% to 5.585% (2013: 3.88% to 5.585%) and the group rates varied from 4.293% to 5.585% (2013: 3.485% to 5.585%).

Note 15: Inventory and work in progress

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Gravel stocks	-	-	655	715
Other direct materials	-	-	270	236
Selwyn Aquatic Centre	13	-	13	-
Provision for writedown of stock	-	-	(8)	-
Work in progress	-	-	343	130
Total inventory and work in progress	13	-	1,273	1,081

There is no inventory pledged as security for liabilities (2013: \$nil), there is no inventory subject to retention of title clauses (2013:\$nil), nor has there been any write-down of inventory (2013: \$nil).

Note 16: Other financial assets

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Current portion				
<i>Loans and receivables</i>				
Term deposits with maturities of 4-12 months	50,231	11,000	50,231	41,219
Finance lease receivable	179	165	179	165
Loan receivable	19	-	19	-
Loans to subsidiaries (Note 36)	360	-	-	-
Total current loans and receivables	50,789	11,165	50,429	41,384
<i>Fair value through profit & loss</i>				
Interest rate swap	-	-	-	-
Unlisted shares - shareholding	-	-	-	-
Total current fair value through profit & loss	-	-	-	-
<i>Held to maturity</i>				
Government bonds	-	-	-	-
Total current held to maturity	-	-	-	-
Total current portion	50,789	11,165	50,429	41,384
Non - current portion				
<i>Fair value through profit & loss</i>				
Embedded derivatives - principal	1,002	958	1,002	958
Embedded derivatives - interest	-	-	-	-
Total non - current fair value through profit & loss	1,002	958	1,002	958
<i>Loans and receivables</i>				
Finance lease receivable	1,830	2,010	1,830	2,010
Loan receivable	776	-	776	-
Central Plains Water Limited	-	4,053	-	4,053
Less: provision for impairment	-	(2,343)	-	(2,343)
Total non - current loans and receivables	2,606	3,720	2,606	3,720
<i>Fair value through other comprehensive income</i>				
Selwyn Investment Holdings Limited	-	110,722	-	-
Transwaste (Canterbury) Limited	1,500	1,500	1,500	1,500
Orion New Zealand Limited	81,400	-	81,400	67,788
Sicon Ferguson Limited	10,000	-	-	-
Local Government Funding Agency	747	747	747	747
Total non - current fair value through other comprehensive income	93,647	112,969	83,647	70,035
<i>Held to maturity</i>				
Government bonds	1,991	1,985	1,991	1,985
Total non - current held to maturity	1,991	1,985	1,991	1,985
Total non - current portion	99,246	119,632	89,246	76,698

Fair value

Term deposits

The carrying value of term deposits approximates their fair value.

Government bonds

Government bonds are recognised at amortised cost. The fair value of government bonds is \$2,993,000 (2013: \$2,949,000). Fair value has been determined using quoted market bid prices from independently sourced market information for government bond prices.

Central Plains Water Limited loan (CPWL)

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 loans were treated as suspensory loans unless and until the scheme was commissioned, and in the event that the scheme was 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.

On 8 October 2009, the Council paid \$494,146 to Christchurch City Council to purchase its loan to Central Plains Water Limited. This loan was on the same terms and conditions as Selwyn District Council's original loan.

Interest on the loans accrued from 25 October 2004, 28 February 2005 and 8 October 2009 for the respective loan balances at an annual rate being the then current interpolated 12 month Local Government Stock rates plus a margin of 50 basis points. Interest was calculated daily and paid in arrears. Interest is included as part of the outstanding amount and is not capitalised.

The Council entered into a new loan agreement with Central Plains Water Limited on the 9 November 2012. The agreement allowed for up to \$5 million to part fund the detailed design work required for stage one of the scheme, and would help the company secure funding from the Government's Irrigation Acceleration Fund. The loan was issued to Central Plains Water Limited in tranches. As at 30 June 2013 the company had drawn down \$1,710,000. Interest on the loan is capitalised into the loan principal. The loan was secured by a General Security Agreement over the assets of Central Plains Water Limited.

All the loans plus accrued interest were repaid to the Council on 9 April 2014. The provision for non-repayment (2013: \$2.3 million) was reversed on receipt and recognised as a gain (see note 6). The previously unrecognised accrued interest on the loan purchased from Christchurch City Council (\$185,000) was also recognised as a gain (see note 6).

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 \$4.0 million of which the Council has a 3% shareholding.

Note 17: Property held for sale

The Council owned land on Byron Street adjacent to State Highway 1 as held for sale following the approval by the Council on 14 September 2011 and subsequent meetings to sell this land. The Council has approved the sale of this land, as it will provide no future use to the Council. The completion date of the sale is expected to be by 30 June 2015.

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	14,292	8,727	15,892	15,267
Transfers from development property (Note 22)	1,708	10,241	1,708	10,241
Transfers to investment property (Note 20)	-	-	-	-
Transfers from property, plant and equipment (Note 21)	-	777	133	2,377
Less: estimated costs to sell	-	-	-	-
Movements in fair value	-	-	-	-
Disposals	(2,680)	(5,453)	(4,280)	(11,993)
Total non - current assets held for sale	13,320	14,292	13,453	15,892
Assets held for sale consists of:				
<i>Izone Southern Business Hub</i>	11,350	11,544	11,350	11,544
<i>Land and buildings</i>	1,970	2,748	2,103	4,348
Total non - current assets held for sale	13,320	14,292	13,453	15,892
Discontinued operation				
Forestry	-	-	-	-
Property, plant and equipment	-	-	-	-
Farm land	-	-	-	-
Total discontinued operation	-	-	-	-
Total non - current assets held for sale	13,320	14,292	13,453	15,892

The accumulated revaluation reserve recognised in equity for property held for sale as at 30 June 2014 is \$437,000 (2013: \$437,000).

Note 18: Investments in associates and joint ventures

Investments in associates

Council

	2014 \$000	2013 \$000
Investment in Central Plains Water Trust at cost	-	-

Summarised financial information of associate presented on a gross basis:

	2014 \$000	2013 \$000
Assets	71	30
Liabilities	62	21
Net assets	9	9
Revenue	80	44
Surplus / (deficit)	-	-
Group's interest	50%	50%
Share of associate's contingent liabilities incurred jointly with CCC	-	-
Contingent liabilities that arise because of several liability	-	-

Central Plains Water Trust is a Council Controlled Organisation, as defined by Section 6 of the Local Government Act 2002. The Trust is jointly controlled with Christchurch City Council.

Investments in joint ventures (Group)

Sicon Ferguson Limited (SFL) has entered into a joint venture arrangement with BG Contracting Limited to complete Stage 6 of the Izone industrial subdivision at Rolleston. The joint venture is a jointly controlled entity under NZ IAS 31. SFL has a 50% share of the joint venture and has accounted for this share using the equity method under NZ IAS 31. SFL's share of the profit for the year to 30 June 2014 was \$125,469 (2013: \$766,705) and the investment in the joint venture at 30 June 2014 was \$79,713 (2013: \$240,362). At 30 June 2014 SFL's share of the joint venture assets was \$80,084 (2013: \$510,434) and liabilities \$332 (2013: \$406,186). The joint venture's revenue for the year ended 30 June 2014 was \$2,885,991 (2013: \$12,674,672). There was no initial investment required. The joint venture has no contingent assets or liabilities.

SFL has entered into a joint venture arrangement with Geotech Limited to undertake demolition and other earthquake related work in Christchurch. The joint venture is a jointly controlled entity under NZ IAS 31. SFL has a 50% share of the joint venture and has accounted for this share using the equity method. SFL's share of the profit and investment in the joint venture for the year to 30 June 2014 was \$48,106 (2013: \$70,000). At 30 June 2014 SFL's share of the joint venture assets was \$590,638 (2013: \$209,458) and liabilities \$568,744 (2013: \$139,458). The joint venture's revenue for the year ended 30 June 2014 was \$246,484 (2013: \$780,826). There was no initial investment required. The joint venture has no contingent assets or liabilities.

Group

	Group 2014 \$000	Group 2013 \$000
Balance at 1 July	310	33
Recognised surplus	78	837
Distributions by joint ventures	(286)	(560)
Investment in joint venture	102	310

Note 19: Investment property

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	11,025	10,925	10,415	10,360
Additions	-	-	-	-
Transfer from development property	-	-	-	-
Disposals	(1,090)	(730)	(1,090)	(730)
Fair value gains / (losses) on valuation (Note 6)	610	830	550	785
Closing balance 30 June	10,545	11,025	9,875	10,415

Investment properties are valued annually effective at 30 June to fair value in accordance with NZ IAS 40: Investment Property. S Newberry, B.Com (VPM), SPINZ (ANZIV), an independent registered valuer from Ford Baker Valuations Limited, Christchurch, performed the most recent valuation. Ford Baker Valuations Limited is an experienced valuer with extensive market knowledge in the types and location of investment properties owned by the Selwyn District Council.

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

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Rental Income	878	851	823	807

Note 20: Forestry assets

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	548	334	548	334
Gains / (losses) attributable to physical changes	17	17	17	17
Gains / (losses) attributable to change in fair value less costs to sell	(46)	197	(46)	197
Decreases due to harvest	(226)	-	(226)	-
Valuation at 30 June	293	548	293	548
Less: transfer to assets held for sale (Note 17)	-	-	-	-
Closing balance 30 June	293	548	293	548

The Council owns 86.4 hectares (2013: 115.7) of pinus radiata forests, which are at varying stages of maturity ranging from 1 to 35 years.

Valuation assumptions

Independent registered valuer Terry O'Neill (B For Sc. MNZIF), has valued forestry assets as at 30 June 2014. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- a discount rate of 8.0% (2013: 8.0%) has been used in discounting the present value of expected cash flows;
- notional land rental costs have been included for freehold land;
- the forest has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis;
- no allowance for inflation has been provided; and
- costs are current average costs. No allowance has been made for cost improvements in future operations.

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the

risks of a decline in timber prices. The Council and group review its outlook for timber prices regularly in considering the need for active financial risk management.

Note 21: Property, plant and equipment

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Operational assets (Note 21 a & b)	218,847	212,151	228,708	223,802
Infrastructural assets (Note 21 c)	928,441	920,900	928,441	920,900
Total property, plant and equipment	1,147,288	1,133,051	1,157,149	1,144,702

Valuation

Land

The most recent valuation of land and buildings was performed by S Newberry, B.Com (VPM), SPINZ (ANZIV), an independent registered valuer from Ford Baker Valuations Limited, Christchurch. The valuation is effective as at 30 June 2013.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Buildings

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

Infrastructural assets

Sewerage, water, stormwater, land drainage, water races and the Council's roading network assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method.

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset.
- Estimates of the remaining useful life over which the asset will be depreciated.

The roading network was valued as at 30 June 2014 by Mike Tapper BE Elec, MPINZ who is a senior valuer with Beca Valuation Limited. Water, sewerage, stormwater, land drainage and water race assets were last valued as at 30 June 2014 by Amy Paterson-Horner NZ Dip Eng, Dip Civil Eng Applied, CertETN a valuer at MWH.

Information about core assets

What is the purpose of this statement?

The purpose of this statement is to disclose information surrounding the value of the Council's core assets.

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

Water supply treatment plants and facilities

Closing book value: \$9,547,000

Value of assets constructed by Selwyn District Council: \$425,000

Value of assets transferred to Selwyn District Council: \$nil

Estimate of replacement cost: \$20,840,000

Water supply (other assets)

Closing book value: \$86,114,000

Value of assets constructed by Selwyn District Council: \$2,725,000

Value of assets transferred to Selwyn District Council: \$3,180,000

Estimate of replacement cost: \$119,308,000

Sewerage treatment plants and facilities

Closing book value: \$50,741,000

Value of assets constructed by Selwyn District Council: \$952,000

Value of assets transferred to Selwyn District Council: \$238,000

Estimate of replacement cost: \$62,396,000

Sewerage (other assets)

Closing book value: \$113,107,000

Value of assets constructed by Selwyn District Council: \$3,430,000

Value of assets transferred to Selwyn District Council: \$5,634,000

Estimate of replacement cost: \$130,708,000

Stormwater drainage

Closing book value: \$30,098,000

Value of assets constructed by Selwyn District Council: \$86,000

Value of assets transferred to Selwyn District Council: \$3,702,000

Estimate of replacement cost: \$34,354,000

Roads and footpaths

Closing book value: \$500,569,000

Value of assets constructed by Selwyn District Council: \$8,754,000

Value of assets transferred to Selwyn District Council: \$11,963,000

Estimate of replacement cost: \$634,749,000

.

