



Selwyn District Council

Annual Report

2019/20

selwyn.govt.nz





Lake Coleridge

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From the Mayor and Chief Executive

Dear Selwyn ratepayers and residents

Prior to the Covid-19 pandemic Selwyn was on track to continue its trend leading the pack in economic growth across New Zealand. The first three quarters of the 2019/20 financial year showed steady growth and a buoyant economy – but the last quarter all but cancelled out gains made up to that point. Despite a difficult end of year quarter for the country, the net result was that Selwyn was one of only 11 councils across New Zealand that recorded a growth in GDP, at 1.3%.

Growth in the face of Covid-19 can be attributed to a combination of good fortune and prudent stewardship. Good fortune in that that our economy does not lean to heavily on tourism and our land lends itself to a strong primary industry sector. And good stewardship from the Council which has invested wisely over the past decade, taking us into this pandemic on a robust economic footing with strong cash reserves. The resilience of our primary industries bolstered our position and 75% of Selwyn's workforce were back at work during level 3. It also helps that we have a diversified economy spanning many sectors.

Our financial response to the crisis was to increase our cash holdings, tighten our belts and carefully monitor income and expenditure. We reduced our planned rates increase to reflect ratepayer's needs and expectations, while maintaining a realistic approach to ongoing funding requirements, eventually settling on an average increase of 1.6%.

Many income streams took a downturn in the last quarter. Reduced use of facilities, limited hire and rental charges and a reduction in investment dividends all contributed to a reduction totaling \$2.6 million. Despite these losses total revenue for the year was \$190.6 million, representing a 23% increase on budget. Development contributions, fees and charges relating to building and resource consent activity and land sales revenue were some of the high revenue items that contributed to this welcome leap in income.

Notable successes of the year have been the commencement of Te Ara Ātea, Rolleston town centre and Selwyn Sports Centre, at a combined investment of \$43 million. These aspirational projects, along with others such as our new health Hub will bring significant benefits to quality of life for the residents of Selwyn.

Selwyn has also cemented its place as a leading council within Local Government by securing chairing roles for Mayor Broughton with both the Canterbury Mayoral Forum and LGNZ Zone 5 member authorities.

This has been a challenging year for the Council and there is no doubt the long term effects of the pandemic will be felt for some time to come. Notwithstanding this fact the Selwyn team of 66,000 have risen to the challenge and have emerged stronger than most. So to all those who were instrumental in getting us back on our feet and looking positively to a great future, thank you.



Sam Broughton, Mayor



David Ward, Chief Executive





David Ward and Mayor Sam Broughton



Rakaia Gorge



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 2018–2028 that was adopted on 20 June 2018.

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 rūnanga-owned entity and 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 rūnanga staff.

The Council will also continue to schedule quarterly meetings to engage with and share information with Te Taumutu Rūnanga.

Selwyn District Council is a signatory to the Te Waihora Co-governance Agreement between Te Rūnanga o Ngāi Tahu, Canterbury Regional Council, Selwyn District Council, Christchurch City Council and the Department of Conservation, which provides for an enduring, collaborative relationship that includes shared exercise of functions, duties and powers.

The Council is also a partner in the Greater Christchurch Partnership which comprises the councils in the Greater Christchurch area (Christchurch City, Selwyn and Waimakariri Districts and Environment Canterbury), along with Te Rūnanga o Ngāi Tahu, the NZ Transport Agency (NZTA), the Canterbury District Health Board and the Greater Christchurch Group from within the Department of the Prime Minister and Cabinet (DPMC). The partnership has been working collaboratively for over a decade to tackle urban issues and manage the growth of the City and its surrounding towns.

The year in review

\$113.5 million

total expenditure

(compared with budget of \$115 million)

\$26.2 million

received in development
contributions revenue

(compared with budget of \$15.6 million)

\$64.6 million

rates revenue levied

(compared with budget of \$63.5 million)

\$1.82 billion

total Council net assets

(2019 \$1.63 billion)



Te Waihora/Lake Ellesmere

Financial performance

Selwyn District Council continued to experience high levels of population and economic growth during the 2019/20 financial year. The financial results for the year are a reflection of the success of the district as a whole.

Expenditure for the year was \$113.5 million compared with the budget of \$115.3 million. The main variances compared with budget were:

- Finance costs \$1.9 million below budget, due to a reduced borrowing requirement due to positive cash flows and some capital projects that have not yet been completed.
- Depreciation and amortisation expenditure \$2.6 million below budget largely due to the timing of completion of some significant capital projects.
- Cost of sales \$850,000 million higher than budget due to the sale of land in the Izone Southern Business Hub being ahead of budget.
- Subsidised maintenance and operational expenditure \$2.7 million higher than budget.
- Impairment of property, plant and equipment \$597,000 higher due to the demolition of some Council held properties in Lincoln and Darfield to allow for development.

Revenue for the year was \$190.6 million compared with the budget of \$146.9 million. The main variances compared with budget were:

- Rates revenue was \$1.1 million above budget due to higher levels of population growth in the district compared with those projected in the budget.
- Dividend revenue was \$1.3 million below budget due to lower dividend revenue received from Orion New Zealand Limited during the year. Orion delayed the declaration of their 2020/21 interim dividend until September and will therefore be received during the 2020/21 financial year. The reduction in the dividend revenue received from Orion was partially offset by higher dividend revenue received from Sicon Limited.

In our revenue statement we have also incorporated a number of extraordinarily high revenue items including:

- Development contributions revenue \$10.6 million above budget as the level of housing development in the district continues to be 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.
- Fees and charges revenue \$1.1 million above budget due to building and resource consent revenue being higher than forecast due to growth in the district.
- Vested asset value \$25.8 million higher than budget due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the Council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- Land sales revenue was higher than budget by \$3.3 million due to the sale of land in the Izone Southern Business Hub being above what was budgeted.
- Gains from the movement in the fair value of investment property were \$1.1 million above budget largely due to the movement in the valuation of the Council's investment property.
- Gains on the disposal of property, plant and equipment and property intended for sale was \$0.4 million above budget.

Service performance

341,292

visits to Council pools and
Selwyn Aquatic Centre

7.87 million

cubic metres of water supplied
to households

66.2 km

road resealing completed

63%

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



Selwyn Aquatic Centre



Our services

Throughout the 2019/20 year, the Council has continued to provide services that help make Selwyn a great place to live. Some of the things we do every day include:

- Maintaining around 2,640 kilometres of roads.
- Providing rubbish and recycling services to more than 23,000 households. More than 90% of residents rated these services as good or very good.
- Providing and maintaining 516 reserves and playgrounds, and 706 hectares of recreation reserves. 89% of people living in Selwyn visited a park last year.
- Providing and running the Selwyn Aquatic Centre and community pools. A total of 341,292 admissions were recorded at Selwyn Aquatic Centre, Southbridge Pool and Darfield Pool – equivalent to 4.78 swims for each Selwyn resident, despite temporary closures due to Covid-19.
- Providing and maintaining 27 community centres and halls. 75% of residents have used a community centre or hall this year.
- Operating a district network of libraries in Darfield, Lincoln, Leeston, Rolleston and a mobile outreach service, and assisting two volunteer libraries. 85% of users rated libraries services as good or very good.
- Issuing building and resource consents. 98% of resource consents and 94% of building consents were issued on time. The average time to process a building consent in the past year was 15 working days compared to the statutory timeframe of 20 working days.
- Operating 29 community water supplies, supplying clean, safe drinking water to 78% of the district's population.

Making progress on our Long-Term Plan

In our Long-Term Plan 2018–2028 we consulted with the community on a number of significant new projects. Here's how some of these have progressed during the year to 30 June 2020.

Te Ara Ātea and Rolleston town centre

Construction is now well under way on Te Ara Ātea – the new library and community facility in Rolleston. Te Ara Ātea is a landmark project in the new town centre, which will include a town square and spaces for community gatherings, events and recreation, carparking and a pedestrian promenade, as well as retail, hospitality and commercial development. Te Ara Ātea, and the town centre developments, are expected to be completed in the middle of 2021. A number of roading projects critical to the town centre development are also in progress for completion during 2020.

Planning for the next phase of the development, the new commercial, retail, hospitality and entertainment areas that surround Te Ara Ātea and the town square, is well under way. This work will continue over the coming year, so that we are well paced to proceed with this project once the initial economic shock caused by the Covid-19 pandemic subsides. Further consultation on the commercial development will be undertaken before the project proceeds.

Selwyn Sports Centre complex at Foster Park

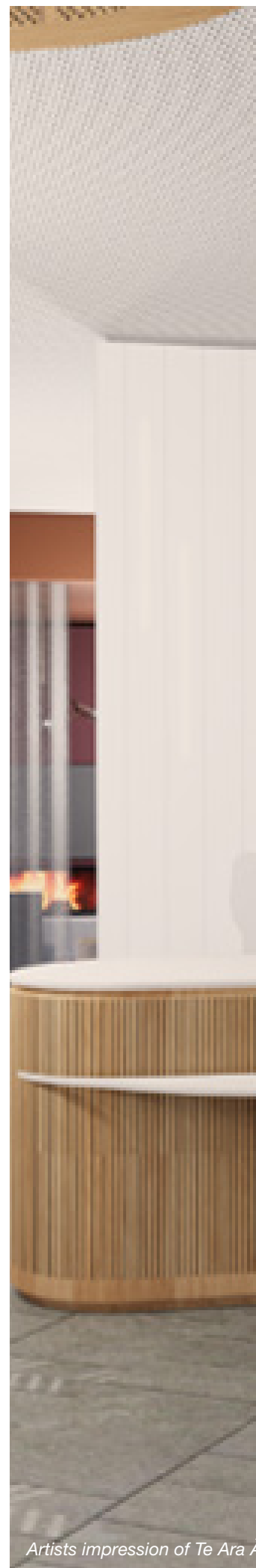
In late 2019 work started on the new Selwyn Sports Centre complex at Foster Park. This facility is expected to be ready for use in 2021 and will assist in meeting the rapidly growing need for indoor sports facilities in Selwyn. It includes eight courts, multi-use space, an indoor walking track, changing rooms, administration areas and public toilets servicing the Foster Park fields.

Selwyn Aquatic Centre extension

Users of the Aquatic Centre can look forward to significantly increased capacity when the new extension is completed. The new 10-lane, 25-metre pool currently in construction will more than double the current lane capacity and accommodate increasing demand from aquafitness, casual swimming, deep water and other activities.

Selwyn Health Hub

Initial groundworks began in early 2020 for the new Health Hub, located opposite the Council offices in Rolleston. The Council, the Canterbury District Health Board and Pacific Radiology have agreed plans to build and fit out the hub, which will provide space for health providers and related services to locate in Selwyn, offering improved access to health services for the growing community.



Artists impression of Te Ara Ātea

Service highlights 2019/20

Year of growth and resilience

Selwyn's sustained economic and population growth has continued over the past year – despite the impacts of the Covid-19 global pandemic.

The district was one of only 11 districts across New Zealand where gross domestic product (GDP) grew over the past year, up 1.3% in the year to June 2020. Across Canterbury, by comparison, GDP fell by 2.3% and by 2.1% nationally. GDP declined by 11.2% in the June quarter, but this was offset by strong growth in the preceding quarters.

Initial forecasts prepared during Covid-19 lockdown suggested that although Selwyn would see significant economic impacts over time, including declining employment and productivity, these would not be as hard-hitting as in other districts. Selwyn's economy is diversified across many industries and has a strong agricultural foundations, while its tourism sector is relatively small and not as reliant on international tourism, which is expected to fall dramatically. It is also expected that in the coming year, primary sector exports will hold up and food product manufacturing may even expand slightly.

Remarkably, as the financial year drew to a close and the district emerged from lockdown, the Council was continuing to receive and process high levels of building and resource consent applications. Overall in the year to June 2020, a total of 2,645 building consents were issued and 737 resource consent applications processed – both increases on the previous year. The number of residential building consents increased by 45.2% during the year, over the same period a year ago.

House sales rose by 8% and house prices by 2%. Consumer spending in Selwyn for the year to June was up by 3%, compared to a 2.8% decline nationally.

Agriculture, manufacturing and construction continue to be the major contributors to economic activity. Unemployment in Selwyn averaged 2.3% for the financial year, well below the national rate of 4.1%. It is estimated there are around 6,700 businesses in Selwyn, with around 21,500 full time employees.

District Plan review reaches milestone

The review of our district planning “rule book” has progressed this year to a key milestone. Following initial consultation in 2018, the Council has undertaken widespread engagement with landowners and stakeholders on draft rules and policies. The Proposed District Plan is nearing completion and will be ready for formal notification and submissions later in October 2020. Following those stages of the process, hearings are scheduled for early 2021. It’s expected that the Proposed District Plan will be fully in place, subject to any Environment Court appeals, by mid-2022.

Meeting needs of growing communities

With a growing population and continuing high levels of internal migration, the Council is continuing to prioritise services and programmes that help to build strong and cohesive communities. A total of 16,985 residents attended 90 different events across the district – well up on last year’s attendance, despite many events being cancelled due to Covid-19 lockdown. Events ranged from the popular Summer in Selwyn programme, to the colourful CultureFest celebration and a wellbeing expo for older residents.

The Council has extended its online Business Directory to encourage local businesses and residents to “think local” when buying goods or services. This platform was particularly useful in the period following lockdown, to encourage residents to support local businesses.

A new website, branding and campaigns for Selwyn’s visitor promotion activity was launched this year – Selwyn – from the land. This has proved highly effective with 10 seasonal promotion campaigns, new Visitors Guide and Recreation Guide and ongoing online activity promoting Selwyn as a destination – particularly to local visitors in the post-Covid period.

A total of 67 initiatives received funding through the Selwyn Community Grants Fund, while the Council also supported six Selwyn secondary school leavers through its Tertiary Scholarships Fund. In November 2019 the Council signed the Accessibility Charter, outlining its commitment to ensuring access to all residents.

Construction on major new community facilities has progressed during the year, including Te Ara Ātea in Rolleston’s town centre, the indoor sports complex at Foster Park, extension to the Selwyn Aquatic Centre, and the Selwyn Health Hub. Despite some delays due to Covid-19 restrictions, these projects are well on track to meet their scheduled completion dates in 2021.

Selwyn’s open space network has continued to expand to meet the recreation needs of residents. A substantial number of new reserves and playgrounds have been added this year as a result of residential development. This has seen the total area of neighbourhood reserves and green linkages increase by nearly 8 hectares. Planning and design work was carried out for a new multi-function park in Birches Road, Prebbleton, and on an extension for Kirwee Recreation Reserve.

The district’s network of community centres and halls continues to be well used by residents. In the past year the Council has launched a new online bookings system centres and halls and has also taken over operational oversight of a number of additional Council owned facilities.

Many of the district’s facilities and community recreation activities were affected by the Covid-19 pandemic restrictions, which disrupted programmes for nearly three months. Visits, enrolments and participation in many programmes were lower than anticipated but still positive, reflecting the value residents see in the connection, support and recreation opportunities these facilities provide.

This year was the first in which Selwyn libraries were operating with consistent and longer opening hours across seven days, including additional weekend and late night hours. These changes contributed to a 20% increase in the monthly average foot traffic across the district, while the average number of items borrowed also increased, against national trends.

One benefit of the Covid-19 restrictions, however, was the introduction of new ways of delivering services and programmes across libraries and recreation facilities. Council staff responded quickly and creatively to produce and stream a range of online classes, courses and activities via the web and social media – which were very well received. For libraries, the total number of digital visits increased by 18% from the 2018/19 year, while website visits increased by 40,000 sessions, and e-borrowing increased by 36%.





Infrastructure

During 2019/20 Selwyn maintained its standing as one of the fastest-growing districts in New Zealand, placing pressure on the Council to continue providing for core infrastructure to meet current and future demand. In the year to June 2020 traffic flows in Selwyn increased by 1.3%, despite a significant decrease in the final quarter due to Covid-19 restriction. This was well ahead of the national average which decreased by 2.1%.

The Council completed or progressed a number of key roading projects including Stage 2 of the Tennyson Street upgrade in Rolleston, and the construction of Russ Drive for Araria Springs primary school in Lincoln, which were completed in the 2019/20 financial year, along with 66.2km of sealed road resurfacing and 25km of unsealed road metaling. The signalisation works at the Lowes/Goulds/Springston Rolleston/Tennyson intersection were scheduled for completion this year but were delayed due to lockdown restrictions and the intersection was completed at the end of July 2020.

Replacement of around 5,800 old and inefficient street lights with new, energy efficient LED versions continued, with a further 2,700 installed this year.

The Council continues to provide comprehensive solid waste management regime for more than 23,000 Selwyn households. During the year there was a 7% decrease in the total amount of residual waste per head of population compared with the previous financial year, primarily due to a reduction in commercial waste received at Pines Resource Recovery Park, exacerbated by the effects of Covid-19. Work has begun on the Reconnect project at Pines Resource Recovery Park, to expand and improve facilities at the district's primary resource recovery park.

The Council has continued its programme of water quality and water treatment improvements, with protection of water schemes through filtration, UV treatment and chlorination, where needed, being progressed through the year. Planning has progressed for the construction of two additional solar drying hall lanes at the Pines Wastewater Treatment Plant. This project, starting in 2020/21, will cater for continuing population growth in our eastern urban centres, and will effectively double the capacity of the sludge solar drying process.

2020 Residents Survey

63%

Satisfied with overall
Council performance

(2019: 69%)

92%

Agree Selwyn is a great
place to live

(2019: 93%)

Waste management (users)

 **82%** Resource Recovery Park
(2019: 85%)

 **91%** Organic collection
(2019: 89%)

 **94%** Rubbish collection
(2019: 97%)

 **90%** Recycling
(2019: 92%)

Water services (users)

 **82%** Wastewater
(2019: 76%)

 **76%** Water supplies
(2019: 70%)

 **59%** Urban stormwater
(2019: 52%)

 **48%** Water races
(2019: 46%)

Community facilities (users)

 **87%** Council swimming pools
(2019: 85%)

 **84%** Parks and reserves
(2019: 81%)


 **85%** Libraries
(2019: 85%)

 **86%** Children's playgrounds
(2019: 86%)

 **69%** Public halls
(2019: 73%)

Land transport (all residents)

 **50%** Cycleways
(2019: 44%)

 **39%** Safer roads and footpaths
(2019: 42%)

 **42%** Urban roads
(2019: 47%)

 **28%** Rural roads
(2019: 31%)

 **52%** Footpaths
(2019: 54%)

Residents survey

Hearing from our community

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

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

Key results

In this year's survey, 63% of residents rated the Council's overall performance as good or very good, a reduction of 6% from 2019. In questions about living in Selwyn, 92% of people said Selwyn was a great place to live, 1% less than in the last survey.









Among the services rated most highly by users were rubbish collection (94% rated good or very good), organics collection (91%), recycling (90%), council-operated swimming pools (87%), playgrounds (86%), libraries (85%), parks and reserves (84%), sewerage and wastewater (82%), while the Pines Resource Recovery Park was rated good or very good by 82% of people who had used the facility.

Community facilities continue to be well used and enjoyed by residents. Public halls have been used at least once in the past year by 75% of respondents, while 89% have visited a park or reserve and 65% have used the public library network.

How the survey works

The survey was carried out in July 2020 by an independent research company, and surveyed a total of 624 residents using telephone, cellphone and online surveys to provide a statistically representative sample of Selwyn's population. The survey typically has a margin of error of +/-3.8%. The researchers noted that the survey was conducted shortly after the end of Covid-19 lockdown restrictions, and responses may have been affected by the closure or unavailability of some Council services during that time.

How your rates were spent 2019/20

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
Community Facilities 	\$32.3m (including renewal)	\$20.4m (excluding depreciation)	RATES 62% OTHER 38%	\$36 
Community Services 	\$0m (including renewal)	\$2.7m (excluding depreciation)	RATES 92% OTHER 8%	\$4 
Democracy 	\$0m (including renewal)	\$5.1m (excluding depreciation)	RATES 97% OTHER 3%	\$7 
Environmental Services 	\$0m (including renewal)	\$14.5m (excluding depreciation)	RATES 46% OTHER 54%	\$10 

	Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
5 Waters Services		\$26.5m (including renewal)	\$19.4m (excluding depreciation)	RATES 51% OTHER 49%	\$25
Izone		\$0m (including renewal)	\$0.5m (excluding depreciation)	RATES 0% OTHER 100%	\$0
Solid Waste Management		\$1.9m (including renewal)	\$9.7m (excluding depreciation)	RATES 74% OTHER 26%	\$11
Transportation		\$16.2m (including renewal)	\$12.3m (excluding depreciation)	RATES 18% OTHER 82%	\$6

Significant activities





Introduction

The Council provides a wide range of services for and on behalf of the residents of 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 2019/20 financial year were set out in the Selwyn District Council Long-Term Plan 2018–2028 (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.

Note: negative numbers are shown in brackets ().

Community facilities

This year the Council provided...

706 hectares of recreation reserves

516 reserves and playgrounds

27 community centres and halls

19 cemeteries

Key results

 **85%**

of users are satisfied
with libraries

 **86%**

of residents are satisfied
with playgrounds

 **84%**

of users are satisfied
with parks and reserves

 **89%**

of residents have used
a park or reserve

 **341,292**

visits to Selwyn Aquatic
Centre and Council pools





Community facilities

Services covered

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

Recreation reserves	30 main recreation reserves (706 ha) and 24 conservation reserves (425 ha)	Township reserves and streetscapes	516 reserves and playgrounds covering over 126.9 ha
Cemeteries	19 cemeteries (two closed)	Rental housing	24 houses
Public toilets	34 facilities	Gravel reserves	23 operational sites
Community centres and halls	27 facilities	Forestry	57 sites with a total area of 96.8 ha
Swimming pools	1 district aquatic centre (Selwyn Aquatic Centre) 2 sub-district pools 4 community pools	Property and buildings	District headquarters 14 strategic properties 12 heritage buildings
Libraries	At Rolleston, Lincoln, Leeston, Darfield plus two volunteer libraries	Total asset value	\$317 million

Why is the Council involved?

Council involvement in the Community Facilities activity is considered to be an essential component required to promote community wellbeing in the district. Involvement in this activity contributes, in some way, to achievement of many of the community outcomes but, in particular, the development of a healthy community.

Community facilities strengthen local communities in a number of ways, including providing places and spaces for people to meet and interact, supporting voluntary community committees in which people work together and develop a sense of common purpose, facilitating community social, leisure, education and cultural activities and providing places for people to participate in sport and recreation.

Working in collaboration with others

We continue to work in partnership with other organisations to improve our services and our efficiency. A partnership with Environment Canterbury (ECan) on the development of the Waimakariri River Regional Park has continued over the 2019/20 period with further development of 'The Willows' recreation area. We have also worked with the Department of Conservation (DOC) on a number of projects such as planning for the future development of Arthurs Pass and a joint plan on the management of Tarerekautuku/Yarrrs Lagoon alongside other partners including Te Taumutu Rūnanga, Lincoln University, Environment Canterbury and the Lincoln Envirotown Trust. The Council also contributed to a survey on recreation activity around Te Waihora/Lake Ellesmere undertaken by Lincoln University.

When the Covid-19 lockdown came into force the Council had to respond quickly in dealing with the large number of freedom camping tourists that were in the district. Most campgrounds were closed and the campers were directed to Coes Ford where temporary facilities were established to meet separation requirements. The Council worked closely with Civil Defence personnel and the NZ Police to successfully manage this situation.

In terms of collaboration in our operational delivery, over the last year we have collaborated with a number of external organisations and agencies including Lincoln University Students Association (CultureFest), Lincoln Scouts (book sales), Waitaha School, Presbyterian Support – Upper South (SWELL Festival), Te Puna Wai (books for residents), Corrections Department, New Zealand Defence Force (lifeguard training), Volunteer Libraries at Tai Tapu and Glentunnel, Lincoln University (Operator workshops), Selwyn Sports Trust, Canterbury Astronomical Society (Matarki), Canterbury Chamber of Commerce (Business Surveys, business advice), Christchurch City Council (Walking Festival) and a number of secondary and primary schools.

Activity goal

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 community 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.

Internal borrowings

Internal borrowings are disclosed in Note 19: Borrowings.

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 the Council, and the services delivered within many, have a positive impact on social and cultural wellbeing of the district's residents. Selwyn's population growth continues. This growth has led to increasing demand for community facilities, activities 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 and related services, to create environments where there is a good balance of both economic and the more intangible benefits associated with wellbeing that people look for when they settle into a community.

In the Covid-19 environment, changing alert levels have impacted on service delivery and resident demand and usage during the year.

Swimming pools

The network of community swimming pools plus Selwyn Aquatic Centre (a large indoor swimming complex located in Rolleston) provide recreation, health and social opportunities for residents and visitors, as well as life skills such as learning to swim.

The Community Services and Facilities Group operates the main aquatic facility, Selwyn Aquatic Centre (SAC) as well as Darfield, Southbridge and Sheffield Pools. The figures in this report, while positive, are less than anticipated due to the period of closure of the pool at levels 4 and 3 and the limitations on numbers at alert level 2.

The number of swims per capita for the year was 4.78, exceeding the target of 4.5. There was a total of 319,692 general admissions to SAC, exceeding target of 300,000. Covid-19 Level 4 Lockdown came into effect on Thursday 26 March and Level 1 came in to force on Tuesday 9 June. Close to three months of lost general admissions amounts to an estimate of 106,000 admissions lost due to alert level 4 and 3 lockdown. Swims per capita might otherwise have been 6.36.

In addition to SAC general admissions a total of total of 8,995 admissions were recorded at Southbridge Pool, while at Darfield Pool 12,605 admissions were recorded. Additionally, three school swimming sports days were held.

At SAC there were 6,353 enrolments in learn to swim programmes across the year (excluding lessons delivered to school groups) and 5,502 attendees participated in aqua fitness classes at SAC. As well as meeting demand, the range of classes has broadened to include some with a focus on health, disability and recovery challenges including arthritis, stroke recovery, osteoporosis, mobility issues, surgery recovery, chronic pain, diabetes, anxiety, injury recovery and weight loss.



A range of community-focused events were delivered from the Selwyn Aquatic Centre, attracting large numbers of attendances; with the Pool of Rock attracting 705, the Kidsfest event with paddle boats, big inflatable obstacle courses, leap pad, and volleyball activities attracting 621, Spooktacular attracting 501, the “Back to School” Party attracting 398, the Christmas Pool Party attracting 314, the Spring Pool Party attracting 310 and a “Dive –In” Movie attracting 250.

At Council-delivered pool parties at community pools, 98 people attended in Sheffield, 212 attended in Darfield and 300 attended in Southbridge.

A moment-in-time customer experience survey was delivered across all Council facilities in early 2020. 176 responses were received at SAC. One area of questioning related to “how well is Council delivering”: 78% strongly agreed or agreed staff welcomed them on arrival; 76% strongly agreed/agreed that staff proactively sought to help them; 85% strongly agreed/agreed that staff responded promptly. Asked about overall satisfaction with their experience at SAC, 97.8 % of customers were satisfied or very satisfied (74.5% very satisfied, 23.3% satisfied).

For the second year in a row, Selwyn Aquatic Centre and both Darfield and Southbridge Pools have achieved 100% Poolsafe accreditation from New Zealand Recreation Association. The Council continues to provide lifeguarding services at the seasonal Sheffield Community Pool, while Leeston, Killinchy and Halkett Pools were managed by groups of community volunteers.

During 2019/20 the Aquatics Team was merged with dry-land Fitness Instructors, (who had previously been managed by individual community centre Operations Managers) as well as with the future team to operate the new sports facility currently being built on Foster Park. This internal merger has resulted in an Active Selwyn Team, delivering recreation and fitness services and programmes throughout the district.