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
Gross carrying amount:								
Balance at 1 July 2012	113,308	4,087	45,407	357	14,336	2,340	5,756	185,591
Additions	5,012	-	9,473	-	4,283	156	2,499	21,423
Disposals	(1,629)	-	(510)	-	(106)	-	-	(2,245)
Net revaluation increase / (decrease)	17,500	418	2,155	(292)	-	-	-	19,781
Transfers	371	-	3,825	-	113	-	(4,309)	-
Transfers to assets held for sale	(777)	-	-	-	-	-	-	(777)
Balance at 30 June 2013	133,785	4,505	60,350	65	18,626	2,496	3,946	223,773
Additions	7,994	-	3,464	-	1,297	172	634	13,561
Disposals	(2,718)	-	(727)	-	(247)	-	-	(3,692)
Transfers	371	-	2,480	-	75	-	(3,016)	(90)
Balance at 30 June 2014	139,432	4,505	65,567	65	19,751	2,668	1,564	233,552
Accumulated depreciation:								
Balance at 1 July 2012	-	-	(2,087)	(81)	(8,401)	(1,948)	-	(12,517)
Disposals	-	-	-	-	106	-	-	106
Net adjustments on asset revaluation	-	-	3,231	95	-	-	-	3,326
Depreciation expense	-	-	(1,144)	(14)	(1,143)	(236)	-	(2,537)
Balance at 30 June 2013	-	-	-	-	(9,438)	(2,184)	-	(11,622)
Disposals	-	-	13	-	237	-	-	250
Net adjustments on asset revaluation	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(1,508)	(3)	(1,562)	(260)	-	(3,333)
Balance at 30 June 2014	-	-	(1,495)	(3)	(10,763)	(2,444)	-	(14,705)
Net carrying amount at 30 June 2013	133,785	4,505	60,350	65	9,188	312	3,946	212,151
Net carrying amount at 30 June 2014	139,432	4,505	64,072	62	8,988	224	1,564	218,847

b. Operational Assets - Group

	Land	Farm land	Buildings	Heritage Assets	Plant and Machinery	Library Books	Work in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount:								
Balance at 1 July 2012	112,690	4,087	47,385	357	45,894	2,340	5,756	218,509
Additions	6,979	-	9,473	-	5,467	156	2,499	24,574
Disposals	(1,629)	-	(632)	-	(3,946)	-	-	(6,207)
Net revaluation increase / (decrease)	18,202	418	2,192	(292)	-	-	-	20,520
Transfers	371	-	3,825	-	113	-	(4,309)	-
Transfers to assets held for sale	(2,377)	-	-	-	-	-	-	(2,377)
Balance at 30 June 2013	134,236	4,505	62,243	65	47,528	2,496	3,946	255,019
Additions	7,994	-	3,464	-	1,981	172	634	14,245
Disposals	(2,718)	-	(729)	-	(3,102)	-	-	(6,549)
Net revaluation increase / (decrease)	-	-	60	-	-	-	-	60
Transfers	371	-	2,480	-	75	-	(3,016)	(90)
Transfers to assets held for sale	(113)	-	-	-	(117)	-	-	(230)
Balance at 30 June 2014	139,770	4,505	67,518	65	46,365	2,668	1,564	262,455
Accumulated depreciation:								
Balance at 1 July 2012	-	-	(3,223)	(81)	(26,921)	(1,948)	-	(32,173)
Disposals	-	-	117	-	2,806	-	-	2,923
Net adjustments on asset revaluation	-	-	3,209	95	-	-	-	3,304
Depreciation expense	-	-	(1,179)	(14)	(3,842)	(236)	-	(5,271)
Balance at 30 June 2013	-	-	(1,076)	-	(27,957)	(2,184)	-	(31,217)
Disposals	-	-	15	-	2,772	-	-	2,787
Net adjustments on asset revaluation / transfers	-	-	-	-	97	-	-	97
Depreciation expense	-	-	(1,525)	(3)	(3,626)	(260)	-	(5,414)
Balance at 30 June 2014	-	-	(2,586)	(3)	(28,714)	(2,444)	-	(33,747)
Net carrying amount at 30 June 2013	134,236	4,505	61,167	65	19,571	312	3,946	223,802
Net carrying amount at 30 June 2014	139,770	4,505	64,932	62	17,651	224	1,564	228,708

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
Gross carrying amount:									
Balance at 1 July 2012	470,206	77,677	23,163	126,035	91,938	76,118	4,642	31,265	901,044
Additions	18,103	2,745	1,996	28,055	-	112	-	2,414	53,425
Disposal	-	-	-	-	-	-	(4)	-	(4)
Net revaluation increase / (decrease)	-	-	-	-	-	-	(874)	-	(874)
Transfers	16	10	-	27,156	-	12	-	(27,194)	-
Balance at 30 June 2013	488,325	80,432	25,159	181,246	91,938	76,242	3,764	6,485	953,591
Additions	20,675	5,702	3,778	8,917	73	377	260	2,110	41,892
Net revaluation increase / (decrease)	(8,473)	8,899	1,151	(27,652)	(50,168)	9,273	-	-	(66,970)
Transfers	42	628	10	1,337	14	10	89	(2,040)	90
Balance at 30 June 2014	500,569	95,661	30,098	163,848	41,857	85,902	4,113	6,555	928,603
Accumulated depreciation:									
Balance at 1 July 2012	(9,702)	(2,238)	(382)	(3,099)	(31)	(416)	(761)	-	(16,629)
Net adjustments on asset revaluation	-	-	-	-	-	-	923	-	923
Depreciation expense	(9,955)	(2,306)	(418)	(3,695)	(32)	(417)	(162)	-	(16,985)
Balance at 30 June 2013	(19,657)	(4,544)	(800)	(6,794)	(63)	(833)	-	-	(32,691)
Net adjustments on asset revaluation	29,651	7,027	1,276	11,181	95	1,253	-	-	50,483
Depreciation expense	(9,994)	(2,483)	(476)	(4,387)	(32)	(420)	(162)	-	(17,954)
Balance at 30 June 2014	-	-	-	-	-	-	(162)	-	(162)
Net carrying amount at 30 June 2013	468,668	75,888	24,359	174,452	91,875	75,409	3,764	6,485	920,900
Net carrying amount at 30 June 2014	500,569	95,661	30,098	163,848	41,857	85,902	3,951	6,555	928,441

Note 22: Development property

Property is classified as development property where work is being completed by the Council to prepare the land for future sale. Once the property has been developed for sale and is being actively marketed, it is reclassified as property held for sale.

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	3,199	7,551	3,199	7,551
Additions	1,728	5,889	1,728	5,889
Transfers to assets held for sale (Note 17)	(1,708)	(10,241)	(1,708)	(10,241)
Total development property	3,219	3,199	3,219	3,199
<i>Development property consists of:</i>				
Izone Southern Business Hub	3,219	3,199	3,219	3,199
Total development property	3,219	3,199	3,219	3,199

Note 23: Intangible assets

	Council Computer Software \$000	Group Computer Software \$000	Group Mining \$000	Group Goodwill \$000	Group Total \$000
Opening cost at 1 July 2013	949	1,384	426	2,396	4,206
Accumulated amortisation / impairment	(624)	(1,055)	(90)	(2,396)	(3,541)
Opening balance at 1 July 2013	325	329	336	-	665
Additions	174	214	-	-	214
Amortisation charge	(108)	(123)	(13)	-	(136)
Impairment	-	211	23	-	234
Disposals	-	(209)	(23)	-	(232)
Closing balance at 30 June 2014	391	422	323	-	745
Closing cost at 30 June 2014	1,123	1,389	403	2,396	4,188
Accumulated amortisation / impairment	(732)	(967)	(80)	(2,396)	(3,443)
Closing balance at 30 June 2014	391	422	323	-	745

	Council Computer Software \$000	Group Computer Software \$000	Group Mining \$000	Group Goodwill \$000	Group Total \$000
Opening Cost at 1 July 2012	729	1,167	508	2,396	4,071
Accumulated amortisation / impairment	(566)	(987)	(73)	(2,396)	(3,456)
Opening balance at 1 July 2012	163	180	435	-	615
Additions	220	222	43	-	265
Amortisation charge	(58)	(68)	(17)	-	(85)
Disposals	-	(5)	(125)	-	(130)
Closing balance at 30 June 2013	325	329	336	-	665
Closing cost at 30 June 2013	949	1,384	426	2,396	4,206
Accumulated amortisation / impairment	(624)	(1,055)	(90)	(2,396)	(3,541)
Closing balance at 30 June 2013	325	329	336	-	665

Note 24: Trade and other payables

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Trade payables	4,640	5,783	6,246	8,988
Deposits, retentions and accrued expenses	8,199	6,073	9,660	6,073
Amounts due to related parties	1,174	966	-	-
Rates in advance	305	262	305	262
Total trade and other payables	14,318	13,084	16,211	15,323

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 25: Employee benefit liabilities

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Accrued wages and salaries	348	230	855	1,324
Annual leave	721	632	1,540	1,504
Provision for long service leave	111	108	129	130
Provision for retirement gratuities	-	-	4	15
Provision for sick leave	12	12	40	38
Total employee benefit liabilities	1,192	982	2,568	3,011
<i>Comprising:</i>				
Current	1,081	874	2,439	2,887
Non - current	111	108	129	124
Total employee benefit liabilities	1,192	982	2,568	3,011

Note 26: Other provisions

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Current portion				
Maintenance provision	-	-	67	50
Provision for refund	6,311	2,556	6,311	2,556
Weathertightness	604	50	604	50
Total current provisions	6,915	2,606	6,982	2,656
Non-current portion				
Landfill provision	391	386	391	386
Total non-current provisions	391	386	391	386

Council and group	Provision for refund \$000	Weather- tightness \$000	Landfill \$000	Maintenance provision \$000	Bankside depot \$000
2014					
Opening balance 1 July	2,556	50	386	50	-
Additional provisions made during the year	3,755	554	5	174	-
Amounts used during the year	-	-	-	(157)	-
Closing balance 30 June	6,311	604	391	67	-
2013					
Opening balance 1 July	-	50	383	33	96
Additional provisions made during the year	2,556	14	3	50	-
Amounts used during the year	-	(14)	-	(33)	(96)
Closing balance 30 June	2,556	50	386	50	-

Council

Provision for refund

The Council has a commitment to refund the difference between the previous charge and the revised charge that has been adopted as a result of the amendment to the Council's development contributions policy in respect of the Eastern Selwyn Sewerage Scheme.

Weather tightness

The Council is aware of two potential claims in relation to the weathertightness of homes in the area. A provision has been made for the claims where reliable estimate of the potential cost to the Council can be made. Where it is not possible to make a reliable estimate, no provision has been recognised.

Landfill

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 in the year ended 30 June 2002. With the adoption of NZIFRS, the landfill provision was reclassified as a non-current provision with no expenditure being charged against the provision in 2014 (2013: \$nil).

Group

Maintenance provision

In general, Sicon Ferguson Limited 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. The maintenance provision as at 30 June 2014 is \$81,000 (2013: \$50,000).

Note 27: Borrowings

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Current				
Bank overdraft and flexible credit facilities	-	-	-	3
Secured loans	40,058	19,969	40,221	20,132
Finance lease liabilities	-	-	9	18
Total current borrowings	40,058	19,969	40,230	20,153
Non-current				
Secured loans	35,071	70,126	37,908	72,963
Total non - current borrowings	35,071	70,126	37,908	72,963
Total borrowings	75,129	90,095	78,138	93,116

Council

Secured loans

The Council's secured borrowings of \$75.1 million (2013: \$90.1 million) include floating rate borrowings of \$63.8 million and fixed borrowings of \$11.3 million. For the floating rate borrowings, the interest rate is set quarterly based on the 90 day bank bill rate plus a margin for credit risk. The interest rates for fixed rate borrowings range from 2.99% to 6.92%.

The Council's loans are secured over either separate or general rates of the Council.

The total amount of the borrowings approximates its fair value.

Internal borrowings

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Movements in internal borrowings are as follows:

	Opening balance \$000	Repayment of borrowings \$000	Closing balance \$000	Interest on borrowings \$000
2014				
Community facilities				
Arthurs Pass Public Toilet 25 Year Loan Reserve	809	(26)	783	49
Darfield Swimming Pool 15 Year Loan Reserve	79	(18)	61	3
Greendale Building/Pavillion Upgrade Loan Reserve	100	(100)	-	-
Halkett Community Centre 25 Year Loan Reserve	57	(4)	53	2
Kirwee Pavillion/Hall Reserve Loan Reserve	119	(25)	94	-
McHughs Plantation Loan Reserve	-	1,520	1,520	-
Rolleston Community Centre 20 Year Rating Loan Reserve	120	(22)	98	5
	1,284	1,325	2,609	59
2013				
Community facilities				
Arthurs Pass Public Toilet 25 Year Loan Reserve	834	(25)	809	50
Darfield Swimming Pool 15 Year Loan Reserve	97	(18)	79	6
Greendale Building/Pavillion Upgrade Loan Reserve	114	(14)	100	4
Halkett Community Centre 25 Year Loan Reserve	61	(4)	57	4
Kirwee Pavillion/Hall Reserve Loan Reserve	119	-	119	-
Rolleston Community Centre 20 Year Rating Loan Reserve	141	(21)	120	2
	1,366	(82)	1,284	66

Sicon Ferguson Limited

Composite banking facility

The company has a composite facility with the ANZ Bank New Zealand Limited that includes overdraft, commercial flexi and flexible credit facilities. The facility has a limit of \$4,000,000 apportioned between the facilities and is "on demand" which is the standard term for the bank's working capital facilities. Fees of 0.5% p.a. are charged on the facility and are payable quarterly. Interest is charged at the Business Bank Indicator Rate (BBIR) plus various margins. The interest rates applicable on 30 June 2014 were overdraft facility 10.15% and the commercial flexi facility 5.95%.