Reserves and open spaces

The Council manages a significant network of open space that is essential to the health and wellbeing of the district’s environment and its people with most open spaces serving multiple functions for their communities and the surrounding environment. These functions range from providing settings for recreation and physical activity, amenity and preservation, cultural connections, protecting significant landscapes and sites and providing community focal points for local neighbourhoods.

The on-going growth being experienced in the district has meant that the open space network has continued to expand to meet the recreation, social and amenity needs of residents. A substantial number of new reserves and playgrounds have been added over the 2019–20 period as a result of residential development. This has seen the total area of neighbourhood reserves and green linkages increase by nearly 8 hectares over the year.

Further development of Foster Park was undertaken with construction of changing facilities and car parks to service the Dynes Road end of the park. Planning and design work was carried out for a new multi-functional park in Birches Road, Prebbleton and on an extension for Kirwee Recreation Reserve.

Parks and reserves were the most popular community facility noted in the Selwyn District Council Residents Survey 2020, used by 89% of residents at least once in the last 12 months, and residents’ satisfaction rating remains high with 82% rating parks and reserves good or very good.

Community centres and halls

Community centres and halls provide places where local communities can meet, socialise, connect, support and enjoy a wide range of activities.

Within Council's Community Services and Facilities Group, the Community Spaces Team is responsible for the operational management of Lincoln Event Centre (LEC), Rolleston Community Centre (RCC), West Melton Community and Recreation Centre (WMCRC) and Tai Tapu Community Centre as well as Dunsandel Community Centre (via a Service Level Agreement – SLA), Weedons Pavilion (via SLA), Prebbleton Cottage (via SLA) and Springston Hall (as a result of a request from the Committee). During the year this team has also taken over the responsibility for online bookings for community centres and halls, and the operational oversight of the additional Council-owned community halls and centres and their associated staff.

The figures in this report, while positive, are less than anticipated due to the period of closure of the centres at alert levels 4 and 3 and the limitations on numbers at alert level 2. Visitors to LEC, RCC and WMCRC over the year totalled 276,575 (LEC=167,682, RCC=64,819, WMCRC= 44,074). In addition, visitors to Tai Tapu totalled 786 and Dunsandel totalled 1,786. Covid-19 alert level 4 Lockdown came into effect on Thursday 26 March and alert level 1 came in to force on Tuesday 9 June. Three months of lost visitor counts amounts to an estimate of 69,000 lost visitors.

Fitness/wellbeing classes delivered by the Council over the year at LEC, RCC and WMCRC totalled 39,359 (LEC= 16,952, RCC = 15,769, WMCRC = 6,638). Covid-19 alert level 4 lockdown came into effect on Thursday 26 March and level 1 came in to force on Tuesday 9 June. Effectively, three months of lost classes amounts to an estimate of 9,000 lost participants.

A moment-in-time customer experience survey was delivered across all Council facilities in early 2020. 36 responses were received at LEC and 99.3% of respondents were satisfied or very satisfied overall with their experience; 26 responses were received at RCC and 95.6 % of respondents were satisfied/very satisfied overall. Finally 45 responses were received at WMCRC and 100% of respondents were satisfied/very satisfied overall with their experience.

Cemeteries

The Council achieved its service target of 10 complaints or less in relation to cemeteries, with a total of seven complaints received during the year which is an improvement on last year's performance. However, the residents' satisfaction rating has shown a marked decrease in satisfaction level (down 17%) compared with the 2019 result of 70%. It is unclear what has been the underlying reason for the decrease in satisfaction although there are slightly more comments indicating untidy/poor maintenance. It is noted that there is a high proportion (45%) that have a neutral view on cemeteries maintenance and the satisfaction rating for users was 73% which was a similar result to the 2019 survey.

Public toilets

The public toilet network has been under pressure as a result of the influx of tourists and visitors to the district especially prior to the Covid-19 lockdown period. Funding was received from central government via the Responsible Camping Fund which helped to meet additional costs for servicing public toilets at key tourist sites and caravan dump stations. Funding from the Tourism Infrastructure Fund was also received to upgrade the waste water system at Coes Ford public toilets to ensure consent condition can be met. A total of \$305,000 was received in grants to support this activity during 2019/20.

The level of satisfaction has decreased from 60% in 2019 to 55%. The response comments indicate an increase in dissatisfaction in terms of cleanliness and provision (not enough). The Council has substantially increased its network of public toilets over the last few years (over 20 new or upgraded facilities over the last six years) and is completing a new toilet in Springston and increasing capacity at Lakeside Domain. Most toilet facilities were closed during the Covid-19 lockdown period which may have had an impact on the perception of availability.

The target to achieve six or less failures via the independent audit process was not achieved. The facilities are audited against a number of criteria including cleanliness, consumable supplies, litter, and exterior maintenance and being fully operational. Failures are defined as less than 90% compliance with the audit criteria and nine of the 50 sites audited did not meet the target level. The compliance failures have reduced significantly from the previous year as a result of working with the contractor to review servicing schedules.

Libraries/service centres

February 2020 marked the first full year of operating with the revised operating model of the Community Services and Facilities Group's libraries/service centres. One key element of this model was the establishment of consistent and longer opening hours across seven days. All libraries/service centres (Rolleston, Lincoln, Darfield and Leeston) are now open Monday to Friday from 9am to 6pm and Saturdays 10am to 4pm. In addition, Rolleston and Lincoln both have late nights on Thursday, until 8pm, and are open 10am to 4pm on Sundays. The easy to remember, extended hours saw a 20% increase in the monthly average foot traffic across the district.

The figures in this report, while mostly positive, are less than anticipated due to the period of closure of the libraries/service centres at alert levels 4 and 3 and the limitations on programme numbers at alert level 2.

In the 2019/20 financial year 340,520 physical items were borrowed, which was an average monthly increase of 2,266 on the year prior. This is significant as it goes against national trends. Overall, there was an increase in over 20 programmes a month delivered with a significant increase of 25% in programme participant numbers.

Regular programmes have increased, with the addition of more 'clubs' to foster community connections. We now offer Book, Chess, Coding, Cubing, LEGO®, Scrabble and Board Game Clubs. There has been an increased focus on sustainable programming, with popular workshops on creating beeswax wraps, upcycling furniture and clothing, and partnering with community groups which focus on sustainability such as Rekindle and Junior Enviro Action Group.

Covid-19 presented an opportunity to deliver programmes online, and reach the Selwyn community beyond the confines of the district – including a regular young Storytime attendee who was receiving treatment in Starship hospital, and was able to connect with familiar faces.

2019/20 also launched the Edge Connector Vehicle service (ECV). In the last year the ECV visited 17 outlier communities in Selwyn. It is connected – offering the same Wi-Fi, computing, printing and scanning facilities as our four physical libraries. It is the only vehicle in the country to use the APNK service, which fixed libraries use. The service offers delivery of items to browse and borrow and to fill holds placed by customers, which may include: books; DVDs; magazines and tech kits (such as microscopes, telescopes and robotic kits), as well as providing assistance to use our digital library, eBooks and online videos, and resources such as family history or other specialist databases. The ECV also offers a range of programming at visits, and has participated in key Selwyn events such as the Rolleston Fireworks, Te Taumutu Tamariki Days, and Lake Coleridge Family Fun Days.

The ECV has visited eight of the nine schools in Selwyn that are further than 8 km from a library site, and students have been able to participate in library sessions about literacies, 3D printing and design, LEGO, robotics, quizzes, and storytelling.

The total number of digital visits increased by 18% from the 2018/19 year. Website visitation increased by 40,000 sessions. This is on top of the addition of the new Selwyn Libraries App in 2019/20, which saw almost 20,000 visits, as users took advantage of the new mobile technology available.

E-borrowing has increased 36% over the financial year. The impact of Covid-19 was a key driver for increased e-borrowing, and we have seen a steady maintenance of the increase from this time. The most dramatic increases with the first 12 months of the new model in operation showed a 46.4% in e-audio issues and e-magazine issues increased by 53.5%.

Digital-focused programmes are becoming an increasing focus with over 40 programmes offered each month, both regular, such as Virtual Reality, Coding Club and Device Drop In, as well as responsive e-tutorials tailored to the customer needs, and delivered how and when it suits them.

3D printing was introduced in the 2019/20 financial year and is offered at all sites, including the ECV. A highlight of the 3D printers was the printing of face shields for local health care providers during lockdown, in partnership with community members. Production of 115 face shields, distributed freely to local health care professionals (including Ellesmere Hospital – 20, Leeston Medical Centre – 18, Lincoln Maternity – 12). We have also worked with schools and Te Taumutu Rūnanga and individuals on creative 3D printing solutions and 3D design.

In the arts, a digital residency was held at Leeston Library with artist Erica Sklenars focusing on the new 3D printers. Public art acquisitions in partnership with residents associations have increased, with a successful project well underway to install a public sculpture in West Melton. The first Selwyn Arts Festival was coordinated in collaboration with galleries and art organisations, which saw a higher profile for the art community over the promotion period and saw an increase in foot traffic to their sites. Partnership with Down by the Liffey Gallery saw a fully booked pastel workshops at Lincoln Library. A pop-up museum was facilitated in conjunction with Selwyn Heritage Network at the Ellesmere A&P show. The Township Trails app was launched to provide a digital walk through Lincoln's historic locations.

Preparation progressed at pace this year for the service and programme delivery associated with opening of Te Ara Ātea in late 2021.

In the days leading up to the Covid-19 alert level 4 and 3 periods from 26 March there was a significant spike in foot traffic in to libraries/service centres as residents stocked up. Over this same period 1,500 additional e-comics were added to the online collection, 56 e-tutorials were delivered to assist members to access resources online (e-books, e-audio books and Kanopy; film streaming, were the most popular). Staff reviewed 116 children's and young adult's books, and these reviews were shared via Facebook. Staff also undertook outbound calling to 1,500 older members across this period, and for many staff, this was a highlight. Over March and April, 421 new members joined Selwyn Libraries.

A moment-in-time customer experience survey was delivered across all Council facilities in early 2020. 164 responses were received across the four libraries/service centres. Customers were asked about their experience in a class or programme at the library and 90% of respondents strongly agreed that the facilitator/instructor was effective in delivering the activity and 10% agreed. The overall satisfaction by customers with their experience was that 100% were satisfied or very satisfied (88.9% very satisfied, 11.1% satisfied). This survey was particularly interested in understanding whether the library experience positively impacted on wellbeing and, if so, how. Customers identified 17 different ways that the experience impacted positively on wellbeing to different degrees. Many felt the personal benefits of coming along to a library included taking time for themselves; feeling a sense of belonging and catching up with friends. Many interviewed reported they also felt the benefit of the library once they were home, with the books and resources keeping their minds active, giving them something to do and to discuss with friends, while other reported giving something for children to do to "keep them off their devices". Most felt the library was affordable and easy to access. Several of those participating in programmes spoke of the social connection, the opportunity to be mindful and relax while doing something they are passionate about.



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.	The proportion of residents rating the performance of parks and reserves in the Residents Survey as good or very good.	≥80%	Achieved 82% (2019: Achieved 81%)
	Hectares per 1000 population is above the average for similar sized district authorities (Minimum 3 ha/1000).	≥3 ha	Achieved 3.34 ha (2019: Achieved 3.73%)
	Percentage of residents who have used or visited a public park or reserve in the past 12 months.	≥80%	Achieved 89% (2019: Achieved 82%)
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 500 metres.	≥70%	Achieved 84% (2019: Achieved 80%)
	The proportion of residents rating the performance of playgrounds in the Residents Survey as good or very good.	≥80%	Not Achieved 77% (2019: Achieved 84%)
COMMUNITY CENTRES AND HALLS			
Community centres and halls provide local venues for social, cultural, recreational and educational uses.	The proportion of residents rating the performance of community centre/halls in the Residents Survey as good or very good.	≥70%	Not achieved 63% (2019: Achieved 72%)
	The percentage satisfaction from annual user surveys for: a) Lincoln Event Centre (LEC) b) Rolleston Community Centre (RCC) c) West Melton Community Centre (WMCC).	a) ≤90% b) ≥90% c) ≥90%	Achieved 99.3% = LEC 95.6% = RCC 100% = WMCC 98.3% = overall average (2019: 95.8% = overall average)
	Number of visits per annum at LEC, RCC and WMCC (combined)	≥150,000	Achieved 167,682 = LEC 64,819 = RCC 44,074 = WMCC 276,575 (2019: 288,318)
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.	The percentage satisfaction with SAC from user survey.	≥90%	Achieved 97.8% satisfaction (2019: Achieved 96%)
	SAC achieves 100% compliance with New Zealand Recreation Association Pool Safe accreditation.	100%	Achieved 100% for SAC, Darfield and Southbridge Pools (2019: Achieved 100%)
	Number of swims per capita of district population per year recorded at the Selwyn Aquatic Centre, Darfield and Southbridge pools.	≥4.5	Achieved 4.78 SAC total swims divided by 66,850 (adjusted pop) <i>Approximately 106,000 visits lost due to Level 4 and 3 lockdown. Could have been 6.36</i> (2019: Achieved 6.4)
	Number of visits per annum at the Selwyn Aquatic Centre.	≥300,000	Achieved 341,292 = Total 319,692 = SAC 8,995 = Southbridge 12,605 = Darfield (2019: Achieved 403,088)