Term facility

The flexible rate term loan facility has a limit of \$3,000,000 and is interest only until March 2015. It is then repayable by monthly instalments of \$54,200. Interest is paid monthly and is charged at the bank reference rate plus a margin of 2.45%. The termination date of this facility is 30 March 2016. The loan facility was repaid in July 2014.

Security

The ANZ Bank New Zealand Limited has registered first ranking security agreement over the present and after acquired property of the company. This is a security interest over all present and future assets and undertaking (including goodwill) of the company.

The ANZ Bank New Zealand Limited has a registered first ranking mortgage over land owned by the company situated at 1028 State Highway 6, Taramakau.

Analysis of finance lease

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Present value of minimum lease payments payable				
Not later than one year	-	-	10	20
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total present value of minimum lease payments	-	-	10	20
<i>Represented by:</i>				
Current	-	-	10	20
Non-current	-	-	-	-
Total finance leases	-	-	10	20
Total minimum lease payments payable				
Not later than one year	-	-	10	20
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total minimum lease payments	-	-	10	20
Less: future finance charges	-	-	(1)	(1)
Present value of minimum lease payments	-	-	9	19

Sicon Ferguson Limited

Finance leases

The company has entered into finance leases for various items of plant and equipment. The net carrying amount of the leased items is included under property, plant and equipment. No restrictions are placed on the company by any finance leasing arrangements.

Note 28: General funds

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	588,489	563,400	613,782	606,601
<i>Transfers to:</i>				
Special funds	(19,657)	(27,228)	(19,657)	(27,228)
<i>Transfers from:</i>				
Revaluation reserve on disposal of property, plant and equipment	3,112	1,496	3,883	(7,318)
Special funds	6,357	14,135	6,357	14,135
Fair value through other comprehensive income reserve	-	-	-	-
Surplus for the year attributable to parent	74,952	36,686	50,562	27,592
Closing balance 30 June	653,253	588,489	654,927	613,782

Note 29: Fair value through other comprehensive income reserve

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	53,676	56,200	27,410	27,410
Valuation gains / (losses) to other comprehensive income	13,279	(2,524)	13,612	-
Transfers to surplus or deficit on realisation	(24,932)	-	-	-
Closing balance 30 June	42,023	53,676	41,022	27,410
<i>Represented by:</i>				
Orion Group Limited	40,002	-	40,002	26,390
Selwyn Investment Holdings Limited	-	52,656	-	-
Sicon Ferguson Limited	1,001	-	-	-
Transwaste Limited	1,020	1,020	1,020	1,020
Closing balance 30 June	42,023	53,676	41,022	27,410

Note 30: Special funds

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	50,863	37,770	50,863	37,770
Transfers to general funds	(6,357)	(14,135)	(6,357)	(14,135)
Transfers from general funds	19,657	27,228	19,657	27,228
Closing balance 30 June	64,163	50,863	64,163	50,863

Section 31 of Schedule 10 of the Local Government Act 2002 prescribes disclosures for reserve funds. A reserve fund is defined by the aforementioned act as money set aside by a local authority for a specific purpose. Reserve funds include amounts collected by targeted rates, development and financial contributions, lump sum contributions and internal borrowings within Council.

- A General reserve:** The purpose of a general reserve fund is to provide funding for new capital items arising from increased levels of service or growth.
- B Renewal reserve:** The purpose of a renewal reserve is to provide funding for the renewal of existing capital items.
- C Specific reserve:** The purpose of these reserves is to provide funding for the maintenance of specific assets or to generate funds for future specific assets.
- D Special reserve:** The purpose of these reserves is for specific purposes as indicated by the reserve name.
- E Internal borrowing reserve:** The purpose of these reserves is to separate out internal borrowings.

	Purpose of reserve fund	Opening 1 July 2013 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2014 \$'000
5 Waters					
Armack Drive Capital Injection Special Fund	D	-	-	-	-
Armack Drive Water Supply Renewal Reserve	B	(11)	1	-	(10)
Armack Drive Water Supply Special Fund	D	8	-	-	8
Arthurs Pass Sewerage Renewal Reserve	B	27	11	(2)	36
Arthurs Pass Water Supply Equipment Reserve	D	-	-	-	-
Arthurs Pass Water Supply Holding Capacity	D	(16)	-	-	(16)
Arthurs Pass Water Supply Renewal Reserve	B	45	25	(1)	69
Bealey River River Protection Reserve	D	21	1	-	22
Branthwaite Drive Water Supply Renewal Reserve	B	22	2	-	24
Branthwaite Drive Water Supply Reserve	A	25	1	-	26
Burnham Water Supply Renewal Reserve	B	19	12	-	31
Burnham Water Supply Reserve	A	24	1	-	25
Castle Hill Sewerage Renewal Reserve	B	43	33	-	76
Castle Hill Sewerage Reserve	A	-	-	-	-
Castle Hill Water Supply Renewal Reserve	B	94	86	-	180
Castle Hill Water Supply Reserve	A	2	-	-	2
Darfield Water Supply Capital Rate Reserve	A	(725)	206	(1,630)	(2,149)
Darfield Water Supply Renewal Reserve	B	1,036	264	(5)	1,295
Darfield Water Supply Water Quality Upgrade	C	569	23	-	592
District Holding Capacity	D	(83)	-	-	(83)
Doyleston Holding Capacity	D	-	-	-	-
Doyleston Sewerage Renewal Reserve	B	4	14	-	18
Doyleston Sewerage Reserve	A	173	7	(14)	166
Doyleston Water Supply Capital Contribution Reserve	A	125	5	(4)	126
Doyleston Water Supply Renewal Reserve	B	55	19	-	74
Dunsandel Water Supply Renewal Reserve	B	54	31	-	85
Dunsandel Water Supply Reserve	A	62	14	(8)	68
Edendale Water Supply Renewal Reserve	B	13	-	-	13
Edendale Water Supply Reserve	A	60	23	(2)	81
Ellesmere Sewerage Renewal Reserve	B	111	122	-	233
Ellesmere Water Race Renewal Reserve	B	6	9	-	15
ESSS Sewerage Contribution Renewal Reserve	B	129	135	-	264
Greenpark Land Drainage Reserve	A	19	1	-	20
Hororata River Land Drainage Reserve	A	15	1	-	16
Irwell Land Drainage Reserve	A	1	-	-	1
Johnson Road Capital Injection Special Fund	C	6	-	-	6
Johnson Road Water Supply Reserve	A	30	1	(6)	25
Johnston Road Water Supply Renewal Reserve	B	26	6	-	32
Jowers Road Water Supply Equipment Reserve	A	6	-	-	6
Jowers Road Water Supply Renewal Reserve	B	16	6	-	22
Kirwee Water Supply Equipment Reserve	A	449	57	(26)	480
Kirwee Water Supply Renewal Reserve	B	212	104	(33)	283
L2 River Land Drainage De-silting Reserve from Surpluses	C	97	3	-	100
L2 River Land Drainage Machinery Reserve from Surpluses	C	259	10	-	269
Lake Coleridge Quality Upgrade Special Reserve	C	103	20	(27)	96

	Purpose of reserve fund	Opening 1 July 2013 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2014 \$'000
Lake Coleridge Sewerage Electricorp Payment Reserve	C	50	2	-	52
Lake Coleridge Sewerage Renewal Reserve	B	176	67	(3)	240
Lake Coleridge Water Supply Renewal Reserve	B	22	22	(1)	43
Lake Coleridge Water Supply Reserve	A	2	-	(2)	-
Leeston Land Drainage Reserve	C	12	13	-	25
Leeston Sewerage Holding Capacity Reserve	D	(92)	92	-	-
Leeston Sewerage Renewal Reserve	B	665	477	-	1,142
Leeston Sewerage Reserve	A	-	528	(94)	434
Leeston Sewerage to Record Surpluses	C	10	-	-	10
Leeston Stormwater Reserve	A	37	104	(30)	111
Leeston Water Supply Renewal Reserve	B	230	106	(3)	333
Leeston Water Supply Reserve	A	635	312	(66)	881
Lincoln Sewerage Pipeline Reserve	C	334	13	-	347
Lincoln Sewerage Renewal Reserve	B	367	282	(1)	648
Lincoln Sewerage Reserve	A	852	24	(489)	387
Lincoln Stormwater Renewal Reserve	B	3	3	-	6
Lincoln Water Supply Renewal Reserve	B	154	101	(1)	254
Lincoln Water Supply Reserve	A	923	36	(27)	932
Malvern Area Water Race Renewal Reserve	B	55	48	-	103
Malvern Area Water Race Reserve	A	-	-	-	-
Malvern Hills Rural Water Supply Renewal Reserve	B	247	160	(111)	296
Malvern Hills Rural Water Supply Reserve	A	422	74	(3)	493
Osbourne Land Drainage Reserve	A	11	1	-	12
Osbourne Land Drainage Renewal Reserve	B	(14)	10	(69)	(73)
Paparua Water Race Renewal Reserve	B	43	44	-	87
Prebbleton Sewerage Renewal Reserve	B	47	44	-	91
Prebbleton Sewerage Reserve	A	530	21	-	551
Prebbleton Stormwater Renewal Reserve	B	3	3	-	6
Prebbleton Water Supply Renewal Reserve	B	204	120	(154)	170
Prebbleton Water Supply Reserve	A	1,668	204	(16)	1,856
Prebbleton/Kingcraft Drive Water Supply Holding Capacity Reserve	D	-	-	-	-
Rakaia Huts Water Supply Renewal Reserve	B	29	16	(5)	40
Rakaia Huts Water Supply Reserve	A	34	2	(4)	32
Raven Drive Water Supply Renewal Reserve	B	22	8	-	30
Raven Drive Water Supply Special Reserve	C	-	-	-	-
Rolleston Sewerage Helpet Reserve	C	61	2	-	63
Rolleston Sewerage Renewal Reserve	B	213	45	-	258
Rolleston Sewerage Reserve	A	682	26	(11)	697
Rolleston Stormwater Renewal Reserve	B	16	17	-	33
Rolleston Water Supply Renewal Reserve	B	890	375	(12)	1,253
Rolleston Water Supply Reserve	A	4,044	159	(343)	3,860
Selwyn Rural Water Supply Capital Rate Reserve	A	432	94	(310)	216
Selwyn Rural Water Supply Renewal Reserve	B	72	94	-	166
Selwyn Rural Water Supply Reserve	A	74	8	(82)	-
Sheffield Water Supply Renewal Reserve	B	28	26	-	54
Sheffield Water Supply Reserve	A	196	7	-	203
Southbridge Sewerage Contributions	A	70	134	(55)	149
Southbridge Sewerage Holding Capacity Reserve	D	(198)	198	-	-
Southbridge Sewerage Renewal Reserve	B	37	16	-	53
Southbridge Water Supply Renewal Reserve	B	57	42	-	99
Southbridge Water Supply Reserve	A	78	6	(4)	80
Springfield Water Supply (Annat Ext) Reserve	A	-	-	-	-
Springfield Water Supply (Kowai Ext) Reserve	A	-	-	-	-
Springfield Water Supply Renewal Reserve	B	74	31	-	105
Springfield Water Supply Reserve	A	57	2	(11)	48
Springston Sewerage Renewal Reserve	B	63	-	(63)	-
Springston Special Reserve	D	674	27	-	701
Springston/Aberdeen Subdivision Special Fund Reserve	D	65	3	(5)	63

	Purpose of reserve fund	Opening 1 July 2013 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2014 \$'000
Springston Stormwater Renewal Reserve	B	1	1	-	2
Springston Water Supply Renewal Reserve	B	-	39	(91)	(52)
Springston Water Supply Reserve	A	170	35	-	205
Tai Tapu Sewerage Holding Capacity Reserve	D	(386)	-	-	(386)
Tai Tapu Sewerage Renewal Reserve	B	60	16	-	76
Tai Tapu Sewerage Reserve	A	78	21	-	99
Tai Tapu Stormwater Renewal Reserve	B	12	13	-	25
Tai Tapu Water Supply Renewal Reserve	B	80	38	-	118
Tai Tapu Water Supply Reserve	A	332	18	-	350
Tai Tapu/Otahuna Water Supply Reserve	A	101	4	-	105
Taumutu Culverts Land Drainage Reserve	A	43	2	-	45
Taumutu Water Supply Renewal Reserve	B	23	5	-	28
Te Pirita Rural Water Supply Renewal Reserve	B	35	8	-	43
Templeton/Claremont Capital Reserve	A	6	-	-	6
Templeton/Claremont Sewerage Renewal Reserve	B	-	25	(4)	21
Templeton/Claremont Sewerage Reserve	D	(40)	-	-	(40)
Templeton/Claremont Water Supply Renewal Reserve	B	21	12	-	33
Templeton/Claremont Water Supply Reserve	D	(37)	-	-	(37)
Templeton/Claremont Water Supply Reserve Surpluses	C	33	1	-	34
Upper Selwyn Huts Sewerage Renewal Reserve	B	151	76	-	227
Upper Selwyn Huts Water Supply Renewal Reserve	B	(1)	-	-	(1)
Wairiri Valley Land Drainage Reserve	A	4	-	-	4
West Melton Sewerage Renewal Reserve	B	4	7	-	11
West Melton Sewerage Reserve	A	(255)	146	-	(109)
West Melton Water Supply Renewal Reserve	B	100	79	(2)	177
West Melton Water Supply Reserve	A	4	4	(226)	(218)
		19,036	6,053	(4,056)	21,033