Objective	Performance measure	Service target	Achievement
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	The proportion of residents rating the performance of public toilets in the Residents Survey as good or very good.	≥50%	Achieved 55% (2019: Achieved 60%)
	Number of facility compliance failures per annum identified by independent audit.	≤6	Not achieved (9 compliance failures) (2019: Not achieved 23)
CEMETERIES			
A network of cemeteries is provided to meet the District's burial and remembrance needs.	The proportion of residents rating the performance of cemeteries in the Residents Survey as good or very good.	≥65%	Not achieved 53% (2019: Achieved 70%)
	Number of complaints received per annum related to cemetery service	≤10	Achieved 7 complaints were received during the year. (2019: Not achieved 12 complaints)
LIBRARIES			
An educated community – Libraries provide for lifelong learning and education.	The proportion of users rating the performance of Libraries in the Residents Survey as good or very good.	≥90%	Not achieved 85% NB: Moment in Time Survey 100% (164 users; 88.9% very satisfied, 11.1% satisfied) (2019: 85% in Residents Survey)
	The proportion of residents rating the performance of Libraries in the Residents Survey as good or very good.	≥90%	Not Achieved 77% (Malvern 74%; Selwyn Central 68%; Springs 88%; Ellesmere 86%) (2019: 85% in Residents Survey)
	The average number of visits per annum to Selwyn public libraries exceeds the national average per capita; population divided by visitors per month.	≥8.38	Not achieved Physical visits: 282,598 divided by 66,850 (adjusted pop) = 4.22 Approximately 94,000 visits "lost" due to Level 4 and 3 lockdown. Could have been 5.6 (2019: Not achieved 4.91)
	The number of digital sessions (either logged in to library website, using a library computer or using Wi-Fi and own device) per annum	≥50,000	Achieved Website sessions alone = 160,989 (in addition, Wi-Fi sessions = 81,571 and Database accesses = 238,262) (2019: Achieved 67,582)
	The number of events/sessions per annum, delivered in libraries and/or by library staff.	≥1,500	Not achieved 1,471 events (2019: Not Achieved 1490)

Community facilities funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	12,692	12,598	14,117	
Targeted rates	13,487	13,108	10,369	
Subsidies and grants for operating purposes	97	8	37	
Fees and charges	4,596	5,117	4,035	Note 1
Internal charges and overheads recovered	-	-	-	
Other operating funding	46	-	-	
Total operating funding (A)	30,918	30,831	28,558	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	15,362	16,435	16,074	Note 2
Finance costs	152	3,343	1,530	Note 3
Internal charges applied	4,839	4,410	4,322	Note 4
Other operating funding applications	62	185	174	
Total application of operating funding (B)	20,415	24,373	22,100	
Surplus/(deficit) of operating funding (A-B)	10,503	6,458	6,458	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	1,630	-	-	Note 5
Development and financial contributions	9,410	5,874	6,097	Note 6
Increase/(decrease) in debt	(168)	32,634	39,907	Note 7
Gross sales proceeds from sale of assets	382	2,260	1,680	Note 8
Total sources of capital funding (C)	11,254	40,768	47,684	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	23,202	47,427	39,972	Note 9
Capital expenditure to improve the level of service	6,788	9,717	14,762	Note 10
Capital expenditure to replace existing assets	2,284	1,856	2,034	
Increase/(decrease) in reserves	2,208	1,569	(4,869)	
Increase/(decrease) of investments	(12,725)	(13,343)	2,243	
Total applications of capital funding (D)	21,757	47,226	54,142	
Surplus/(deficit) of capital funding (C-D)	(10,503)	(6,458)	(6,458)	
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 largely due to less fees and charges revenue received from the Selwyn Aquatic Centre as a result of closure during Covid-19 lockdown.
- Note 2** Payments to staff and suppliers is lower than the LTP largely due to lower staffing costs linked to the timing of opening planned community facilities in the district, including the extension to the Selwyn Aquatic Centre. Operational cost savings such as reduced electricity usage as a result of our facilities being closed during the Covid-19 lockdown also contributed to this variance.
- 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 the timing of major capital projects and the Council's strong cash position.
- Note 4** Internal charges applied – there has been an overall increase in the support service costs across the Council due to the continued high levels of population growth and increased services expectations. These costs include increased IT costs, staffing costs and customer service costs. The increase is associated with an internal review of the Council's overhead allocation model to more accurately spread these costs across the different activity areas.
- Note 5** Subsidies and grants for capital expenditure is higher than the LTP due to funding being received from the NZ Lottery foundation for use towards the construction of Te Ara Ātea, and tourism funding grants received from MBIE.
- Note 6** Development contributions revenue is higher than the LTP due to substantial growth in the district being higher than forecast.
- Note 7** Debt has not increased as planned due to the delayed completion of major capital projects, including the extension of the Selwyn Aquatic Centre, construction of the Selwyn Health Hub, development of the Rolleston Town Centre and the indoor courts complex at Foster Park.
- Note 8** Gross sale proceeds is lower than the LTP due to the timing of disposal of Council properties identified for disposal in the LTP.
- Note 9** Capital expenditure to meet additional demand is lower than the LTP largely due to the timing of the planning, design work and construction associated with the Rolleston Library, Health Hub and Indoor Courts Facility and other large community projects. These projects have been carried forward for completion in the 2020/21 financial year.
- Note 10** Capital expenditure to improve the level of service is lower than the LTP as a number of projects have been undertaken have been delayed including the facility extension for Selwyn Aquatic Centre. These projects have been carried forward for completion in the 2020/21 financial year.



Community services

This year the Council provided...

90 community events attended by **16,985** people

Funding for **67** initiatives through the Selwyn Community Fund

10 campaigns and **13** initiatives promoting visitor attraction

Key results



92%

of residents think Selwyn is a great place to live



74%

of residents feel a sense of community



763

people attended community capacity-building initiatives



76%

of residents participate in community groups





Community services

Overview

The role of the Community Services and Facilities Group is to plan, deliver and/or facilitate, coordinate and promote a wide range of community services, activities events and initiatives which make Selwyn district a great place in which to live, work, play and visit. The objective is to improve community wellbeing. The Council's vision for the Community Services and Facilities Group is delivering and facilitating "outstanding customer and community experiences". We deliver this vision through providing customer-centric services and programmes, facilitating opportunities, as well as building the capability of the community to deliver their own activities to achieve health and wellbeing of individuals, their whanau and their communities.

We do this by:

- delivering services and programmes (including Aquatics, Libraries and Council service centres, leisure, fitness and recovery programmes, hires , bookings and space activation in Council-owned community centres and halls)
- building the capacity of local community groups, clubs and volunteers
- Encouraging activities and approaches that build community spirit, a sense of belonging and connectedness, including initiatives to support particular population groups and to welcome new residents to Selwyn district
- fostering opportunities for people to get involved in volunteering and being actively involved with local community groups and clubs
- ensuring a range of leisure, sport, recreation and recovery programmes and events are delivered that meet the needs and interests of residents of all ages and life stages
- informing central government and NGOs of residents' wellbeing, health, and education needs and challenges and encouraging relevant service and funding responses
- promoting arts and culture and facilitating opportunities for involvement
- delivering outstanding customer services and programmes at times and locations that meet the needs of the community
- delivering accurate, timely, accessible and relevant information about Council services and community programmes
- supporting local businesses
- encouraging visitors.

Why is the Council involved?

The role of the Council, in the delivery of community and economic development, community events, libraries and Council service centres, fitness and aquatics services and programmes, as well as delivering community centre operations, is about meeting the current and future needs and expectations of communities for good quality local public services and experiences. This work is intended to contribute to building strong, vibrant, connected communities and to grow the economic prosperity of the district, so that people live, work and play here long-term and visitors come for the experiences offered, and many stay and live here.

There is evidence of an association between strong, vibrant, connected communities and desirable social outcomes including social cohesion, safety, improved health, economic growth as well as more vibrant and relevant democratic institutions. People living in strong communities work together to solve problems and improve community life and are better able to cope with adversity or shocks. Strong communities are a place for people to have fun with others, laugh, support others, share stories and make friends. Community development contributes to strengthening local communities through a range of initiatives, activities and some funding. Community centres as well as libraries and service centres provide a focal point for townships and communities and contribute to these communities' identity. The benefits of physical activity and participation in recreation, sport and active leisure are now widely accepted and recognised. These benefits include personal development, social cohesion, reduced health care and justice costs, reduced antisocial behaviour and enhanced quality of life. The Council promotes the natural features and assets of the district for residents and visitors to experience. The Council also promotes economic wellbeing by promoting local businesses and working with government and regional economic development agencies to promote the district's economic interests.

The role of the Council:

The Council adopts a mixture of approaches for these activities, depending on the requirements of the activity and resources available within both the Council and the community. These approaches include:

- delivering services directly where it makes sense to do so;
- working with local community groups, committees and clubs to promote community access, participation and empowerment by providing information, resources, advice and support;
- collaborating with central government and funders as well as community groups to ensure delivery of a range of relevant services, programmes and initiatives;
- encouraging funders and service providers to deliver and/or fund services within the district;
- fostering volunteer participation where opportunities present.

Key goals

Goal One: To increase participation in physical activity across all ages

Goal Two: To increase participation, engagement and enjoyment for all, through outstanding events, programmes and lifelong learning opportunities.

Goal Three: To celebrate and promote Selwyn's uniqueness

Goal Four: To build community capacity, collaboration, awareness and understanding, with a particular focus on volunteer-based community groups, community committees and clubs.

Goal Five: To create and promote opportunities for volunteerism across a wide range of ages.

Goal Six: To provide accurate, timely, accessible and relevant information about Council services and community programmes.

Goal Seven: To contribute to growing the economy of Selwyn, supporting local businesses and encouraging visitors.

Goal Eight: To encourage initiatives, activities and approaches that build community spirit, a sense of neighbourliness, belonging and connectedness.

Community outcomes

These activities contribute to the following outcomes:

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





Negative effects on the wellbeing of the community

There are no negative effects from this group of activities.

Statement of service performance

In total, the Community Services and Facilities Group delivered 90 different events across Selwyn district that more than 16,985 residents attended (13,880 last year) with 19 planned events cancelled due to Covid-19 alert levels 4 and 3. One aspect of this decline in events (but not number), may be due to the timing of Matariki celebrations; Matariki events were completed in June in 2019 and did not commence until July in 2020, so no Matariki events are captured this year, due to timing. Some of this decline may also be related to the Arts, Culture and Lifelong Learning Team now having its own separate target of 1,500 sessions/ events per year.

Events included Summer in Selwyn (with activities including a series of guided walks, Picnics in Parks series, a month of Sundays with musical performances, Skate Jams, Drive-In Movie, Outdoor Movies series and Teddy Bears' Picnics), KidsFest, and also CultureFest (in collaboration with Lincoln University Students Association), taking place across the district. Attendees at 25 of the events were surveyed; 99% of participants were satisfied, or very satisfied with the event attended. A Wellbeing Expo was held for older Selwyn residents (SWELL) this year, in collaboration with Presbyterian Support Upper South, attracting 500 participants and involving more than 60 stallholders, exhibitors and presenters. The Scottish Club dancing demonstration and the presentation on Planning for Advanced care attracted the largest audiences.

Eleven initiatives targeting newcomers took place during the year including the Faces of Selwyn exhibition and Chinese New Year lantern displays across Libraries and Council Service centres. Four initiatives were cancelled due to Covid-19 alert levels 4 and 3.

Seventeen capacity-building initiatives took place throughout the year involving 763 participants (the target was 500) including a series of webinars (Facebook for beginners, social media advertising, Exercise and nutrition for older people, Digital support including avoiding fraud with older people), as well as workshops on topics that included community funding, volunteer management and event planning. The Selwyn Wellbeing Forum has met quarterly across the year with average attendance of 35 community groups and organisations, monitoring social issues and providing guest speakers, information and educational opportunities as well as facilitating opportunities for practical collaborations to improve outcomes for Selwyn residents.

The Accessibility Charter was signed on behalf of the Council in November 2019, outlining the Council's commitment to ensuring access to all residents. The Principal Disability Advisor to the Ministry of Social Development attended the ceremony and the audience appreciated the entertainment from Jolt Dance Group - a Canterbury group supporting opportunities for everyone to dance and find their creative voice. The Charter commits the Council to working in four key areas of leadership, education, technical expertise and health and wellbeing.

Six youth consultation activities took place across the year, meeting the target. Consultation activities included capturing a youth perspective on transportation, the proposed new community centre in Prebbleton, design of a skate park in West Melton, the Rolleston town centre, Covid-19 impacts as well as the youth space proposed within Rolleston town centre.

The Council encourages community-led 'Meet the Street' opportunities and some funding is available to neighbourhoods to support these sorts of activities taking place at a street or neighbourhood level. Fifteen Meet Your Street opportunities were funded by the Council this year.

The Selwyn Community Grants Fund financially supports community-led initiatives across Selwyn. The target for initiatives to be funded is 25, however in 2019/20, 67 initiatives were actually funded including a health education initiative for youth, tools for a community garden, marketing and promotion for community-led initiatives and events, for 63 separate community groups and clubs. Seventy separate groups applied for funding. The average amount allocated was \$1,688.

The Council continues to fund and administer a Tertiary Scholarships Fund; six Selwyn secondary school leavers received the scholarship this year, in order to pursue training or tertiary education.

The Creative Communities Scheme continues to be administered by Council on behalf of Creative New Zealand, supporting local arts and cultural activities. The Sport New Zealand Rural Travel Fund is also administered by the Council. This fund is designed to help subsidise rural travel for junior teams aged between 5 and 19 years. This fund helps school and club sports teams participate in local sporting competitions.

The decision to postpone the biennial Selwyn Awards Gala evening until 2021 was made during Covid-19 lockdown.

The Council has gone live with its new 'Selwyn...from the Land' website and delivered 10 visitor promotion campaigns within each of the seasons; including winter and skiing/snowboarding, golfing, walking, fruit picking, star gazing, mountain biking, fetes and fairs and local producers, production and distribution of Summer, Autumn and Winter seasonal newsletters (Spring is currently being produced). See Selwyn.nz.

Thirteen initiatives associated with visitor promotion took place, exceeding the target. Initiatives included the production and distribution of the Official Visitors Guide and a Recreation Guide (walking, biking and camping in Selwyn), a series of videos and photoshoots to include on the Selwyn...from the Land website, a series of meetings for the Selwyn TRENZ working group (TRENZ was subsequently cancelled due to Covid-19), a Selwyn ...from the Land display with local operators at the A & P Show, as well as a Food Show display with local operators.

The Council has further developed its Business Directory to increase its functionality and relevance and to encourage local businesses and residents to 'think local' when buying goods or services. See www.selwyn.govt.nz/services/business/selwyn-directory

The Council has also introduced an online centralised bookings system for all Council owned centres and halls available for public and corporate hires. The new system profiles 30 Council-owned community centres and halls. While location and the physical building itself influence demand, the Council has been working with community committees of Council, which manage these facilities, to improve profiling and to introduce options for enquirers, through an online bookings system.