Community facilities

Albert Anderson Fund	D	9	1	-	10
Art Acquisition Reserve	D	26	7	-	33
Arthurs Pass Public Toilet 25 Year Loan Reserve	E	(809)	75	(49)	(783)
Arts Council Grants Reserve	D	6	-	-	6
Breach Block Proceeds Reserve	D	156	6	-	162
Broadfield Contributions Reserve	A	53	37	(90)	-
Broadfield Community Centre Reserve	A	49	2	-	51
Castle Hill Community Centre Reserve	A	(15)	-	-	(15)
Castle Hill Recreation Reserve Ex Land Subdivision	A	1	-	-	1
Civil Defence Special Reserve	D	9	1	-	10
Claremont Contributions Reserve	A	30	2	-	32
Coalgate Contributions Reserve	A	74	28	-	102
Coalgate/Glentunnel (Ex Land Subdivision) Recreation Reserve	A	5	-	-	5
Darfield (Tussock Square) Reserve	D	1	-	-	1
Darfield Christmas in the Park Reserve	D	5	9	(7)	7
Darfield Domain Reserve	A	71	2	(29)	44
Darfield Medical Centre Depreciation Reserve	D	74	3	-	77
Darfield Swimming Pool 15 Year Loan Reserve	E	(79)	21	(3)	(61)
Darfield Ward Contributions Reserve	A	60	7	(13)	54
District Reserve Contributions Reserve	A	85	3	-	88
Doyleston Contributions Reserve	A	127	5	(4)	128
Dunsandel Community Centre Reserve	A	46	2	-	48
Dunsandel Hall Renewal Reserve	B	71	75	(26)	120
Dunsandel Contributions Reserve	A	186	14	-	200
Edendale Contributions Reserve	A	25	1	(2)	24
Ellesmere Cemetery Investment Reserve	D	8	-	-	8
Ellesmere RSA Reserve	D	7	1	-	8
Gallipoli Oaks Special Fund	D	-	1	-	1
Glenroy Community Centre (Ex MoE) Reserve	A	-	-	-	-
Glenroy Community Centre Reserve	A	18	2	-	20
Glentunnel Community Centre Reserve	A	48	4	-	52
Glentunnel/Coalgate Capital Equipment Reserve	A	29	2	-	31

	Purpose of reserve fund	Opening 1 July 2013 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2014 \$'000
Greendale Building/Pavilion Upgrade Loan Reserve	E	(100)	100	-	-
Greendale Building/Pavilion Upgrade Reserve	C	-	-	-	-
Greendale Recreation Reserve	A	14	13	-	27
Greenpark Community Centre Reserve	D	-	6	-	6
Halkett Community Centre 25 Year Loan Reserve	E	(57)	6	(2)	(53)
Halkett Community Centre Ex Land Subdivision Reserve	C	15	-	-	15
Horndon Street Land	D	(145)	145	-	-
Hororata Contributions Reserve	A	126	16	(27)	115
Hororata Cross Country Course Reserve	D	9	3	-	12
Hororata Reserve Board Reserve	A	9	1	-	10
Hororata Reserve Ex Land Subdivision Reserve	A	7	-	-	7
Johnsons Road Contributions Reserve	A	24	1	-	25
Kimberley Reserve Timber Sales Reserve	C	32	1	-	33
Kimberley Reserve Ex Land Subdivision Reserve	A	1	-	-	1
Kirwee Contributions Reserve	A	16	37	(1)	52
Kirwee Operational Reserve	A	24	1	(1)	24
Kirwee Pavillion/Hall Reserve	A	8	-	(8)	-
Kirwee Pavillion/Hall Reserve Loan Reserve	E	(119)	25	(5)	(99)
Kirwee Reserve Ex Land Subdivision Reserve	A	2	-	(2)	-
Ladbrooks Community Centre Investment Reserve	C	17	1	-	18
Ladbrooks Community Centre Reserve	A	102	11	-	113
Lake Coleridge Community Centre Reserve	A	11	1	-	12
Lake Coleridge Contributions Reserve	A	25	1	-	26
Lakeside Community Centre Reserve	A	6	-	-	6
Leeston Contributions Reserve	A	542	522	(11)	1,053
Leeston Progress League Reserve	D	1	1	-	2
Leeston Township Est NA Osbourne Reserve	D	66	3	-	69
Leeston Ward Contributions Reserve	A	(4)	-	-	(4)
Lincoln Community Centre Cheque Account Balance Reserve	A	24	1	-	25
Lincoln Community Centre Ex Paparua SF Reserve	A	8	-	-	8
Lincoln Community Centre Operating Account Credit Balance Reserve	A	71	3	-	74
Lincoln Contributions Reserve	A	1,623	2,021	(286)	3,358
Lincoln Library Ex Paparua Reserve	D	12	-	-	12
Malvern Lions Club Donations Reserve	D	-	10	-	10
Malvern Recreation Centre Reserve	A	262	371	(145)	488
McHughs Plantation Loan Reserve	E	-	(1,520)	-	(1,520)
Metal Pits Reserve	D	1,111	45	-	1,156
Motukarara Contributions Reserve	A	18	-	-	18
Osbourne Park Pavilion Upgrade Reserve	C	(1)	-	-	(1)
Plant Depreciation Replacement Reserve	B	8	1	-	9
Prebbleton Cell Tower Special Fund Reserve	D	54	17	-	71
Prebbleton Contributions Reserve	A	2,248	1,839	(433)	3,654
Rakaia Huts Boat Ramp Reserve	D	58	3	-	61
Rhodes Park Grant Reserve	A	-	-	-	-
Rolleston Community Centre 20 Year Rating Loan Reserve	E	(120)	27	(5)	(98)
Rolleston Community Centre Cheque Account Reserve	A	19	1	-	20
Rolleston Community Centre Ex Paparua SF Reserve	A	18	1	-	19
Rolleston Community Centre Memorial Hall Site Reserve	A	191	7	-	198
Rolleston Community Centre Paparua Library Reserve	A	5	-	-	5
Rolleston Ward Contributions Reserve	A	3,114	6,261	(358)	9,017
Selwyn Aquatic Centre Hoist Purchase Special Fund	D	20	1	-	21
Sheffield Bowling Club Donation Reserve	D	-	10	-	10
Sheffield Community Centre Carpet Replacement Reserve	B	2	-	-	2
Sheffield Community Centre Investment Reserve	A	2	-	-	2
Sheffield Contributions Reserve	A	49	2	-	51
Sheffield Res Ex Land Subdivision Reserve	A	15	-	(8)	7
Sheffield Reserve Special Funds Reserve	A	2	-	-	2
Sheffield Swimming Pool School Donation Reserve	C	1	-	-	1
Sheffield Bowling Club Donation Reserve	D	-	10	-	10
Southbridge Contributions Reserve	A	98	11	-	109
Special fund Ex Local Funds Reserve	A	5	1	-	6
Springston Cemetery Investment Reserve	D	3	1	-	4
Springston Contributions Reserve	A	200	82	(127)	155
Springston Ex Ellesmere Reserve	A	29	1	-	30
Springston Road Gravel Reserve	D	7	-	-	7
Springston South Reserve Contribution Reserve	A	6	-	-	6

	Purpose of reserve fund	Opening 1 July 2013 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2014 \$'000
Tai Tapu ex Paparua Library Reserve	D	36	2	-	38
Tai Tapu Contributions Reserve	A	323	53	(6)	370
Tawera Ward Contribution Reserve	A	9	1	(4)	6
Weedons Contribution Reserve	C	198	78	-	276
Weedons Discretionary Fund Reserve	D	3	-	-	3
Weedons Reserve Ex Paparua Investment Reserve	A	8	-	-	8
Weedons Reserve Ex Paparua Reserve	A	14	-	-	14
Weedons Reserve Loan Repayment Reserve	A	14	16	-	30
Weedons Surplus Reserve	A	-	47	-	47
West Melton Capital Reserve	A	3	-	-	3
West Melton Community Centre Ex Paparua Reserve	A	31	1	-	32
West Melton Community Centre Future Development Reserve	B	-	-	-	-
West Melton Community Centre Scholarship Fund Reserve	C	39	2	(2)	39
West Melton Surplus Reserve	A	66	3	-	69
West Melton Land Purchase Reserve	C	2	-	-	2
West Melton Ward Contributions Reserve	A	896	646	(2)	1,540
Whitecliffs Contributions Reserve	A	27	1	(1)	27
Whitecliffs Reserve Ex Land Subdivision Reserve	A	1	-	-	1
		11,840	11,263	(1,657)	21,446
Community services					
District Recreation & Cultural Reserve	D	261	9	-	270
Ex Ellesmere - Ellesmere Clay Loan Reserve	A	25	-	-	25
Ex Ellesmere - Ellesmere Golf Loan Reserve	A	40	-	-	40
Ex Ellesmere - Leeston Ward Cash Reserve	A	251	10	-	261
Ex Ellesmere - Lincoln Reserve	A	-	-	-	-
Ex Ellesmere - Rolleston Reserve	A	2	-	-	2
Insurance Reserve Fund Reserve	A	643	26	-	669
Operational Assets Replacement Fund Reserve	B	459	19	-	478
Retentions Reserve	A	46	-	-	46
Selwyn District Education Fund Reserve	D	59	96	-	155
		1,786	160	-	1,946
Democracy					
Barnett Bequest Reserve	D	3	-	-	3
Bealey Pit Improvement Reserve	D	-	-	-	-
Mayoral Emergency Special Fund Reserve	D	54	2	(3)	53
		57	2	(3)	56
Environmental services					
Dog Account Surpluses	D	-	94	-	94
Weather Tightness Insurance Reserve	D	(125)	-	(486)	(611)
		(125)	94	(486)	(517)
Internal council services					
MAB Discretionary Fund Reserve	D	6	3	-	9
Investment Property Surplus	D	238	9	-	247
Earthquake Self Insurance Reserve	D	11,335	218	(55)	11,498
Pre 1989 Contributions Reserve	D	58	3	-	61
Shadow of the Alps	D	(14)	14	-	-
		11,623	247	(55)	11,815
Transportation					
Roading Contributions Reserve	A	3,340	1,718	-	5,058
Undergrounding Reserve	A	3,294	129	(100)	3,323
		6,634	1,847	(100)	8,381
Closing balance 30 June		50,863	19,657	(6,357)	64,163

Note 31: Asset revaluation reserves

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	502,940	481,298	503,913	472,664
Net revaluation gains / (losses)	(16,487)	23,156	(16,427)	23,949
Impairment of revalued property, plant and equipment	-	-	-	-
Less: tax effect on buildings	-	(18)	-	(18)
Transfer to general reserves on disposal	(3,112)	(1,496)	(3,883)	7,318
Closing balance 30 June	483,341	502,940	483,603	503,913

Property revaluation reserves for each asset class consist of:

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Land and buildings	90,658	93,770	90,920	94,743
Farm land	2,994	2,994	2,994	2,994
Roading	176,250	155,072	176,250	155,072
Water supplies	52,713	36,787	52,713	36,787
Stormwater	12,014	9,587	12,014	9,587
Sewerage	57,422	73,893	57,422	73,893
Land drainage	21,246	71,319	21,246	71,319
Water races	70,044	59,518	70,044	59,518
Closing balance 30 June	483,341	502,940	483,603	503,913

Note 32: Non-controlling interest

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Opening balance 1 July	-	-	-	20,437
Share in surplus	-	-	-	733
Realisation of assets	-	-	-	(21,170)
Closing balance 30 June	-	-	-	-

Note 33: Reconciliation of net surplus / (deficit) after tax to net cash flow from operating activities

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Surplus after taxation and discontinued operation	74,952	36,686	50,562	28,325
<i>Add / (less) non-cash items:</i>				
Vested assets revenue	(30,330)	(13,838)	(30,330)	(13,838)
(Gains) / losses on fair value of investment property	(610)	(830)	(670)	(875)
(Gains) / losses on fair value of forestry assets	255	(214)	255	(214)
Fair value increase of embedded derivative	(44)	(25)	(44)	(25)
Depreciation and amortisation	21,395	19,580	23,504	22,339
Impairments	-	-	-	-
Non - current employee benefits	3	13	3	13
Non - current provisions	5	3	5	3
Provision for refund	3,755	2,556	3,755	2,556
Movement in provision for doubtful debts	(44)	23	(44)	23
Net other (gains) / losses	-	-	-	(1,285)
Interest rate swap	(1,718)	(1,944)	(1,718)	(1,944)
Movement in deferred taxation	(1)	14	(1)	135
Share of joint venture (surplus) / deficit	-	-	(78)	(837)
Release to profit from fair value through equity reserve	(24,932)	-	-	-
	42,686	42,024	45,199	34,376
<i>Add / (less) movements in working capital items:</i>				
Trade and other receivables	(4,246)	8,397	(4,735)	5,992
Income tax receivable	-	(49)	-	(51)
Inventory & work in progress	(13)	-	(192)	(183)
Trade and other payables	3,473	1,116	2,464	1,835
Employee benefit liabilities	207	(106)	208	357
	42,107	51,382	42,944	42,326
<i>Add / (less) items classified as investing or financing activities:</i>				
Net gain on sale of property, plant and equipment	(8,349)	(10,529)	(9,032)	(11,308)
Net cash inflow / (outflow) from operating activities	33,758	40,853	33,912	31,018

Commitments

The total funding the Council is committed to spending in the future on maintenance and capital projects is \$21,474,000 (2013: \$10,827,000).