The Arts, Culture and Lifelong Learning team primarily operate the Council's Libraries and Service Centres across the district; at Rolleston, Lincoln, Darfield and Leeston and this team plays an important role in Council's Community Services and Facilities Group. Much of this Group's activities are described in the Community Facilities section of this report. Similarly, the Active Selwyn team (including aquatics) along with the Council's operation of community centres, have their activities described in the 'Community Facilities' section of this report.

Service targets for community services

Objective	Performance measure	Service target	Achievement
<p>Continue to provide community development services and advice to Selwyn residents</p> <p>A healthy community – Residents have opportunities to enjoy healthy, active lifestyles and have access to appropriate health, social and community opportunities and services</p> <p>A safe place to live, work and play – We know our neighbours</p> <p>A prosperous community – Selwyn has a strong economy which fits within and complements the environmental, social and cultural environment of the district</p>	Residents' sense of community with their local neighbourhood.	≥75%	Not achieved 74% (2019: Not achieved 73%)
	Percentage of Selwyn residents who consider Selwyn a great place to live.	≥90%	Achieved 92% (2019: Achieved 93%)
	% of Selwyn residents a member of a community group (sports club, community or voluntary group, hobby or interest group)	≥85%	Not achieved 76% (2019: Not achieved 72%)
	Percentage of Selwyn residents who are volunteers.	≥50%	Achieved 48% (2019: Achieved 54%)
	Business excellence in Selwyn district celebrated through a bi-annual event	-	Achieved Not due until 2020 (however postponed to 2021 due to Covid-19) (2019: Achieved 1 event)
	Sensational Selwyn website usage	≥10% increase p.a.	Not measured Sensational Selwyn website has been replaced by Selwyn ... from the Land website as from January 2020. As at June 2020; 67,390 page views, 15,062 new users. (2019: Achieved 81% increase, although much of this may have been research associated with developing replacement website)

Objective	Performance measure	Service target	Achievement
A community which values its culture and heritage – cultural activities and events allow residents to experience the arts and culture	Community capacity-building initiatives are delivered to more than 500 representatives of community clubs, groups and committees per annum.	≥500 participants	Achieved 763 participants (2019: Achieved 591 Participants)
	Community events are delivered or facilitated per annum (targeting youth, families with children, and older people) with more than 10,000 attendees	≥100 events	Not Achieved 66 events 16,755 participants is an increase in participant numbers on last year (2019: Achieved 141)
	Initiatives targeted at newcomers take place annually	≥12 initiatives	Not Achieved 11 Limited activity in this space due to staff resignation and restraints on recruitment. (2019: Achieved 20)
	Arts, culture and heritage initiatives take place annually	≥12 initiatives	Not Achieved 11 Limited activity in this space due to staff resignation and restraints on recruitment. (2019: Achieved 20)
	Initiatives that foster neighbourliness take place annually	≥12 initiatives	Achieved 15 (2019: Achieved 34)
	Visitor promotion initiatives take place annually	≥12 initiatives	Achieved 13 (2019: Achieved 15)
	Visitor promotion campaigns per annum	≥1 initiative	Achieved 10 (2019: Achieved 1)
	Youth consultation activities take place annually	≥6 initiatives	Achieved 6 (2019: Achieved 9)
	Community capacity-building participants are satisfied/very satisfied with programmes or services delivered (participant surveys)	≥90%	Achieved 98% (webinar participants surveyed) (2019: Achieved 100%)
	Arts, Culture and Heritage programme/event participants are satisfied/very satisfied with programme/event delivered (participant surveys)	≥90%	Not Achieved Limited activity in this space due to staff resignation and restraints on recruitment. (2019: Achieved 100%)
	Participants in 25 community events are satisfied/very satisfied with event delivered (participant surveys)	≥90%	Achieved 99% (2019: Achieved 91%)
	Community grants funding will enable community based initiatives per annum.	≥35 community initiatives	Achieved 67 (2019: Achieved 51)

Community services funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	2,839	2,926	2,822	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	88	59	57	
Fees and charges	8	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	135	-	-	Note 1
Total operating funding (A)	3,070	2,985	2,879	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	2,295	2,509	2,501	Note 2
Finance costs	-	-	-	
Internal charges applied	387	352	349	
Other operating funding applications	52	59	57	
Total application of operating funding (B)	2,734	2,920	2,907	
Surplus/(deficit) of operating funding (A-B)	336	65	(28)	
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	5	20	20	
Capital expenditure to improve the level of service	10	46	45	
Capital expenditure to replace existing assets	-	-	-	
Increase (decrease) in reserves	2	4	3	
Increase/(decrease) of investments	319	(5)	(96)	
Total applications of capital funding (D)	336	65	(28)	
Surplus/(deficit) of capital funding (C-D)	(336)	(65)	28	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note 1 Other operating funding is higher than the LTP due to the claim filed for costs associated with providing welfare and accommodation to the community during the Covid-19 lockdown.

Note 2 Payments to staff and suppliers is lower than the LTP due to lower costs of staff employed in the community services area than originally budgeted and the cost of rural fire protection insurance no longer being funded by Council as this activity has been transferred to Fire and Emergency New Zealand. This reduced cost is offset slightly by the additional costs incurred in response to the Covid-19 lockdown.



Democracy

This year the Council...

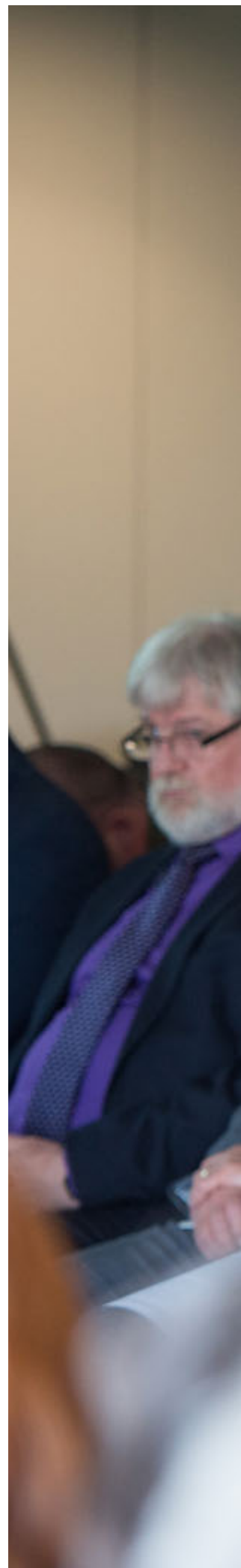
Administered **\$329,216** in total grant funding

Key results



63%

of residents are satisfied with
Council's overall performance





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 as it believes, by conducting its business twice monthly it can achieve better and faster results for the community.

In addition, the Council has a community board in 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 board, 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 Councils, 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.

	2019/20 Actual	2018/19 Actual
Banks Peninsula trotting	-	-
Community Environment Fund	17,782	17,813
Community Grant Fund	100,174	123,157
Community special events	-	-
Discretionary fund - Wards	46,728	83,630
Discretionary fund - Councillors	16,910	26,646
Education bursaries	18,540	18,000
Ellesmere Heritage Park	20,000	20,000
Lincoln Envirotown Trust	34,000	33,400
Mayoral fund	2,668	1,317
Selwyn Sports Trust	25,000	25,000
Summit Road protection authority	113	4,443
St John Funding	-	60,000
Te Ara Kakariki	25,000	25,000
Waihora Ellesmere trust	22,300	22,300
Total grant funding	329,216	460,707

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 \$584,823 (2019: \$541,839).

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.

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
Prepare key accountability documents in accordance with good practice that allow for easy input from ratepayers and meet statutory requirements.	The Annual Report is prepared within statutory timeframes and with an unmodified audit opinion.	The 2017/18 Annual Report is prepared within statutory timeframes and with an unmodified audit opinion.	Achieved The 2018/19 annual report was adopted on 9 October 2019 with an unmodified audit opinion. (2019: Achieved)
	The Annual Plan is prepared within statutory timeframes.	The 2019/20 Annual Plan is prepared within statutory timeframes.	Achieved The 2020/21 annual plan was adopted on 24 June 2020. (2019: Achieved)
	The proportion of residents rating the overall performance of Council in the Residents Survey as good or very good.	≥65%	Not achieved 63% (2019: Achieved 69%)

Democracy funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	4,340	4,249	4,320	
Targeted rates	865	858	824	
Subsidies and grants for operating purposes	-	-	50	
Fees and charges	134	106	4	
Internal charges and overheads recovered	-	-	-	
Other operating funding	9	-	-	
Total operating funding (A)	5,348	5,213	5,198	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	2,118	2,601	2,084	Note 1
Finance costs	-	-	-	
Internal charges applied	2,883	2,823	2,867	
Other operating funding applications	89	144	139	
Total application of operating funding (B)	5,090	5,568	5,090	
Surplus/(deficit) of operating funding (A-B)	258	(355)	108	
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	258	(355)	109	
Total applications of capital funding (D)	258	(355)	108	
Surplus/(deficit) of capital funding (C-D)	(258)	355	(108)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note 1. Payments to staff and suppliers are lower than the Long Term Plan due to the timing of the planned Canterbury Museum upgrade. The Museum is planning a major upgrade to its buildings in the coming years to improve the visitor experience and to make better provision for the preservation of its extensive collection. The upgrade will be funded by a number of organisations, and will include a contribution from Selwyn ratepayers.

Environmental services

This year the Council...

Processed **737** resource consent applications

Issued **2,645** building consents

Issued **1,954** code compliance certificates

Registered **14,499** of the district's dogs

Key results



98%

of resource consents
issued on time



94%

of building consents
issued on time



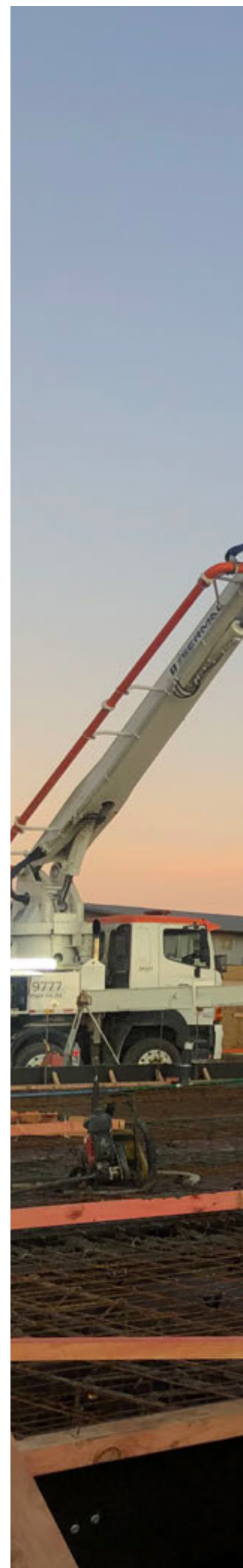
75%

of building consent applicants
satisfied with process



100%

of known dogs registered





Environmental services

Overview

The environmental and regulatory 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. The Council maintains its accreditation as a Building Consent Authority through biennial accreditation reviews conducted by International Accreditation New Zealand.

High workload demands associated with earthquake recovery have been levelling off since September 2017. While it is still unclear what the longer term economic impacts of the Covid-19 pandemic will be; currently we are experiencing a significant increase in workload due to low interest rates, kiwis returning home, and first home buyers entering the market.

Hand in hand with the growth of our townships the number of commercial projects also continues to grow with complex commercial projects particularly in the Izone and IPort area being driven by State Highway 1 upgrade work which are nearing completion.

Resource consents

The resource consents activity is required by the Resource Management Act 1991 and the Selwyn District Plan to process resource consent applications associated with the development and use of land including the subdivision of land. Resource consents are required when a person wishes to build or use their land in a way that does not comply with the rules of the District Plan and provide a process in which applications can be assessed in terms of their effects on the environment. Resource consent applications are also a way of managing the built environment to raise the level of amenity in a particular location. This is more and more the case in the urban environment where resource consents are increasingly required to create and maintain a high level of design and appearance of buildings, and to protect amenity.

An increasing amount of this activity is taken up by providing information to applicants and facilitating their access to and through, these statutory documents and processes. This activity also provides planning input in to Project Information and Land Information Memoranda (PIMs and LIMs) and responds to requests for clarification or interpretation of District Plan provisions.

Environmental health

This activity encompasses a range of areas which require licences including those relating to the sale and manufacture of food, the sale and supply of alcohol, hairdressers, amusement devices, as well as mobile shops and hawkers under the Public Places and Events Bylaw, and offensive trades. Complaints are also responded to and infectious and notifiable diseases investigated. Some public health issues are also covered under the Environmental Health portfolio such as investigations into hazardous substances.

Compliance and monitoring

Seeking compliance with conditions placed on resource consents and our District Plan rules are the main drivers for this activity. Bylaws, litter and parking compliance are also crucial components of this area covered on a daily basis.

The Council monitors resource consents to make sure activities that are consented comply with all conditions placed on them and are conducted in way to protect the environment. The Council also responds to complaints associated with breaches of our District Plan rules to gain compliance to help promote our goal to provide residences with a great place to live, work and play.

The continued development of Selwyn has created an increased expectation from the public to take action on non-complying issues and activities that have not been permitted either through the District Plan rules or by resource consent.

Strategy and policy

The Strategy and Policy activity undertakes the strategic land use and policy functions to maximise the benefits of growth for communities and to address potential negative impacts. Through working with communities and other stakeholders, different growth scenarios are identified, analysed and a preferred option chosen. The Selwyn 2031 District Development Strategy (Selwyn 2031) is a key strategic document which helps guide growth and development in Selwyn. Selwyn 2031 provides an overarching strategic framework for achieving sustainable growth across the whole district to 2031. The strategy emphasises the importance of adopting and implementing a strategic approach to managing urban growth as a means of strengthening the district's self-sufficiency and to ensure that it continues to be a great place to live, work and play.