Detailed below are the activities in which commitments from 1 July 2014 occur. Commitments represent contracts entered into but where the services have not been delivered.

The Council has a contract with Transwaste Canterbury Limited for the transport and disposal of refuse.

	Within one year \$000	One to two years \$000	Two to five years \$000	Total \$000
Road maintenance	6,693	-	-	6,693
Utilities*	1,442	-	-	1,442
Reserves*	1,854	-	-	1,854
Rating valuations	30	-	-	30
Refuse	1,769	3,538	3,538	8,845
Refuse - Resource Recovery Park*	169	-	-	169
RH developments	475	950	355	1,780
Total operating commitments	12,432	4,488	3,893	20,813

* These commitments are with Sicon Ferguson Limited and do not represent commitments external to the group.

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Property, plant and equipment	661	4,613	661	4,613
Intangible assets	-	-	-	-
Investment property	-	-	-	-
Total capital commitments	661	4,613	661	4,613

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

The Council's subsidiaries have capital commitments as at 30 June 2014 for the purchase of property, plant and equipment of \$nil (2013: \$nil).

Operating leases

Operating leases as lessee

The Council and its subsidiaries lease property, plant and equipment in the normal course of business. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Not later than one year	104	104	499	356
Later than one year and not later than five years	52	156	251	324
Later than five years	-	-	-	-
Total non-cancellable operating leases	156	260	750	680

Operating leases as lessor

The Council leases one property under operating lease. The future aggregate minimum lease payments collectable under non-cancellable operating leases are as follows:

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Not later than one year	849	942	849	860
Later than one year and not later than five years	1,842	3,064	1,842	3,064
Later than five years	-	355	-	355
Total non-cancellable operating leases	2,691	4,361	2,691	4,279

Note 35: Contingent liabilities and contingent assets

Contingent liabilities

Council

Financial guarantees

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

Unquantified claims

The Council is aware of two potential claims in relation to the weather tightness of homes in the area. As detailed in Note 26, a provision has been made for claims where a reliable estimate of the potential cost to the Council can be made.

The Council is exposed to potential future claims (which have not yet been advised) until the statutory limitation period expires. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims. The Council does not have insurance cover for any of the claims for which it has not made a provision. The Council is funding the cost of weather tightness claims through general rates and has allowed funding of \$150,000 in the 2013/14 financial year.

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that Fund year. The Council received notice during the 2011/12 financial year for a call for additional contribution in respect of the 2002/03 and 2003/04 fund years as those funds are exhibiting deficits due to the "leaky building" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

The Supreme Court decision in October 2012 on a Council's liability for non-residential buildings may affect the liability of the Council for weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by the Council. The Council is yet to receive any claims as a result of this ruling.

The Council has received notification of a claim in respect of remediation of land and removal of contaminated material associated with an abandoned former Council landfill site. The level of liability and financial impact for this claim is yet to be quantified by the Council.

New Zealand Local Government Funding Agency (LGFA)

Selwyn District Council is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Selwyn District Council is one of 31 shareholders of the NZLGFA. In that regard, it has uncalled capital of \$0.4 million (2013: \$0.4 million). When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. In addition, together with the other shareholders, Selwyn District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2014, NZLGFA had borrowings totalling \$3,695 million (2013: \$2,475 million).

Financial reporting standards require Selwyn District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Landfills located within Selwyn district

The Council does not operate any landfills in the District. The Council has recognised the costs of closing and rehabilitating the Killinchy and Hawkins landfills that were the two largest when operated.

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

Group

Sicon Ferguson Limited (SFL)

The company is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors' Scheme (the scheme) which is a multi-employer defined benefit scheme.

The funding arrangements are governed by the requirement of Section 44 of the National Provident Fund Restructuring Act 1990, which requires that any increase or decrease to the employer contribution rate should:

"...result in contributions being at a level which, on reasonable assumptions, is likely to achieve neither a surplus nor a deficit in the trust fund of the DBP contributors' scheme... at the time that the last contributor to that scheme ceases to so contribute."

and by the Trust Deed, which requires the employers to contribute such amount as the Board of Trustees of the National Provident Fund, after consultation with the Actuary, may direct.

In practice, at present, a single contribution rate is determined for all employers which is expressed as a multiple of the contributions of members of the Scheme who are employees of that employer. At present, employer contributions are suspended.

There is no minimum funding requirement.

The employer contribution rate is determined by the Board of Trustees of the National Provident Fund ('the Board') following consultation with the Actuary. Current practice is for the employer to contribute a multiple of its members' contributions.

The Trust Deed specifies that immediately before the DBP Contributors Scheme ('the Scheme') is wound up, the assets and the interests of all contributors in the Scheme will be transferred to the DBP Annuitants Scheme.

Employers have no right to withdraw from the plan.

The Scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

No employer contributions to the Scheme are expected for the next annual reporting period.

The actuarial review as at 31 March 2014 indicated that the Scheme had a past service surplus of \$16.2 million (8.0% of the liabilities). This amount was exclusive of Employer Superannuation Contribution Tax. Employers are not expected to contribute in the future provided the experience of the Scheme is in line with the valuation assumptions used for that actuarial review. The key assumptions in the review were:

- the difference (1.5% pa to 31 March 2024 and 2.0% pa thereafter) between the investment return and the rate of CPI inflation assumed when calculating future factors for transfers from this Scheme to the DBP Annuitants Scheme
- the difference (-0.4% pa to 31 March 2024 and 0.2% pa thereafter) between the long-term investment return and salary escalation assumed.

The Scheme had 408 members at 31 March 2014. At 30 June 2014 one employee of SFL was a member of the scheme.

From time to time SFL has performance bonds and bonds in lieu of retentions to third parties. Bonds to the value of \$1,108,682 (2013: \$1,900,690) are committed as at 30 June 2014.

SFL does not list these bonds as contingent liabilities because it does not consider that it is probable that any such bonds will be exercised. If any performance issues are ever raised SFL has a policy of promptly returning to the site and fixing the customers concerns.

Other than the above SFL has no contingent liability as at 30 June 2014.

Contingent assets

Council

The Council has no contingent assets as at 30 June 2014 (2013: \$nil).

Group

Sicon Ferguson Limited (SFL)

SFL has no contingent assets at 30 June 2014. At 30 June 2013 SFL was in negotiation with Solid Energy NZ Limited to recover some of the debt written off by Ferguson Brothers Limited following the receivership of Pike River Coal Company Limited. As a result of these negotiations no payments were received and there is no prospect of recovering this debt.

Note 36: Related party transactions

The Council is the ultimate parent of the group and controls its subsidiaries, Sicon Ferguson Limited and the Selwyn District Charitable Trust. The Council also exerts significant influence over Orion New Zealand Limited, Central Plains Water Trust and the Tramway Reserve Trust.

Related party transactions with subsidiaries and associates

Selwyn Investment Holdings Limited

The Council entered into normal commercial transactions with Selwyn Investment Holdings Limited during the year.

	2014 \$000	2013 \$000
Dividend revenue	-	15,524
Dividends receivable	-	985
Current account balance receivable	-	3
Tax losses transferred to the Council	-	-

During the year, the Council provided accounting services to Selwyn Investment Holdings Limited at no charge. Selwyn Investment Holdings Limited was placed into solvent liquidation on 4 September 2013.

Selwyn District Charitable Trust

The Council entered into normal commercial transactions with the Selwyn District Charitable Trust during the year.

	2014 \$000	2013 \$000
Donations received from the Trust	98	409
Accounts receivable	11	63

In addition to the above transactions, the Council has provided accounting services to the Trust at no charge and will pay the audit fee on behalf of the Trust totalling \$4,270 (2013: \$4,270). The Council paid a capital injection to the Trust totalling \$100 during the year.

There were no commitments with the Selwyn District Charitable Trust as at 30 June 2014 (2013: \$nil).

Orion New Zealand Limited

The Council entered into normal commercial transactions with Orion New Zealand Limited during the year. All transactions with the company were on terms equivalent to those that prevail in arm's-length transactions.

	2014 \$000	2013 \$000
Dividend revenue	4,290	-
Rates revenue received	167	149
Accounts receivable	-	-

There were no commitments with Orion New Zealand Limited as at 30 June 2014 (2013: \$nil).

Sicon Ferguson Limited

The Council entered into normal commercial transactions with Sicon Ferguson Limited during the year. All transactions with the company were on terms equivalent to those that prevail in arm's-length transactions.

	2014 \$000	2013 \$000
Rates, royalties, interest and lease revenue received	228	187
Contract services received from SFL	7,207	6,017
Accounts receivable	12	12
Loan receivable	360	-
Accounts payable	1,174	966

There were no commitments with Sicon Ferguson Limited as at 30 June 2014 (2013: \$nil).

Central Plains Water Trust

The Council entered into normal commercial transactions with the Central Plains Water Trust during the year. The Council makes payments on behalf of the Trust, which then reimburse the Council.

	2014 \$000	2013 \$000
Payments to suppliers on behalf of the Trust	87	54
Accounts receivable	55	6

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

There were no commitments with the Central Plains Water Trust as at 30 June 2014 (2013: \$nil).

Tramway Reserve Trust

The Council entered into normal commercial transactions with the Tramway Reserve Trust during the year. The Council makes payments on behalf of the Trust, which then reimburse the Council.

	2014 \$000	2013 \$000
Payments to suppliers on behalf of the Trust	-	2
Grant paid to the Trust	-	2

During the year, the Council provided accounting services to the Tramway Reserve Trust at no charge and will pay the audit fee on behalf of the Trust totalling \$1,708 (2013: \$1,640).

There were no commitments with the Tramway Reserve Trust as at 30 June 2014 (2013: \$nil).

Transactions with key management personnel

Key Management Personnel Compensation

	2014	2013
	\$000	\$000
Salaries and other short-term employee benefits	1,543	1,460
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	1,543	1,460

Key management personnel include the Mayor, Councillors, Chief Executive, and other senior management.

Related party transactions with key management personnel

During the year, Councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, purchase of rubbish bags etc.).

All related party transactions with key management personnel were on terms equivalent to those that prevail in arm's-length transactions. All amounts are GST exclusive unless otherwise stated.

- Councillor John Morten's wife is part owner of Foothill Flowers from whom the Council purchased goods and services totalling \$939.
- Nicola Peacock (Selwyn Central Community Board Member) is a director of Malloch Environmental Limited from whom the Council purchased goods and services totalling \$16,397. The balance outstanding at 30 June 2014 was \$3,468
- During the year, a close family member of Nicola Peacock (Selwyn Central Community Board Member) provided services to Sicon Ferguson Limited totalling \$3,807. The services were provided on normal commercial terms equivalent to those that prevail in arms – length transactions. The balance outstanding at 30 June 2014 was \$823.

There are close family members of key management personnel employed by the Council and group. The terms and conditions of those arrangements are no more favourable than the Council and group would have adopted if there were no relationship to key management personnel.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivable to related parties (2013: \$nil).

Transactions with key management personnel in the previous financial year:

- Councillor Mark Alexander donated \$5,000 to the Selwyn District Charitable Trust during the year.
- Councillor Malcolm Lyall is director of Allways Electrical Limited from whom the Council purchased goods and services totalling \$428.
- Councillor John Morten's wife is part owner of Foothill Flowers from whom the Council purchased goods and services totalling \$840.
- During the year, Councillor Lindsay Philips contracted Sicon Ferguson Limited, which is a related party of Selwyn District Council, to carry out contract works totalling \$948. The works were on normal commercial terms equivalent to those that prevail in arms – length transactions. The balance outstanding at 30 June 2013 was \$nil.

Elected members

The Council is required to include a report, on the remuneration that in the year to which the annual report relates, was received by, or payable to; the Mayor, each of the other members and to the Chief Executive of the Selwyn District Council. This is a statutory requirement of the Local Government Act 2002: Part 3, Schedule 10, Section 18.

The following table shows the remuneration received by all elected members from 1 July to 30 June:

	2014 Base salary \$	2014 Hearing fees \$	2014 Total remuneration \$	2013 Base salary \$	2013 Hearing fees \$	2013 Total remuneration \$
<i>Council</i>						
Mayor Kelvin Coe	104,207	-	104,207	101,300	-	101,300
Councillor Sarah Walters (Deputy Mayor)	36,251	-	36,251	35,363	-	35,363
Councillor Debra Hasson	31,251	1,600	32,851	30,363	2,200	32,563
Councillor Nigel Barnett	31,251	520	31,771	30,363	1,200	31,563
Councillor Mark Alexander	31,251	80	31,331	30,363	1,440	31,803
Councillor Jeff Bland	31,251	-	31,251	30,363	-	30,363
Councillor John Morten	31,251	-	31,251	30,363	-	30,363
Councillor Malcolm Lyall	31,251	-	31,251	30,363	-	30,363
Councillor Pat McEvedy	31,251	-	31,251	30,363	-	30,363
Councillor Peter Hill	31,251	-	31,251	30,363	-	30,363
Councillor Sam Broughton	31,251	-	31,251	30,363	2,240	32,603
Councillor Grant Miller	22,681	-	22,681	-	-	-
Councillor Lindsay Philps	8,570	-	8,570	30,363	4,100	34,463
<i>Malvern Community Board</i>						
Jenny Gallagher (Chairperson)	15,025	-	15,025	11,275	-	11,275
Mary Ireland	8,091	-	8,091	7,687	-	7,687
Bob Mugford	8,091	-	8,091	7,687	-	7,687
Judith Pascoe	5,921	-	5,921	-	-	-
Kerry Pauling	5,921	-	5,921	-	-	-
Allan Thorne	2,170	-	2,170	7,687	-	7,687
Bill Frost	2,170	-	2,170	7,687	-	7,687
<i>Selwyn Central Community Board</i>						
Diane Chesmar (Chairperson)	13,422	-	13,422	-	-	-
Alan French	8,939	-	8,939	7,892	-	7,892
Bruce Russell	6,711	-	6,711	-	-	-
Nicola Peacock	6,711	-	6,711	-	-	-
Liz Russell	2,720	-	2,720	9,635	-	9,635
Joyce Davey	2,228	-	2,228	7,892	-	7,892
Sandy Williams	2,228	-	2,228	7,892	-	7,892

The following Councillors also received directors' fees as directors of the Council's subsidiary companies Selwyn Investment Holdings Limited, Selwyn Plantation Board Limited, Sicon Ferguson Limited and the Selwyn Waihora Zone Committee.

	2014 \$	2013 \$
<i>Selwyn Investment holdings Limited</i>		
Councillor Malcolm Lyall	-	9,134
Councillor John Morten	-	7,200
Councillor Sarah Walters	-	7,200
<i>Selwyn Plantation Board Limited</i>		
Councillor John Morten	-	16,750
<i>Sicon Ferguson Limited</i>		
Councillor John Morten	30,000	22,500
<i>Selwyn Waihora Zone Committee</i>		
Councillor Pat McEvedy	6,000	4,500

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 \$255,379 (2013: \$307,149). This included a non - taxable allowance of \$nil (2013:\$251).

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 the Council.

For the year ended 30 June 2014, the Council made one severance payments to a Council employee totalling \$5,000 (2013: one payment totalling \$6,000).

The value of each of the severance payments was \$5,000 (2013: \$6,000).

Note 38: Construction contracts – Group

	Group 2014 \$000	Group 2013 \$000
<i>For contracts in progress as at 30 June:</i>		
Contract costs incurred	2,096	2,382
Recognised profits	230	682
Progress billings	2,326	3,020
Gross amount due from customers	576	341
Retentions receivable	191	60

Note 39: Events after balance date

Council

Eastern Selwyn Sewerage Scheme (ESSS)

Subsequent to balance date the Council refunded a total of \$6.5 million in development contributions. Provision for this refund is included in Note 26: Provisions.

Group

Sicon Ferguson Limited

Sicon Ferguson Limited has settled all outstanding claims and costs arising from the discharge of sediment into Akaroa Harbour in May 2013. A provision of \$44,000 to settle all outstanding claims and additional costs arising from the sediment discharge into Akaroa Harbour in May 2013 is included in the total maintenance provision in Note 26. Apart from this there have been no significant events subsequent to balance date.

40a: Financial instrument categories

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

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Financial assets				
<i>Fair value through surplus or deficit</i>				
Embedded derivatives	1,002	958	1,002	958
Interest rate swaps - cash flow hedges	-	-	-	-
Unlisted shares - shareholding	-	-	-	-
Total fair value through surplus or deficit	1,002	958	1,002	958
<i>Loans and receivables</i>				
Cash and cash equivalents	3,462	3,529	4,850	4,210
Trade and other loans and receivables	16,451	24,090	21,299	28,424
Term deposits	50,231	11,000	50,231	41,219
Total loans and receivables	70,144	38,619	76,380	73,853
<i>Fair value through other comprehensive income</i>				
Selwyn Investment Holdings Limited	-	110,722	-	-
Transwaste (Canterbury) Limited	1,500	1,500	1,500	1,500
Orion New Zealand Limited	81,400	-	81,400	67,788
Sicon Ferguson Limited	10,000	-	-	-
Local Government Funding Agency	747	747	747	747
Total fair value through other comprehensive income	93,647	112,969	83,647	70,035
<i>Held to maturity</i>				
Government bonds	1,991	1,985	1,991	1,985
Total held to maturity	1,991	1,985	1,991	1,985
Financial liabilities				
<i>Financial liabilities through surplus or deficit</i>				
Interest rate swaps	913	2,631	913	2,631
Total fair value through surplus or deficit	913	2,631	913	2,631
<i>Financial liabilities at amortised cost</i>				
Trade and other payables	14,318	13,084	16,211	15,260
<i>Borrowings</i>				
- bank overdraft	-	-	-	3
- secured loans	75,129	90,095	78,129	93,095
- finance lease liabilities	-	-	9	18
Total financial liabilities at amortised cost	89,447	103,179	94,349	108,376

40b: fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	Total	Quoted market price	Observable inputs	Significant non - observable inputs
	\$000	\$000	\$000	\$000
Council 2014				
<i>Financial assets</i>				
Embedded derivatives	1,002	-	1,002	-
Transwaste Canterbury Limited	1,500	-	-	1,500
Orion New Zealand Limited	81,400	-	-	81,400
Sicon Ferguson Limited	10,000	-	-	10,000
Local Government Funding Agency	747	-	-	747
<i>Financial liabilities</i>				
Interest rate swaps	913	-	913	-
Group 2014				
<i>Financial assets</i>				
Embedded derivatives	1,002	-	1,002	-
Transwaste Canterbury Limited	1,500	-	-	1,500
Orion New Zealand Limited	81,400	-	-	81,400
Local Government Funding Agency	747	-	-	747
<i>Financial liabilities</i>				
Interest rate swaps	913	-	913	-
Council 2013				
<i>Financial assets</i>				
Embedded derivatives	958	-	958	-
Selwyn Investment Holdings Limited	110,722	-	-	110,722
Transwaste Canterbury Limited	1,500	-	-	1,500
Local Government Funding Agency	747	-	-	747
<i>Financial liabilities</i>				
Interest rate swaps	2,631	-	2,631	-
Group 2013				
<i>Financial assets</i>				
Embedded derivatives	958	-	958	-
Transwaste Canterbury Limited	1,500	-	-	1,500
Orion Group Limited	67,788	-	-	67,788
Local Government Funding Agency	747	-	-	747
<i>Financial liabilities</i>				
Interest rate swaps	2,631	-	2,631	-

Valuation techniques with significant non-observable inputs

The table below provides reconciliation from the opening balance to the closing balance for the financial assets and liabilities measured using valuation techniques with significant non-observable inputs.

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Balance at 1 July	112,221	114,745	69,288	69,288
Realisation of assets	(32,600)	-	-	-
Gains / (losses) in other comprehensive income	13,279	(2,524)	13,612	-
Balance at 30 June	92,900	112,221	82,900	69,288

40c: financial instruments risks

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 has established Council approved Liability Management and Investment policies.

Market risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate because 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. The Council has not entered into any significant foreign currency transactions during the year and therefore has no exposure to currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments held at fixed interest rates expose the Council to fair value interest rate risks.

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

Cash flow interest rate risk

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

The Council's policy is to maintain between 50% and 95% of its borrowings in fixed rate instruments and it uses interest rate swaps to convert floating rate borrowing to fixed rate borrowing to manage interest rate risk. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

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. The Council's investment policy limits the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk

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

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Cash and cash equivalents	3,462	3,529	4,850	4,210
Trade and other receivables	16,451	24,090	21,299	28,424
Term deposits	50,231	11,000	50,231	41,219
Government bonds	1,991	1,985	1,991	1,985
Derivatives	1,002	958	1,002	958
Total credit risk	73,137	41,562	79,373	76,796

Credit quality of financial assets

The 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 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.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Council 2014 \$000	Council 2013 \$000	Group 2014 \$000	Group 2013 \$000
Counterparties with credit ratings				
<i>Cash at bank and term deposits</i>				
Continuing operations AA-	53,693	14,529	55,081	45,429
Discontinued operation AA-	-	-	-	-
Total cash at bank and term deposits	53,693	14,529	55,081	45,429
<i>Government Bonds</i>				
AA+	1,991	1,985	1,991	1,985
<i>Derivative financial instruments</i>				
AA+	1,002	958	1,002	958
Total counterparties with credit ratings	2,993	2,943	2,993	2,943

Counterparties without credit ratings

<i>Community and related party loans</i>				
Existing counterparty with no defaults in the past	227	148	227	148
Existing counterparty with defaults in the past	-	-	-	-
Total loans to related parties	227	148	227	148
<i>Trade and other receivables</i>				
Existing counterparty with no defaults in the past	-	-	-	-
Existing counterparty with defaults in the past	-	-	-	-
Total trade and other receivables	-	-	-	-

Trade and other receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings. Other than the dividends payable within the group, the Council has no significant concentrations of credit risk in relation to trade and other receivables as it has a large number of customers, mainly ratepayers, and the Council has powers under the Local Government (Rating Act) 2002 to recover outstanding debts from ratepayers.

Liquidity risk

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

As at 30 June 2014, the Council has a multi-option credit facility of \$40 million (2013: \$40 million) against which it had drawn \$9 million (2013: \$24 million).

Sicon Ferguson Limited has a maximum amount that can be drawn down against their overdraft facility of \$4 million (2013: \$4 million). There are no restrictions on the use of this facility.

Contractual maturity analysis on financial liabilities

The table below analyses the 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 including interest.

	Liability carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1 - 5 years \$000	More than 5 years \$000
Council 2014					
Trade and other payables	14,318	14,318	14,318	-	-
Secured loans	75,129	82,785	42,289	40,268	228
Net settled derivatives (interest rate swap)	913	2,549	603	1,615	331
Group 2014					
Trade and other payables	16,211	16,211	16,211	-	-
Bank overdraft	-	-	-	-	-
Secured loans	78,129	86,078	42,629	43,222	228
Finance leases	9	10	10	-	-
Net settled derivatives (interest rate swap)	913	2,576	603	1,615	331
Council 2013					
Creditors and other payables	13,084	13,084	13,084	-	-
Secured loans	90,095	100,081	23,005	61,665	15,411
Net settled derivatives (interest rate swap)	2,631	5,669	1,256	3,539	874
Group 2013					
Trade and other payables	15,260	15,260	15,260	-	-
Bank overdraft	3	3	3	-	-
Secured loans	93,095	103,440	23,321	64,708	15,411
Finance leases	19	20	20	-	-
Net settled derivatives (interest rate swap)	2,631	5,696	1,256	3,539	874

Contractual maturity analysis of financial assets

The table below analyses financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Asset Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Council 2014					
Cash and cash equivalents	3,462	3,462	3,462	-	-
Trade and other loans and receivables	16,451	18,029	13,990	2,266	1,773
Government bonds	1,991	3,357	90	3,267	-
Term deposits	50,231	50,231	50,231	-	-
Embedded derivatives	1,002	966	34	932	-
Group 2014					
Cash and cash equivalents	4,850	4,850	4,850	-	-
Trade and other loans and receivables	21,299	22,999	18,960	2,266	1,773
Government bonds	1,991	3,357	90	3,267	-
Term deposits	50,231	50,231	50,231	-	-
Embedded derivatives	1,002	966	34	932	-
Council 2013					
Cash and cash equivalents	3,529	3,529	3,529	-	-
Trade and other loans and receivables	24,090	25,085	21,853	1,815	1,417
Government bonds	1,985	2,237	90	2,147	-
Term deposits	11,000	11,000	11,000	-	-
Embedded derivatives	958	932	34	898	-
Group 2013					
Cash and cash equivalents	4,210	4,210	4,210	-	-
Trade and other loans and receivables	28,424	29,446	26,214	1,815	1,417
Government bonds	1,985	2,237	90	2,147	-
Term deposits	41,219	41,219	41,219	-	-
Interest rate swaps	-	-	-	-	-
Embedded derivatives	958	932	34	898	-

Sensitivity analysis for Interest rate risk

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

	Surplus \$000	-100bps Other equity \$000	Surplus \$000	+100bps Other equity \$000
Council 2014				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(35)	-	35	-
Interest rate swaps	-	-	-	-
Term deposits	(502)	-	502	-
<i>Financial liabilities</i>				
Interest rate swaps	(1,465)	-	1,364	-
Secured loans	638	-	(638)	-
Bank overdraft	-	-	-	-
Total sensitivity	(1,364)	-	1,263	-
Other price risk				
<i>Financial assets</i>				
Government bonds	(30)	-	30	-
Total sensitivity	(30)	-	30	-
Council 2013				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(35)	-	35	-
Interest rate swaps	-	-	-	-
Term deposits	(110)	-	110	-
<i>Financial liabilities</i>				
Interest rate swaps	(2,190)	-	2,067	-
Secured loans	789	-	(789)	-
Bank overdraft	-	-	-	-
Total sensitivity	(1,546)	-	1,423	-
Other price risk				
<i>Financial assets</i>				
Government bonds	(29)	-	29	-
Total sensitivity	(29)	-	29	-

	Surplus \$000	-100bps Other equity \$000	Surplus \$000	+100bps Other equity \$000
Group 2014				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(49)	-	49	-
Interest rate swap	-	-	-	-
Government bonds	-	-	-	-
Term deposits	(502)	-	502	-
<i>Financial liabilities</i>				
Interest rate swap	(1,465)	-	1,364	-
Secured loans	668	-	(668)	-
Bank overdraft	-	-	-	-
Total sensitivity	(1,348)	-	1,247	-
Other price risk				
<i>Financial assets</i>				
Government bonds	(30)	-	30	-
Total sensitivity	(30)	-	30	-
Group 2013				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(42)	-	42	-
Interest rate swap	-	-	-	-
Government bonds	-	-	-	-
Term deposits	(412)	-	412	-
<i>Financial liabilities</i>				
Interest rate swap	(2,190)	-	2,067	-
Secured loans	819	-	(819)	-
Bank overdraft	-	-	-	-
Total sensitivity	(1,825)	-	1,702	-
Other price risk				
<i>Financial assets</i>				
Government bonds	(29)	-	29	-
Total sensitivity	(29)	-	29	-

Note 41: 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 ratepayers 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 ratepayers in future generations 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 Long Term Plan (LTP) and its annual budget to meet the expenditure needs identified in those plans. 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 LTP.