The Council also works closely with some adjoining local authorities, Ngāi Tahu and other agencies through the Greater Christchurch Partnership. The work streams coming out of this partnership require significant involvement from the Strategy and Policy team, particularly around meeting the requirements coming from government such as National Policy Statements. Key projects in this space have been the on-going growth monitoring and the development of Housing and Business Capacity Assessments and the Future Development Strategy.

With increasing government intervention and direction in resource and growth management, as well as infrastructure co-ordination, the importance the Greater Christchurch Partnership will only increase. The Council remains committed to this partnership and its success and so there will be a need for increased resource and time from the Strategy and Policy Team to deliver these commitments.

The key Council document that is delivered by the Strategy and Policy activity is the District Plan. The form and nature of the District Plan is governed by the Resource Management Act 1991. The legislation contains extensive checks and balances to protect all parties to the process. Development of the District Plan requires considerable time and resources to achieve a defensible result. The current District Plan became fully operative on 3 May 2016. A full District Plan Review is currently under way to move to a second generation District Plan. This is scheduled to be publicly notified for submissions in late 2020.

Animal control

The main focuses of this activity area are the registration and keeping records of all dogs (over 3 months of age) in the district. This activity also includes the responsibility for administering and enforcing the Dog Control Act 1996 and the Council's Dog Control Bylaw, to provide a safe environment for all. Stock-related complaints are also handled under this activity. An important provision is to provide exercise areas for dogs particularly in the larger settlements. Micro-chipping clinics are 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
- An accessible district
- 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 23 out of 26 performance measures in the 2019/20 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 alcohol, hairdressing and food 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 100% of urgent callouts were attended to within 4 hours and 100% of non-urgent callouts within 72 hours.

Building and resource consent teams

Building and resource consent activity has continued to show high demand over the past year. In the year to June 2020, a total of 2,645 building consents were issued and 737 resource consent applications processed. Of these 98% of resource consent applications received were processed within statutory timeframes and 94% of building consents within statutory timeframes of 20 working days. The average time taken to process building consents was 15 working days and 14 working days for resource consents. A total of 842 resource consents and other applications were received in the 20219/20 financial year, which was an increase of 174 (26%) from the previous year.

Environmental health and sale of alcohol

All licenced premises (including food, alcohol, hairdressers and trade waste) have been classified according to risk and all premises were inspected at least once during the year.

Before the Covid-19 lockdown period alcohol licences were all issued within the timeframes set out in our performance targets. However, because of the situation created by the lockdown timeframe, some licensees requested their new or renewal licences be put on hold until such time they could restart operating their businesses. This created a small but explained period of underperformance. Allowing licences to be put on hold was seen as a practical and fair solution to adopt to help licensees through a period of uncertainty. This small gesture by the Council did help ease the strain put on business owners.

The Sale and Supply of Alcohol Act 2012 (the Act) provides for Police and the Ministry of Health (MOH) to file a report within 15 working days. There is no timeframe for the Licensing Inspector to report in the Act. If no reports are returned after 20 working days then the District Licencing Committee (DLC) can assume no opposition and issue the licence. The timing of the agencies' reports influences the ability of the Council to issue alcohol licences within our targeted timeframes. (The Police, MOH and the Licensing Inspector make up the Tri Agency Group) and work well together to enable compliance with timeframes.

Strategy and policy

The Strategy and Policy function of the Council plans and provides 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. This is achieved through engaging with local communities, developers and other interested parties to develop a strategic direction. Development has progressed through private plan changes, all of which were processed by the Council within statutory timeframes this past 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
STRATEGY AND POLICY			
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.	The District Plan is up to date and in line with legislative requirements, including a reviewing provisions every 10 years.	100%	Achieved 100% (2019: Achieved 100%)
	Plan Changes are completed and made operative within 2 years of notification. NCS database updated and closed out.	100%	Achieved 100% (2019: Achieved 100%)
	Private plan changes have a decision made on them within 2 years of notification. NCS database updated and closed out.	100%	Achieved 100% (2019: Achieved 100%)
Engaging with local communities, developers and other interested parties to develop a strategic direction.	A suggested work programme is included on the Council agenda once a year (Annual Plan process). The Council decides which projects are advanced from the work programme per year.	Achieved	Achieved (2019: Achieved)
RESOURCE CONSENTS AND COMPLIANCE			
That activity within the Selwyn district is undertaken in line with community expectations as expressed through the District Plan making timely and quality decisions on resource consents.	Preparation of Environment Court appeals settled or found in Council's favour.	70%	Achieved 100% There was one appeal resolved (2019: Achieved – There were no Environment Court Appeals)
To 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%	Not Achieved (2019: Not achieved 77.91%)
BUILDING CONTROL			
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	95%	Not achieved 94% (2019: Not achieved 94%)
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.	95%	Achieved 98% (2019: Not achieved 94%)
	Proportion of building consent applicants satisfied or very satisfied.	90%	Achieved (2019: Achieved 95%)
ANIMAL CONTROL			
Registration of all known dogs.	Registration of all known dogs by 30 June each year.	100%	Achieved 100% (2019: Achieved 100%)
All complaints in regard to dog control are investigated in a timely manner.	Percentage of urgent callouts attended to within 4 hours.	100%	Achieved 100% (2019: Achieved 100%)
	Percentage of non-urgent callouts attended to within 72 hours.	100%	Achieved 100% (2019: Achieved 100%)
ENVIRONMENTAL HEALTH			
All registered premises are operated in a manner that minimises any adverse effects on public health.	Verbal and written food complaints, enquiries and suspect and confirmed food poisoning incidents will be responded to promptly and within the same day including contacting the complainant or enquirer.	100%	Achieved 100% 7 food complaints NB: All Food Act Enforcement is undertaken by the Council-employed Food Safety Officer (2019: Achieved 100%)

Objective	Performance measure	Service target	Achievement
	Complaints received only in writing will be actioned within 3 working days depending on any human risk involved.	100%	Achieved 100% (2019: Achieved 100%)
	All registered premises to be inspected and assessed at least once annually between the months of 1 July and 31 December.	100%	Achieved 100% (2019: Achieved 100%)
All verbal and written complaints, enquires and nuisance complaints are responded to within timeframes.	Verbal and written complaints, enquiries and nuisance complaints will be responded to promptly and within the same day including contacting the complainant or enquirer.	100%	Achieved 100% 20 nuisance complaints and 112 other health complaints were received). (2019: Achieved 100%)
	Complaints received in writing will be actioned within 3 working days depending on any human risk involved.	100%	Achieved 100% (2019: Achieved 100%)
	Complaints received in writing that have a potential to cause a risk to the consumer or become controversial will be actioned on the day of receipt including contacting the complainant or enquirer if available. If verbal contact cannot be made then a letter will be sent within 3 working days.	100%	Achieved 100% (2019: Achieved – 25 complaints were received)
All notified disease is actioned on the day of receipt.	Each notified disease is actioned on the day of receipt from Canterbury District Health Board (Community & Public Health). The initial procedure involves telephone contact with each individual case and if he or she is not available a standard notification letter is sent on the same day.	100%	Achieved 100% (116 notified diseases). (NB: Less notifications due to Covid-19 lockdown alert levels 4, 3 and 2). (2019: Achieved 100% - 165 notified diseases)
All registered premises are operated in a manner that minimises any adverse effects on public health.	All public swimming pools in the district will be inspected and assessed on an annual basis. These assessments will take place during the months of October to December or prior to use.	100%	Achieved 100% (2019: Achieved 100%)
	All public shows and events within the district shall be visited on the day of the event for the purposes of food safety, public health and crowd control.	100%	Achieved 100% (2019: Achieved 100%)

ALCOHOL LICENCING

All licence applications are processed efficiently in accordance with legislative requirements.	Proportion of Special Licences issued within 15 working days of the receipt of reports filed by the Police and the Medical Officer of Health.	100%	Not Achieved 97% (impacted by Covid-19 lockdown). (2019: Achieved 100%)
	Proportion of all other uncontested licences issued within 20 working days of the closing day of submissions.	100%	Achieved 100% (2019: Achieved 100%)

MONITORING, COMPLIANCE AND ENFORCEMENT

That activities granted a resource consent are monitored to maintain compliance	Monthly reports for monitoring of resource consents conditions is completed within 1 calendar month of issue.	85%	Achieved 92.6% (2019: Achieved 100%)
Complaint received regarding District Plan breaches:	All complaints are recorded and investigated to conclusion	100%	Achieved 100% (2019: Achieved 100%)

Statistics for resource and building consents

for year ended 30 June 2019

Indicator	Number processed	Working days target	Target % within working days	% achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	-	130	100%	-	-
Subdivision consents – notified (no hearing)	-	50	100%	-	-
Subdivision consents – limited notification (with hearing)	-	100	100%	-	-
Subdivision consents – limited notification (no hearing)	5	65	100%	100%	53
Subdivision consents – non-notified (no hearing)	113	20	100%	97%	16
Land use consents – notified (with hearing)	-	130	100%	-	-
Land use consent – notified (no hearing)	2	50	100%	50%	150.50
Land use consent – limited notification (with hearing)	1	100	100%	100%	84
Land use consent – limited notification (no hearing)	11	65	100%	100%	5.45
Land use consent – non-notified (no hearing)	525	20	100%	97%	11.63
Building consents	2,645	20	100%	94%	15
Full code of compliance certificates	1,907	20	100%	98%	3

for year ended 30 June 2018

Indicator	Number processed	Working days target	Target % within working days	% achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	-	130	100%	-	-
Subdivision consents – notified (no hearing)	-	50	100%	-	-
Subdivision consents – limited notification (with hearing)	-	100	100%	-	-
Subdivision consents – limited notification (no hearing)	2	65	100%	50%	65.50
Subdivision consents – non-notified (no hearing)	141	20	100%	98.59%	16.05
Land use consents – notified (with hearing)	-	130	100%	-	-
Land use consent – notified (no hearing)	-	50	100%	-	-
Land use consent – limited notification (with hearing)	11	100	100%	72.73%	102.18
Land use consent – limited notification (no hearing)	7	65	100%	85.71%	59.86
Land use consent – non-notified (no hearing)	442	20	100%	99.32%	13.44
Building consents	2,218	20	100%	94%	13.76
Full code of compliance certificates	1954	20	100%	99%	2

Environmental services funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	7,216	7,347	8,229	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	123	99	97	
Fees and charges	8,241	5,407	5,358	Note 1
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	15,580	12,853	13,684	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	12,560	11,014	12,039	Note 2
Finance costs	-	-	-	
Internal charges applied	1,944	1,764	1,750	
Other operating funding applications	4	5	5	
Total application of operating funding (B)	14,508	12,783	13,794	
Surplus/(deficit) of operating funding (A-B)	1,072	70	(110)	
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	60	-	-	
Total sources of capital funding (C)	60	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	-	41	30	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	(49)	34	34	
Increase/(decrease) of investments	1,181	(5)	(174)	
Total applications of capital funding (D)	1,132	70	(110)	
Surplus/(deficit) of capital funding (C-D)	(1,072)	(70)	110	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

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 \$5.6 million compared with the LTP \$3.6 million.

Note 2 Payments to staff and suppliers is higher than the LTP largely due to the level of building activity in the district, plus projects related to be the District Plan review being brought forward and completed in 2019/20.

Transportation

This year the Council...

Repaired **3,687** potholes

Sealed **66.2 km** of road

Completed **9,742 km** of grading on
unsealed roads

Constructed **3.4 km** of footpath
extensions

Key results

 **42%**

of residents satisfied with
urban roads (35% neutral)



28%

of residents satisfied with
rural roads (37% neutral)



50%

of residents satisfied with
cycleways (34% neutral)



89%

of footpaths meet
service standards



89%

of urban roads meet
service standards





Transportation

Overview

The Council continues to manage increasing traffic volumes on Selwyn's roads resulting from high levels of development in the district. This is not only from the expansion of our townships in Greater Christchurch from new housing and commercial developments, but also across the wider area of Selwyn, supporting the district's farming, quarrying and forestry activities. While particularly evident before Covid-19, growth and use of the transport system continues without any obvious impact across the district as it may relate to the transport activity. The Council maintains and operates a 2,640 kilometre network of sealed and unsealed roads across the district.

Contractors have been busy:

- Resealing 66.2 km of roads (additional 9km planned was cut short by Covid-19 related lockdowns).
- Completing dig out repairs on 84,002 square metres of sealed road surface, as 3,990 m² of digouts and 80,012 m² of stabilisation.
- Completing 9,742 km of grading on unsealed roads.
- Repairing 3,687 potholes on sealed roads.
- Constructing 3.4 km of footpath extensions in our townships.

In addition, contractors completed 2.5 km of road rehabilitation work. Road rehabilitation is required when the road has suffered significant damage and the road base needs to be reconstructed, the surface levelled and resealed.

Four major roading projects have been completed in the 2019/20 financial year, with a further two under way. Stage 2 of the Tennyson Street upgrade and the construction of Russ Drive for Araria Springs primary school were completed in the 2019/20 financial year, along with 66.2 km of sealed road resurfacing and 25 km of unsealed road metaling. The signalisation works at the Lowes/Goulds/Springston Rolleston/Tennyson intersection were scheduled for completion in the 2019/20 financial year but completion was delayed due to lockdown restrictions and the intersection was completed at the end of July 2020. The upgrade of the intersection of Shands and Blakes road has been combined with the Springs and Marshs road intersection upgrade to form a single managed upgrade project for delivery in 2020/21. The extra private land needed at the intersections to accommodate the large roundabouts being designed has been following the very specific Public Works Act requirements during 2019/20 to acquire this.

The Council is also well advanced in its district-wide \$3.3 million programme to replace around 5,800 old and inefficient street lights with new LED versions. This resulted from the Council capitalising on an initiative by the NZ Transport Agency to subsidise these replacement works at a rate of 85%. Not only are the new lights more effective and cheaper to run, they create less light pollution, which improves viewing of the night sky. Around 2,700 of 3,500 more standard lights have been installed across the district, almost 77% of these lights to be replaced. A further 1,600 decorative lights will also be replaced when suitable replacements have been found.

The Council will continue its road maintenance and repair programmes which were enhanced with additional funding from the NZ Transport Agency from the 2018-21 National Land Transport Programme, but there is always pressure in keeping up with the demands placed on our urban and rural roading networks from the traffic growth that continues across the district. In addition the Council's footpath extension programme continues to extend walking and cycling opportunities across district townships. This originated from the Council's 2018 Walking and Cycling Strategy and Action Plan.

In addition to the works funded and undertaken by the Council, approximately 23 km of new roads and 20.7 km of new footpaths were vested this financial year with the Council by developers from new subdivisions and developments. All these works are checked and approved by Council before these assets are transferred to Council ownership and ongoing operational and maintenance responsibilities.

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 is put at risk, which can adversely affect individuals, communities, and the district's prosperity. Providing a resilient transport network is an important role of the Council to mitigate the negative effects of floods, snow or disasters like earthquakes that have the potential to close roads off 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. The effects of high growth and increasing traffic volumes in eastern Selwyn areas are reflected in the Council's future road upgrade programmes. This includes local road and intersection upgrades to safely connect Stage 2 of the Southern Motorway Extension into the district's local roading network.

These upgrades will be centred in the Rolleston and Prebbleton areas. Construction of the Stage 2 motorway extension between Christchurch and Rolleston started in 2016 and is due to be completed in late 2020. At Prebbleton, the Council's upgrade plans centre on five key intersections on its local arterial network which join onto the new motorway. At Rolleston some improvements have already occurred focusing on improving access to the Rolleston industrial zone from the motorway. The Council is collaborating with the NZ Transport Agency on developing a business case for highway and local access improvements along State Highway 1 that includes Rolleston and Burnham.





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 group of other councils in the region and the NZ Transport Agency to plan and integrate district and regional transportation networks. This is coordinated through the Regional Transport Committee overseen by the Canterbury Regional Council (Environment Canterbury). It also has the responsibility to produce the Regional Land Transport Plan which coordinates the region's transport programmes and seeks to obtain national funding in support of it. The Regional Council also provides public transport services in partnership with the Council, which provides the necessary supporting infrastructure. This is detailed in the Regional Public Transport Plan that was adopted in 2018, which Selwyn is a party to.

Other organisations and advocacy groups 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 and outcomes.

Overall the Council needs to plan and deliver its transport activities in accordance with the Government Policy Statement for Transport (GPS). Updated every three years by the government of the day, funding is distributed by the NZ Transport Agency in support of the Council's transport programmes and national objectives. The GPS needs to be also balanced against the needs and aspirations of Selwyn's own ratepayers who may have other specific priorities. A new GPS is expected to be adopted to inform the 2021-24 National Land Transport Programme before the end of 2020. The Council is required to develop business cases for its major transport projects that align to GPS outcomes to enable the NZTA to provide any funding assistance.

The Council is also part of the Greater Christchurch Partnership which provides a coordinated responses on how to plan for growth over the next 30 years across Christchurch city and adjoining areas of Selwyn and Waimakariri districts. This includes how roading, cycling, walking and public transport can be coordinated to the best effect including supporting the regeneration of the central city. Work over 2019/20 has included the development of a Mode Shift Plan, Travel Demand Management and Public Transport Business Cases. These will inform how each partner will coordinate in the development of their 2021-24 Long Term Plans to align to the outcomes mutually agreed from these initiatives.

Activity goal

To maintain, operate, and improve the road network and other transport facilities to achieve a transport system that provides safe, efficient, and sustainable movement of people and goods.

Council contribution to community outcomes

This activity contributes to the following outcomes:

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

Statement of service performance

The Council has met six out of 15 performance measures in the 2019/20 year for the transportation activity.

The service request helpdesk system has continued to be well utilised and reflects the public awareness that it is available for communicating their transport related issues to the Council. In the 2019/20 financial year, 2,829 service requests were lodged and of these, 85% were responded to in the required time. The Council continues to encourage members of the community to report potholes and other minor defects on the network. A new Customer Services team has streamlined how people can report problems and how they are then progressed to Council's roading staff and road maintenance contractor. The app 'Snap Send Solve' is also promoted.

Urban roads recorded a performance rating in the residents' survey of 42% 'more than good' which was below the target of 50% or above. The drop in satisfaction likely increasingly reflects ratepayers' dissatisfaction with the traffic disruptions from the ongoing construction associated with Southern Motorway (which is an NZTA project) and to some extent the ongoing urban land development which requires temporary traffic controls to enable existing roads to be upgraded together with water and sewerage service installation. In addition the Council has undertaken some major roading works in Rolleston that have required road closures and detours, such as for the Tennyson St upgrade and the installation of traffic signals on the Rolleston urban network. This was further aggravated due to Covid-19 restrictions that halted work on these projects over lockdown periods.

The Council resurfaced 66.2 km of existing sealed roads during the year, however an addition 9 km of resurfacing work was not able to be completed due to the Covid-19 lockdown restrictions. The extra cost to repair pavement structures before sealing them continues to place pressure on this activity.

Residents satisfaction in rural roads remained steady with a rating of 28% 'more than good' compared with the target of 30% or above. Further work by the Council to understand and monitor the condition of unsealed roads was undertaken. The Council's staff and contractor undertake a visual condition rating of our unsealed network on a six-monthly basis. The rating process assigns a good, average or poor score based on a range of factors including the presence of potholes, corrugations, running course, base course, camber and drainage. Those with a poor rating then have a more detailed inspection with the work necessary to improve the overall condition quantified, prioritised and programmed. With time, trends will begin to show how the Council can anticipate where improvements will be needed to manage the condition of unsealed roads more proactively.

The residents' survey provided a satisfactory result for cycleways with 50% of residents rating their satisfaction as good or very good, where the target satisfaction is 50%. Footpaths scored a 52% rating compared to the target of 55% or greater. This may reflect the challenges faced in planning larger cycleway projects and the longer negotiations needed to achieve these. The Council has also been progressively extending each township walking and cycling networks on busier roads and filling gaps in in the existing footpath network as part of the improvement programme originating from the Council's Walking and Cycling Action Plan.

Work is ongoing to improve road safety in the district. The 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. There were four deaths and 14 serious injuries in the 2019/20 year compared to the previous year of two and 22 respectively. The main factors leading to these crashes were failing to stop or give way, distraction, alcohol, and fatigue. The Council employees two Road Safety Coordinators, with one dedicated to supporting schools and student safety in the district.

The Council attended all of the relevant meetings held by the Regional Transport Committee and three of the four Regional Transport Officers Group meetings during the year. There is a wide range of additional meetings with regular attendance, including the quarterly Regional Road Safety Working Group and Greater Christchurch Public Transport Joint committee meetings, and the monthly Greater Christchurch Partnership Transport Managers, Greater Christchurch PT Futures Steering group, and Christchurch Public Transport Business Case Steering Group meetings. This demonstrates our commitment to coordination on a strategically important regional basis, both at the 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.	Response to service requests: The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan. (Mandatory Performance Measure)	>75% resolution within the timeframe specified	Achieved 85% of service requests were responded to within the timeframe specified in the Long-Term Plan. (2019: Achieved 85%)
	The proportion of residents rating the performance in the Residents Survey as good or very good.	Urban Roads ≥50%	Not Achieved 42% (2019: Not Achieved 47%)
		Rural Roads ≥30%	Not achieved 28% (2019: Achieved 31%)
		Footpaths ≥55%	Not Achieved 52% (2019: Not achieved 54%)
		Cycleways ≥50%	Achieved 50% (2019: Not achieved 44%)
	Condition of the sealed road network: The average quality of ride on a sealed local road network, measured by smooth travel exposure. (This Mandatory Performance Measure indicates the percentage of the network that complies with a maximum roughness target for a particular level of road.) Note: The last roughness count was measured in August 2019.	Urban roads ≥90%	Not Achieved 89% (2019: Achieved 91%)
		Rural roads ≥95%	Achieved 98% (2019: Achieved 98%)
		All roads ≥95%	Achieved 96% (2019: Achieved 96%)
	Maintenance of a sealed local road network: The percentage of the sealed local road network that is resurfaced. (Mandatory Performance Measure)	≥75km	Not Achieved 66.2km (2019: Not achieved 74.2km)

Objective	Performance measure	Service target	Achievement
	<p>Condition of footpaths within the local road network:</p> <p>The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual work program or long term plan).</p> <p>(Mandatory Performance Measure)</p>	≥80%	Achieved 89% (2019: Achieved 88%)
Cater for any significant projected traffic increases in a sustainable manner	The percentage of individual large capital projects* generally completed in the year that they were programmed to occur.	≥75%	Not Achieved 4 of 8 (50%) planned projects* were completed during the year. (2019: Achieved 8 of 10 (80%) planned projects* were completed during the year)
Pedestrians, cyclists and motor vehicle users can safely move around the Selwyn district.	<p>Road Safety: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.</p> <p>(Mandatory Performance Measure)</p> <p><i>Note: Reported results are obtained from the NZTA Crash Analysis System (CAS). Reported results may vary as the CAS system is continually updated throughout the year.</i></p>	Progressively reducing number of fatal and serious crashes.	Not Achieved 4 fatality and 14 serious injury crashes Compared to the 2018/19 financial year, the 2019/20 financial year has seen an increase of 2 deaths and decrease of 5 serious injury crashes on our local roads (2019: Achieved 2 deaths and 22 serious injuries)
	The percentage of residents rating the performance rating of promotion of road safety in the Residents' Survey as good or very good.	≥50%	Not Achieved 47% (2019: Not achieved 45%)
	The percentage of residents rating the performance rating of making district roads and intersections safer in the Residents' Survey as good or very good.	≥40%	Not Achieved 39% (2019: Achieved 42%)
Contribute to an integrated and responsive local and regional transportation system	Allocate the appropriate staff and resources to represent the interests of the Council and the community in Greater Christchurch and regional transportation planning, earthquake recovery, funding and implementation initiatives	≥80%	Achieved 7 out of 8 (88%) (2019: Achieved 7 out of 7 (100%))

* Large capital projects include capital projects listed in the corresponding year's Annual Plan.

Transportation funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	3,004	3,748	-	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	5,675	7,097	5,972	Note 1
Fees and charges	-	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	287	276	270	
Total operating funding (A)	8,966	11,121	6,242	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	10,151	7,781	7,543	Note 2
Finance costs	232	382	77	
Internal charges applied	1,940	1,826	1,788	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	12,323	9,989	9,408	
Surplus/(deficit) of operating funding (A-B)	(3,357)	1,132	(3,166)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	3,740	3,823	3,715	Note 1
Development and financial contributions	3,807	2,274	2,240	Note 3
Increase/(decrease) in debt	4,969	9,137	3,062	Note 4
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	12,516	15,234	9,017	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	8,406	12,716	10,278	Note 5
Capital expenditure to improve the level of service	2,443	1,227	2,071	Note 6
Capital expenditure to replace existing assets	5,332	6,508	6,658	Note 7
Increase/(decrease) in reserves	2,810	(988)	(327)	
Increase/(decrease) of investments	(9,832)	(3,097)	(12,829)	
Total applications of capital funding (D)	9,159	16,366	5,851	
Surplus/(deficit) of capital funding (C-D)	3,357	(1,132)	3,166	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

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

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

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

Note 4 Debt has not increased as planned due to the delayed completion of major capital projects.

Note 5 Capital expenditure to meet additional demand is lower than the LTP due to the timing of completing some capital projects which have been carried forward for completion in the 2020/21 financial year. Projects include the Shands/Blakes Road Roundabout \$4.6 million, Retail Carparks and Linkages \$3.8 million and public carpark Tennyson Street West \$1 million.

Note 6 Capital expenditure to improve the level of service is higher than the LTP due to the timing of completing some capital projects which have been completed during the year. These projects include low cost low risk projects such as the Doyleston to Leeston cycleway.

Note 7 Capital expenditure to replace existing assets are lower than the LTP due to timing of undertaking sealed road resurfacing.



Solid waste management

This year the Council...

Collected from over **23,000** households

Collected from kerbsides	10,300	4,687	5,767
	tonnes of rubbish	tonnes of recycling	tonnes of organics

26,700 tonnes of all waste types through the Pines Resource Recovery Park

Key results



94%

of residents satisfied with rubbish collection



90%

of residents satisfied with recycling collection



91%

of residents satisfied with organics collection



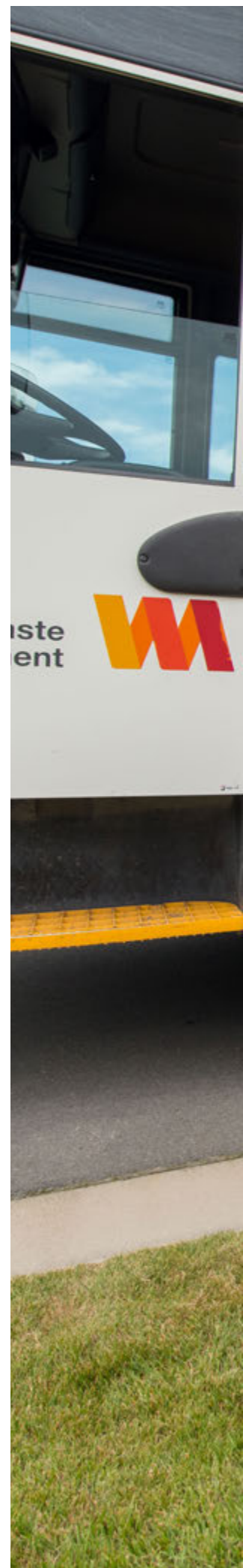
50%

of residents have used Pines Resource Recovery Park



7%

reduction in kerbside waste to landfill





Solid waste management

Overview

The Council provides a variety of services related to the management of waste in the district, covering more than 23,000 households. 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 and private collectors to the Pines Resource Recovery Park. Residents pay for the service through a mix of targeted and compulsory rates.

The Waste Minimisation Act 2008 requires local authorities to review their Waste Management and Minimisation Plan (WMMP) every six years. The Council completed its review of the existing WMMP by rewriting its Waste Assessment in 2017. The 2011 WMMP was revoked and replaced with a new plan that was adopted in August 2019. 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.