Selwyn District Council has the following Council created reserves:

- reserves for different areas of benefit (e.g. specific communities/townships)
- self-insurance reserves
- 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. Generally the release of these funds 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 42: Discontinued operation

Selwyn Investment Holdings Limited was placed in solvent liquidation on 4 September 2013. All assets were transferred to the Council by the liquidators during the financial year.

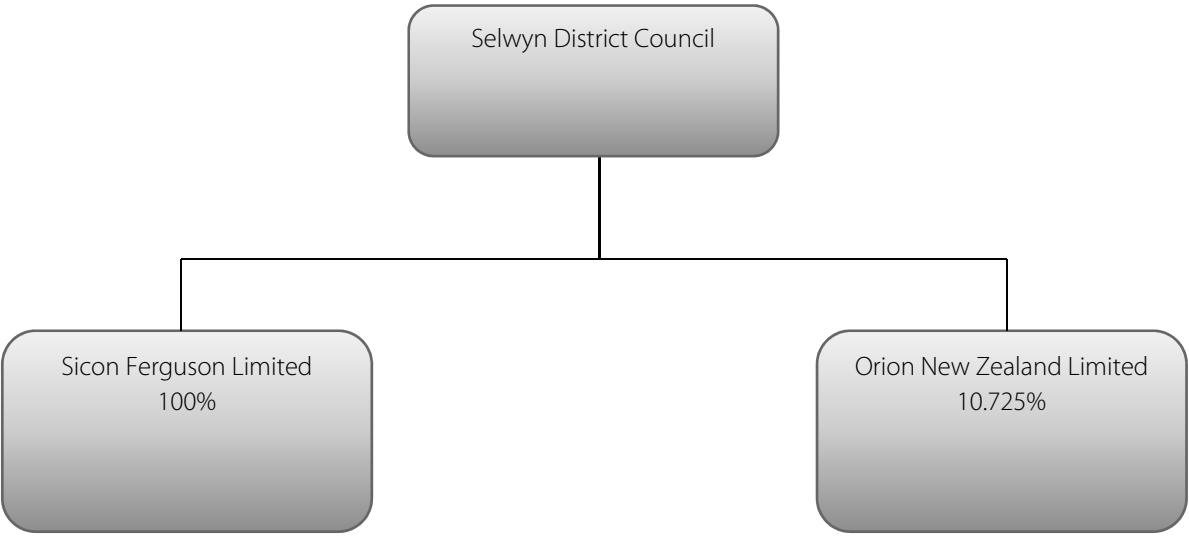
Disclosed below are the results of Selwyn Investment Holdings Limited for period up to when the company was placed into liquidation.

The 2013 comparative figures relate to the results of Selwyn Plantation Board Limited.

	Group 2014 \$000	Group 2013 \$000
Profits attributable to discontinued operations		
Operating revenue	-	20
Interest received	208	1,419
Other gains / (losses)	-	964
Fair value adjustment	-	-
Total revenue	208	2,403
Operating expenses	23	228
Depreciation, amortisation, and impairment	-	-
Impairment of assets	-	-
Finance costs	-	-
Total expenditure	23	228
Surplus / (deficit) before tax	185	2,175
Taxation expense	52	311
Surplus / (deficit) after tax	133	1,864
Other comprehensive income		
Property, plant and equipment revaluation gains	-	-
Total other comprehensive income	-	-
Total comprehensive income	133	1,864
	Group 2014 \$000	Group 2013 \$000
Cash flows from discontinued operation		
Opening cash balance	396	634
Net cashflows from operating activities	351	2,532
Net cashflows from investing activities	30,219	47,082
Net cashflows from financing activities	(30,966)	(50,248)
Closing cash balance	-	-

	Group 2014 \$000	Group 2013 \$000
Impact on the financial position from discontinued operation		
<i>Other current assets relating to discontinued operation:</i>		
Cash and cash equivalents	-	-
Trade and other receivables	-	-
Inventory and work in progress	-	-
Intangible assets	-	-
Other financial assets	-	-
Other current assets relating to discontinued operation	-	-
<i>Other current liabilities relating to discontinued operation:</i>		
Trade and other payables	-	-
Employee benefit liabilities	-	-
Provisions	-	-
Other current liabilities relating to discontinued operation	-	-

Financial interests



Community Trusts Administered by the Council:

- Central Plants Water Trust
- Tramway Reserve Trust
- Selwyn District Charitable Trust

Financial interests – Sicon Ferguson Limited

Relationship to the Council

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

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

Nature and scope of the company

Sicon Ferguson Limited is a supplier of asset management, maintenance and construction services. Consistent with its objective, the Company will pursue activities designed to ensure the efficient and prudent utilisation of its capital assets and human resources.

Objective

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

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

Key performance targets

The Company's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2014 is set out below:

	Status	Actual 2014	Target 2014
Return after tax on opening total assets	Not achieved	3.0%	10.1%
Return after tax to opening shareholder funds	Achieved	5.8%	20.5%
To maintain ISO 9001:2008 Quality Standard Certification	Achieved		
To maintain ACC WSMP Certification to Tertiary Level	Achieved		
To maintain NZS 4801 Safety Management Systems Certification	Achieved		
To maintain NZS 14001 Environmental Standard Certification	Achieved		

Summary of financial performance

	Actual 2014 \$000	Actual 2013 \$000
Revenue	40,089	46,597
Expenditure	39,482	44,612
Surplus / (deficit) before taxation	607	1,984
Surplus / (deficit) after taxation	607	1,984
Ordinary dividend	-	750

Financial interests – Orion New Zealand Limited

Relationship to the Council

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

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

Nature and scope of the company

Orion's activities are to:

- Construct and maintain a reliable and secure electricity distribution network in the Christchurch and Central Canterbury region.
- Provide efficient processes that support competition amongst electricity retailers and generators.
- Seek investment/acquisition opportunities in the infrastructure and energy sectors.
- Manage, grow and if appropriate, realise other subsidiary and associate company interests.

Objective

To operate as a successful business and provide shareholders with appropriate returns on their investments and pursue strategies that aim to ensure Orion's long-term success as a business.

Key performance targets

The Company's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 31 March 2014 is set out below:

Financial performance targets:

	Status	Actual 2014	Target 2014	Note
Net profit	Achieved	\$50.5m	\$37.0m	1,2
Net profit to average shareholders' equity	Achieved	7.4%	5.8%	1,2
Debt ratio	Achieved	9%	17%	3
Equity ratio	Achieved	91%	83%	3
Fully imputed dividends	Achieved	\$34.0m	\$34.0m	4

Note 1 – the group's net profit for the year ended 31 March 2014 was \$13.5 million above its SOI target due, primarily to the following favourable variances:

	\$m Post tax
Below budget expenses	6.7
Above budget electricity distribution network delivery revenue	2.6
Above budget profit on sale of former CBD head office site	1.6
Above budget upwards revaluation of property plant and equipment	1.4
Above budget Connetics net profit	1.3
Below budget net interest expense	1.3
Below budget depreciation expense	0.9
Above budget gain on the value of interest rate swaps	0.9
Below budget cash contributions to undergrounding	(1.7)
Below budget vested asset acquisitions – no longer recognised as revenue	(3.2)
Other net differences	1.7
	13.5

Note 2 – the group's net profit for the year ended 31 March 2014 was \$1.5 million below last year's net profit due, primarily to the following variances:

	\$m Post tax
Higher electricity distribution network delivery revenues in 2014	6.6
Profit on sale of former CBD head office site in 2014	1.6
Higher Connetics net profit in 2014	1.6
Upwards revaluation of property, plant and equipment in 2014	1.6
Change in deferred tax treatment of building depreciation in 2013	(1.1)
Higher depreciation expense in 2014	(1.4)
Final proceeds from 4RF Communications Limited (in receivership) in 2013	(1.8)
Insurance cash settlement revenues in 2013	(1.8)
Higher expenses in 2014	(2.1)
Vested asset acquisitions no longer recognised as revenues in 2014	(3.2)
Other net differences	1.5
	1.5

Note 3 – Debt is defined as interest bearing group borrowings, net of cash and cash equivalents. Equity is defined as shareholders' equity.

Note 4 – The Company pays dividends to its shareholders after taking into account the company's financial position, profitability and future investment requirements. Any dividends paid to shareholders are determined by the board after consideration of the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993. The company paid fully imputed dividends of \$17.0m on 20 June 2013 and \$17.0m on 20 December 2013, consistent with the company's SOI target.

Network reliability targets:

	Number of customer connections 31 March 2014	Affected by earthquakes			Unaffected by earthquakes	
		Actual 2014	Target 2014	Actual 2013	5 year average	Gazetted average 2013
Orion network interruptions in minutes per year per connected customer (SAIDI):						
- Urban	162,500	150	99	33	18	
- Rural	26,500	2,604	415	536	493	
- Overall	189,000	474	106	94	75	121
Number of supply interruptions per year per connected customer (SAIFI):						
- Urban	162,500	0.6	1.6	0.5	0.3	
- Rural	26,500	5.8	3.6	4.4	3.3	
- Overall	189,000	1.3	1.4	1.0	0.6	1.4

Comments:

- Three severe weather events adversely affected the company's network reliability in 2014, in particular a severe wind storm on 10 September 2013. The vast majority of network outages in the wind storm were caused by branches and entire trees coming into contact with power lines, sometimes from the other side of the road. The company estimates that this wind storm caused around 60 million minutes of outages for our customers; reasonably close to the 88 million minutes caused by the 4 September 2010 earthquake.
- All figures in the "affected by earthquakes" columns above are stated gross, and so exclude "major event day" adjustments allowed under the Commerce Commission's regulatory information disclosure requirements.
- The gazetted industry averages noted above are for all New Zealand electricity distribution networks and include rural and urban networks. The company's network includes a significant rural component.

- SAIDI and SAIFI are standard industry measures for network reliability.

SAIDI: system average interruption duration index – the average duration of supply interruptions that each consumer experiences.

$$\text{SAIDI} = \frac{\text{Sum of (number of interrupted consumers x interruption duration)}}{\text{Average number of connected consumers}}$$

SAIFI: system average interruption frequency index – the average number of supply interruptions that each consumer experiences.

$$\text{SAIFI} = \frac{\text{Sum of number of interrupted consumers}}{\text{Average number of connected consumers}}$$

Earthquake recovery and disaster resilience targets:

- Repair the company's damaged underground cables. (Status: On track).*
- Lay and commission a permanent 66kV feed from the Bromley grid exit point to the Dallington and Rawhiti zone substations. Then remove the temporary 66kV overhead lines that the company installed after the 22 February 2011 earthquake. (Status: Part complete).*
- Work with the Canterbury Earthquake Recovery Authority (CERA) and the Christchurch City Council to re-establish power and network resiliency to the central business district (CBD) according to agreed priorities and timeframes. (Status: On track).*
- Construct and move into a new office building built to level 4 (lifelines) standard and develop a back-up 'hot site' emergency location. (Status: Achieved).*
- Continue to support the key regional earthquake recovery planning documents. (Status: On track).*

Environmental targets:

- Continue to undertake and encourage demand side management. (Status: On track).*
- Continue support for and sponsorship of Community Energy Action (CEA). (Status: On track).*
- Support the Christchurch City Council's sustainable energy strategy. (Status: On track).*

Community and employment targets:

- No work related lost time accidents for employees and contractors. (Status: Not achieved).*
- No injury accidents involving members of the public (excludes car versus pole traffic accidents). (Status: On track).*
- Continue with a local public safety education and awareness programme in the safe use of electricity. (Status: On track).*
- Undertake an annual formal employee survey and follow up on the results. (Status: Survey complete, ongoing processes to work through the results).*
- Achieve voluntary annual staff turnover of less than 5% for Orion and less than 10% for Connetics. (Status: Achieved).*
- Continue with the engineering development programme. (Status: On track).*
- Continue to develop the Connetics apprentice scheme. (Status: On track).*
- Continue to support the CPIT Trades Innovation Centre. (Status: On track).*

Summary of financial performance

	Actual 2014 \$000	Actual 2013 \$000
Revenue	268,362	261,094
Expenditure	199,280	195,374
Surplus / (deficit) before taxation	69,082	65,720
Surplus / (deficit) after taxation	50,455	48,991
Ordinary dividend	32,000	34,000

Financial interests – Selwyn District Charitable Trust

Relationship to the Council

The Selwyn District Charitable Trust is a Council Controlled Organisation (CCO) of the Council.

Nature and scope of activities

The Trust receives funds in the form of charitable donations and makes them available for the charitable activities of the Council.

Key performance targets

The Trust's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2014 is set out below:

- *The Trust aims to distribute all the funds it receives in the year of receipt.*

During the period the Trust received a total of \$48,737 (2013: \$394,100) in donation revenue. The Trust has distributed \$98,058 (2013: \$408,782) to the Selwyn District Council during the year and \$3,200 to the Leeston 150th Committee. The donations received by the Trust during the year are to be used for the benefit of the Selwyn Aquatic Centre and the Leeston 150th celebrations.

The Trust distributed the donations received for the benefit of the Selwyn Aquatic Centre during the year. This included an interest component earned on these donations. At year end there was \$10,745 (2013: \$63,143) in donations and interest revenue payable to Selwyn District Council.

- *The Trust aims to achieve investment returns in line with those achieved by the Council.*

The Trust earns interest on donations received at the prevailing interest rates in the Trust's current accounts. Funds are distributed to the Council on a regular basis to ensure that appropriate investment returns are received on balances held prior to being used for their intended purpose.

Summary of financial performance

	Actual 2014 \$000	Actual 2013 \$000
Revenue	49	394
Expenditure	49	394
Surplus / (deficit) before taxation	-	-

Financial interests – Central Plains Water Trust

Relationship to the Council

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

Nature and scope of activities

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

The Trust holds all necessary resource consents for the Central Plains Water Scheme.

Objective

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

Key performance targets

The Trust's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2014 is set out below:

- *To provide assistance to Central Plains Water Limited and monitor progress obtaining the necessary resource consents for the Central Plains irrigation scheme on behalf of the Trust.*

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 has also monitored legal matters undertaken by the company and where necessary has obtained independent legal advice, and has obtained and recorded copies of all agreements in relation to the Scheme which concern the Trust, including security instruments in relation to the company's funding arrangements to which the trust has been a party, and of other relevant documentation to which it is entitled.

- *To consult, develop scheme recreational opportunities and environmental community enhancers.*

Priority has been directed towards assisting the company with its funding requirements by making the resource consents available as a security in limited circumstances, so that the construction of Stage 1 could proceed on time. Before doing so the Trustees took legal advice to ensure that the documentation was correct and appropriate, and that the trust had the legal powers necessary under the trust deed.

The Trust has not held a public meeting during the year. The trustees decided that because attendance is so low at such meetings, it was no longer effective to use that means of communicating with the public on issues affecting the trust's work. Instead the trustees have resolved to establish a new website for this purpose. Investigations on the costs and of funding were commenced during the year.

- *The Trustees' will prepare an annual budget and will report the financial results.*

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

Summary of financial performance

	Actual 2014 \$000	Actual 2013 \$000
Revenue	80	44
Expenditure	80	44
Surplus / (deficit) before taxation	-	-

Financial interests – Tramway Reserve Trust

Relationship to the Council

Tramway Reserve Trust is a Council Controlled Organisation (CCO) of the Council.

Nature and scope of activities

Tramway Reserve, at the end of Tramway Reserve Road, will be subject to restoration and enhancement to be led by the Tramway Reserve Trust. The restoration project was agreed as mitigation for the past and on-going use of Tramway Reserve Drain for 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.

Key performance targets

The Trust's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2014 is set out below:

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

The Trust continued with its monitoring role to ensure the Tramway Reserve Waterway is maintained in its natural state and that public access was available.

Summary of financial performance

	Actual 2014 \$000	Actual 2013 \$000
Revenue	-	2
Expenditure	-	2
Surplus / (deficit) before taxation	-	-

Independent Auditor's Report

To the readers of Selwyn District Council's and group's annual report for the year ended 30 June 2014

The Auditor-General is the auditor of Selwyn District Council (the District Council) and group. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand to audit:

- The financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2014 on page 55;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014 on pages 53 to 54 and pages 56 to 57;
 - the funding impact statement of the District Council on page 9;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 10 to 45; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 58 to 125.
- The statement of service provision (referred to as "significant activities") of each group of activities carried out by the District Council on pages 10 to 45.
- The disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 47 to 52.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- Information about:
 - internal borrowing on page 97;
 - council-controlled organisations on page 124 to 133;
 - reserve funds on page 99 to 104;
 - each group of activities carried out by the District Council on pages 10 to 45;
 - remuneration paid to the elected members and certain employees of the District Council on page 113 to 114;
 - employee staffing levels and remuneration on page 76;
 - severance payments on page 114;
 - rating base units on page 52; and
 - insurance of assets on page 52.

- A report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 8.
- A statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 7.

Opinion

Audited information

In our opinion:

- The financial statements of the District Council and group on pages 53 to 57:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's and group's financial position as at 30 June 2014; and
 - the results of the operations and cash flows for the year ended on that date.
- The funding impact statement of the District Council on page 9, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 10 to 45, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The Significant Activities statements of the District Council on pages 10 to 45:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the District Council's levels of service for the year ended 30 June 2014, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The funding impact statements in relation to each group of activities of the District Council on pages 10 to 45, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- The disclosures on pages 47 to 52 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 22 October 2014. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and significant activities. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported significant activities within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result, we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- Financial statements and significant activities that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows; and
 - fairly reflect its service performance, including achievements compared to forecast.
- A funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.

- Funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- Statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- Disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014.
- The other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, we have no relationship with or interests in the District Council or any of its subsidiaries.



John Mackey
Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand

Council information

Mayor and Councillors

Mayor		Deputy Mayor (Selwyn Central Ward Councillor)	
Kelvin Coe	513 The Lake Road RD 3 LEESTON 7683 (H) (03) 329 1768 (C) 027 267 7732 kelvin.coe@selwyn.govt.nz	Sarah Walters	143 Midhurst Road RD 1 CHRISTCHURCH 7671 (H) (03) 318 1227 (C) 027 270 1215 sarah.walters@selwyn.govt.nz
Selwyn Central Ward		Springs Ward	
Mark Alexander	478 Two Chain Road RD 7 CHRISTCHURCH 7677 (H) (03) 347 6393 (F) (03) 347 6392 (C) 027 526 6388 mark.alexander@selwyn.govt.nz	Debra Hasson	152 Chamberlains Road RD 4 CHRISTCHURCH 7674 (H) (03) 329 5445 (C) 027 435 5055 debra.hasson@selwyn.govt.nz
Jeff Bland	Weedons Road RD 8 CHRISTCHURCH 7678 (H) (03) 347 4070 (C) 027 399 9206 jeff.bland@selwyn.govt.nz	Malcolm Lyall	520 Springs Road PREBBLETON 7604 (H) (03) 349 7990 (C) 027 433 9964 malcolm.lyall@selwyn.govt.nz
Peter Hill	1316 Tramway Road RD 2 LEESTON 7682 (H) 325 4450 (C) 027 364 5834 peter.hill@selwyn.govt.nz	Grant Miller	939 Christchurch Akaroa Road RD 2 CHRISTCHURCH 7672 (H) (03) 329 6123 (C) 027 381 7032 grant.miller@selwyn.govt.nz
Malvern Ward		Ellesmere Ward	
Sam Broughton	275 Waireka Road RD1 DARFIELD 7571 (H) (03) 318 8284 (C) 027 223 8345 sam.broughton@selwyn.govt.nz	Pat McEvedy	80 St John Street SOUTHBRIDGE 7602 (H) (03) 324 2572 (C) 027 430 3818 pat.mcevedy@selwyn.govt.nz
John Morten	224 Waireka Road RD 1 DARFIELD 7571 (H) (03) 317 9001 (F) (03) 317 9002 (C) 027 200 2578 john.morten@selwyn.govt.nz	Nigel Barnett	176 Dunsandel/Hororata Road Dunsandel, RD 2 LEESTON 7682 (H) (03) 325 4205 (C) 027 484 4888 nigel.barnett@selwyn.govt.nz

Community Board Members

Malvern Community Board		Selwyn Central Community Board	
Jenny Gallagher (Chairperson)	43 Tramway Road RD 1 DARFIELD 7571 (H) (03) 318 1784 (C) 027 497 0120 jenny.gallagher@selwyn.govt.nz	Diane Chesmar (Chairperson)	273 Telegraph Road RD 7 CHRISTCHURCH 7677 (H) (03) 344 0418 (C) 021 0292 6588 diane.chesmar@selwyn.govt.nz
Bob Mugford (Deputy Chairperson)	16 Gift Street COALGATE 7673 (H) (03) 318 2877 bob.mugford@selwyn.govt.nz	Bruce Russell (Deputy Chairperson)	Wendouree 123 Finlays Road RD 5 CHRISTCHURCH 7675 (H) (03) 347 9692 bruce.russell@selwyn.govt.nz
Mary Ireland	3D Perrin Place DARFIELD 7510 (H) (03) 318 8649 (F) (03) 318 8648 mary.ireland@selwyn.govt.nz	Alan French	23 Delamare Way ROLLESTON 7614 (H) (03) 347 2338 (C) 027 664 4305 alan.french@selwyn.govt.nz
Judith Pascoe	40 Scott Drive RD 1 DARFIELD 7571 (H) (03) 318 8260 (C) (03) 021 152 2900 judith.pascoe@selwyn.govt.nz	Nicola Peacock	801 East Maddisons Road ROLLESTON 7614 (H) (03) 347 9854 (C) 021 132 0321 nicola.peacock@selwyn.govt.nz
Kerry Pauling	231 Keens Road RD 1 SHEFFIELD (H) (03) 318 4048 (C) 021 0225 5974 kerry.pauling@selwyn.govt.nz		

Where to go for more information

This 2014/2015 annual report is also available at www.selwyn.govt.nz or you can get a copy at any Selwyn District library or service centre (see list below).

Customer services	
For general enquiries, assistance and information, telephone (03) 347 2800 or (03) 318 8338	
Website	Selwyn District Council Offices
www.selwyn.govt.nz	2 Norman Kirk Drive PO Box 90 ROLLESTON 7643
Service Centres	
Leeston Library / Service Centre High Street Private Bag 1 LEESTON Phone: (03) 347 2820	Darfield Library / Service Centre 1 South Terrace DARFIELD 7510 Phone: (03) 318 8338
Lincoln Library / Service Centre Gerald Street LINCOLN 7608 Phone: (03) 347 2875	Rolleston Library / Service Centre Rolleston Drive ROLLESTON 7614 Phone (03) 347 2880
Auditors	Bankers
Audit New Zealand PO Box 2 CHRISTCHURCH 8140 On behalf of the Auditor-General	Westpac PO Box 2721 CHRISTCHURCH 8140
Solicitors	Sister districts
Buddle Findlay PO Box 322 CHRISTCHURCH 8140	Akitakata City City Offices, Yoshida 791 Yoshida Cho, Hiroshima 731 0592 JAPAN
	Town of Yubetsu Minatomachi 31, Yubetsu-Cho Monbetsu-gun, hokkaido 099 640, JAPAN The Malvern Community Board has been delegated the authority to facilitate relationships with Yubetsu-Cho.
	Shandan County Government North Road No 3 Qingquan Town Shandan County Gansu Province CHINA 734100

Council controlled trading organisations

Council companies

Sicon Ferguson Limited
(100% owned by Selwyn Investment Holdings Limited)

3 South Terrace

PO Box 40

DARFIELD 7541

Phone: (03) 324 3068 or (03) 318 8320

Fax: (03) 318 8578

Email: sicon@sicon.co.nz

Website: www.sicon.co.nz

Board (as at 30 June 2014)

P Carnahan (Chairperson)

N McBreen

J Morten

Other council organisations

Central Plains Water Trust
(50% owned by Selwyn District Council)

PO Box 90

ROLLESTON 7643

Phone: (03) 347 2800

Fax: (04) 347 2799

Trustees (as at 30 June 2013)

DJ O'Rourke (Chairperson)

DJ Catherwood

RW Davison

DAR Haslam

V Smart

C Williams

Izone Southern Business Hub

Council committee established to develop an industrial park at Rolleston

PO Box 90

ROLLESTON 7643

Phone: (03) 347 2800

Fax: (03) 347 2799

Website: www.izone.org.nz

Committee Members (as at 30 June 2013)

JB Morten (Chairperson)

JL Christensen

WJ Bell

S Price

R McEwan

Chief Executive

RD Hughes Developments Limited

Attention: Robin Hughes

Phone: (03) 379 2609

The Council Manager responsible

Douglas Marshall - Manager Corporate Services

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.



PO Box 90, Rolleston 7643

Ph: (03) 347 2800

www.selwyn.govt.nz

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Council *(June 2014)*

Kelvin Coe *(Mayor)*

Sarah Walters *(Deputy Mayor)*

Debra Hasson

Grant Miller

Jeff Bland

John Morten

Malcolm Lyall

Mark Alexander

Nigel Barnett

Pat McEvedy

Peter Hill

Sam Broughton

Community Boards *(June 2014)*

Malvern

Jenny Gallagher *(Chairperson)*

Bob Mugford

Judith Pascoe

Kerry Pauling

Mary Ireland

Selwyn Central

Diane Chesmar *(Chairperson)*

Alan French

Bruce Russell

Nicola Peacock