Covid-19 impacted on total recycling tonnes, with nearly 500 tonnes of kerbside recyclables sent to landfill during the year. Covid-19 continues to impact in an ongoing way through increased contamination levels in kerbside recycling collections as a result of resident's reduced adherence with recycling guidelines, combined with more stringent checking and rejection of recycling loads at the recycling sorting facility.

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 potentially occur if waste accumulated and was left to decompose and become a source of disease. There is also a risk 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 organic 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 recyclable materials are currently collected, with a garden and food waste collection available in nine of the district's medium to larger townships, on an optional basis.

Residual waste disposal facilities

Residual waste (rubbish) is taken to Pines Resource Recovery Park in Rolleston where it is compacted into large containers and transported to the Kate Valley Regional Landfill. This landfill has resource consents in place until 2039.

Resident 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 Waste Management (NZ) Limited and five local authorities in Canterbury, including Selwyn District Council. The Councils' collective share is 50% with 6% of that belonging to Selwyn District Council. The company's name is Transwaste Canterbury Limited. In addition, Selwyn works with the other Canterbury Councils on wider waste minimisation related initiatives through the Canterbury Waste Joint Committee.

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
- A healthy community

Statement of service performance

The Council met all of its performance measures in the solid waste activity. There was a 7% decrease in the total amount of residual waste per head of population compared with the previous financial year. This is primarily due to a reduction in commercial waste tonnes received at Pines Resource Recovery Park over the year, but exacerbated by the effects of Covid-19. At the same time, population has increased, but kerbside waste tonnes from households has remained static.

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 is very high, with ratings of good or very good of 94%, 90%, and 91% respectively. In addition 50% of surveyed residents independently use the Resource Recovery Park.

Service targets for solid waste management

Objective	Performance measure	Service target	Achievement
The Council provides a quality service for the community where charges cover costs.	Residents' satisfaction rating good or very good in the residents' satisfaction survey.	Rubbish collection $\geq 90\%$	Achieved 94% (2019: Achieved 97%)
		Recycling $\geq 90\%$	Achieved 90% (2019: Achieved 92%)
		Organic waste collection $\geq 85\%$	Achieved 91% (2019: Achieved 89%)
		Pines Resource Recovery Park $\geq 75\%$	Achieved 82% (2019: Achieved 85%)
The Council protects the environment from illegal dumping.	The proportion of households using the Pines Resource Recovery Park.	$\geq 40\%$	Achieved 50% (2019: Achieved 46%)
The solid waste service is effective and efficient.	Number of substantiated formal complaints received per annum related to the solid waste service	≤ 15	Achieved 2 substantiated formal complaints were received during the year. (2019: Achieved – 2 substantiated formal complaint was received during the year.)
Waste to landfill is minimised	The total annual amount of residual waste to landfill per capita does not increase more than 2% per annum	$\leq 2\%$ increase in kg per capita compared with the previous year	Achieved 7% decrease in kg per capita (2019: Achieved 8% decrease in kg per capita)
	The annual amount of kerbside residual waste to landfill per capita does not increase over 2016/17 levels (175kg/capita)	No increase in kg per capita compared with the previous year	Achieved 0% decrease in kg per capita (2019: Achieved 8% decrease in kg per capita)

Solid waste management funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	8,093	8,232	7,677	
Subsidies and grants for operating purposes	64	69	68	
Fees and charges	2,723	3,464	3,219	Note 1
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	10,880	11,765	10,964	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	9,164	10,352	9,135	Note 2
Finance costs	-	34	-	
Internal charges applied	579	551	541	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	9,743	10,937	9,676	
Surplus/(deficit) of operating funding (A-B)	1,137	828	1,288	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	1,366	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	1,366	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	1,717			
Capital expenditure to improve the level of service		3,626	2,099	Note 3
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	168	511	-	
Increase/(decrease) of investments	(1,735)	-	-	
Total applications of capital funding (D)	987	(1,943)	(811)	
Surplus/(deficit) of capital funding (C-D)	1,137	2,194	1,288	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note 1 Fees and charges revenue is lower than the LTP due to lower than forecast tonnes of both waste and organics received at the Pines Resource Recovery Park. Waste tonnes remained relatively static as opposed to forecast growth. This appears to be a medium term trend. Organic tonnes were lower than the growth forecasted, due to a dryer summer and autumn period limiting growth.

Note 2 Payments to staff and suppliers is lower than the LTP due to lower waste volumes than originally forecast.

Note 3 Capital expenditure to meet additional demand is lower than the LTP due to enhancements not being completed during the year at the Pines Resource Recovery Park.

5 waters services

This year the Council...

Provided drinking water to **78%** of the population

Supplied **7.87** million cubic metres of water to households

Treated **3.85** million cubic metres of wastewater

Maintained **1,170 km** of water mains

Maintained **359 km** of wastewater mains

Key results



64%

of residents satisfied with water supplies



63%

of residents satisfied with sewerage and wastewater



42%

of residents satisfied with urban stormwater



99.96%

compliance with drinking water standards for treatment





5 waters services

Activities covered

Community water supplies	29 schemes (public health)
Land drainage	10 schemes (making land farmable)
Stormwater – urban	21 schemes (urban stormwater management)
Water races – rural and urban	3 schemes (stock water, amenity, habitat)
Community wastewater schemes	14 schemes plus ESSS and Ellesmere WWTP (public health)

Overview

The availability of clean, safe-to-drink water and the safe disposal of wastewater 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 78 water-based schemes within the district. The 5 Waters assets carrying value is \$603 million with water supplies valued at \$143 million, sewerage schemes \$273 million, stormwater \$70 million, land drainage \$44 million and water races \$73 million.

Drinking water is provided by the Council to over 78% of the population of the district. Wastewater services are provided to approximately 62% of the district. The largest consented wastewater treatment and disposal area is the Eastern Selwyn Sewer Scheme (ESSS) Pines Wastewater Treatment Plant, servicing Rolleston, West Melton, Lincoln, Prebbleton and Springston.

It has always been clear that the water services are interlinked. This reflects the unique geographical 'mountains to sea' landscape 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 Long-Term Plan 2018–2028 for the very reason that failure of these services has a potentially 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, eg 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 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 wastewater asset continues to increase rapidly, with the Eastern Selwyn Sewerage Scheme (ESSS) being upgraded in stages to meet the continued demand from development. Stormwater assets have been, and will continue to be, developed to meet the increased standards reflected in the Regional Council's Land and Water 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 to the following outcomes:

- A clean environment
- A district with a rural identity
- A healthy community
- A safe place in which to live, work and play
- A prosperous community.

Statement of service performance

Safe drinking water

The Council achieved 99.96% and 99.72% compliance for E-Coli in water leaving the treatment plant, and water in the distribution systems respectively. This great result is an outcome of the water treatment plant upgrades.

Water quantity

Selwyn residents tend to be high users of water, using an average of 0.498m³ of water per person a day in the 2019/20 year. This can be attributed to mostly outdoor use – residents tend to have larger sections and therefore wish to maintain these sections, with comparatively low rainfall and free draining soils water use has historically been high. The Council has a role to play in continuing to educate the community on water conservation, with a long term view to changing behaviour on water consumption.

Serviced area and operating costs

78% of residential properties in Selwyn are serviced with water and 62% of residential properties are serviced by the Council's waste water systems. The average operating cost per serviced property for water services provided in the District is \$328.60 per year for water and \$383.46 per year for wastewater. The cost of water supply is below our targeted costs. The cost of wastewater is marginally above our targeted cost.

Compliance with resource consents

During the 2019/20 year there were no abatement notices, infringement notices, enforcement orders or convictions received for any of the Council's water services.

Dry weather sewer overflows

The Council attended to six dry weather sewage overflows in the 2019/20 year. The target was less than 1 overflow per 1000 properties, which was met. The final result was 0.4 overflows per 1000 rated properties.



Water sustainability and availability

Sustainable water management continues to be a focus for Selwyn District Council. The Council is actively implementing a Water Demand Management Strategy which includes the installation of water meters and implementation of volumetric water charging. The Council is aware of the potential impact climatic cycles and trends have on its 5 Waters and is actively monitoring and planning for this.

Service targets for 5 waters activities

Objective	Performance measure	Service target	Achievement
LAND DRAINAGE			
Nuisance effects from water services are minimised.	Proportion of residents rating the land drainage system good or very good.	≥40%	Not achieved 35% (63% of users) (2019: Not achieved 35%)
	The number of complaints received about the performance of the Land Drainage system, expressed per 1000 rated properties.	Less than 8	Not achieved 8.19 (2019: Achieved 2.82)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for Land Drainage.	≤\$100	Not achieved \$122.48 (2019: Not achieved \$135)
STORMWATER			
Adverse effects of water services on the environment are minimised.	Compliance with resource consents for discharge from the stormwater system measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions Received from Environment Canterbury. (Mandatory Performance Measure)	a) Nil b) Nil c) Nil d) Nil	Achieved (Nil) Achieved (Nil) Achieved (Nil) Achieved (Nil) (2019: Achieved Nil for all)
Nuisance effects of water services are minimised.	Proportion of residents rating the stormwater system good or very good.	≥45%	Not achieved 42% (59% of users) (2019: Achieved 46%)
	The number of complaints received about the performance of the stormwater system, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 8	Not achieved 10.13 (2019: Achieved 2.91)
	The median response time to attend a flooding event measured from the time that personnel receives notification to the time that service personnel reach the site. (Mandatory Performance Measure)	Less than 1 hour for urgent flooding events.	Achieved Nil (2019: Achieved Nil)
	The number of flooding events that occur as a result of overflow from the stormwater system that enters a habitable floor. (Mandatory Performance Measure)	Nil in less than 50 year storm events.	Achieved Nil (2019: Achieved Nil)
	For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system. (Mandatory Performance Measure)	Nil per 1,000 connected properties in less than 50 year storm events	Achieved Nil (2019: Achieved Nil)
	Total average operating cost per serviced property for stormwater.	≤\$85	Achieved \$63.20 (2019: Achieved \$66)

Objective	Performance measure	Service target	Achievement
WASTEWATER			
Adverse effects of water services on the environment are minimised.	Compliance with resource consents for discharge from the wastewater system measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions Received from Environment Canterbury. (Mandatory Performance Measure)	a) Nil b) Nil c) Nil d) Nil	Achieved (Nil) Achieved (Nil) Achieved (Nil) Achieved (Nil) (2019: Achieved Nil for all)
Nuisance effects of water services are minimised.	Proportion of residents rating the wastewater system good or very good.	≥65%	Not achieved 63% (82% of users) (2019: Achieved 72%)
	The total number of complaints received about sewage odour, blockages and system faults, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 8	Achieved 2.18 (2019: Achieved 3.16)
Problems with water services are addressed in a timely manner and prioritised according to risk and need.	Where personnel attend wastewater overflows resulting from a blockage or other fault in the wastewater system. The median response time measures the: a) attendance time: from the time that the personnel receives notification to the time that service personnel reach the site; b) resolution time: from the time that the personnel receives notification to the time that service personnel confirm resolution of the blockage or other fault. (Mandatory Performance Measure)	a) Less than 1 hour b) Less than 24 hours	a) Achieved 50 minutes (2019: Achieved 30 minutes) b) Achieved 21 hours 51 minutes (2019: Achieved 5 hours 18 minutes)
Service capacity is provided to accommodate growing communities, where this growth is sustainable.	The proportion of residential properties serviced by wastewater services within the district expressed as a percentage of total residential properties.	≥60%	Achieved 62% (2019: Achieved 65%)
The community is provided with water services to a standard that protects their health and property.	The number dry weather wastewater overflows from the wastewater system, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 1.5 overflow.	Achieved 0.4 (2019: Achieved 0.6)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for wastewater.	≤\$360	Not achieved \$383.46 (2019: Achieved \$355)
WATER SUPPLY			
Adverse effects of water services on the environment are minimised.	Compliance with resource consents for surface water takes for water supplies measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions Received from Environment Canterbury. (Mandatory Performance Measure)	a) Nil b) Nil c) Nil d) Nil	Achieved (Nil) Achieved (Nil) Achieved (Nil) Achieved (Nil) (2019: Achieved Nil for all)

Objective	Performance measure	Service target	Achievement
Nuisance effects of water services are minimised.	Proportion of residents rating the water supplies good or very good.	≥65%	Not achieved 64% (76% of users) (2019: Achieved 76%)
	The total number of complaints received about drinking water clarity, continuity of supply, odour, taste, pressure and flow, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 15.	Not Achieved 16.96 (2019: Not achieved 19.16)
Problems with water services are addressed in a timely manner and prioritised according to risk and need.	Where personnel attend a non-urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the: a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site; b) resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption. (Mandatory Performance Measure)	a) Less than 24 hours b) Less than 120 hours	a) Achieved 1 hour 26 minutes (2019: Achieved 1 hour 47 minutes) b) Achieved 3 hours 30 minutes (2019: Achieved 6 hours 13 minutes)
	Where personnel attend an urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the: a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site; b) resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption. (Mandatory Performance Measure)	a) Less than 4 hours b) Less than 48 hours	a) Achieved 46 minutes (2019: Achieved 59 minutes) b) Achieved 2 hours 2 minutes (2019: Achieved 2 hours 12 minutes)
Service capacity is provided to accommodate growing communities, where this growth is sustainable.	The proportion of residential properties serviced by water supplies within the district expressed as a percentage of total residential properties.	≥80%	Not achieved 78% (2019: Achieved 81%)
	The percentage of real water loss from the water reticulation system in urban schemes. (Mandatory Performance Measure)	≤22%	Achieved 17.1% (2019: 13.5%)
	The proportion of an urban fire district area within 135m of one fire hydrant and 270m of two fire hydrants.	Greater than 60% of the district	Achieved 76.7% (2019: Achieved 76%)
	The average consumption of drinking water per day per resident. (Mandatory Performance Measure)	Less than 0.5m ³ per person per day within urban schemes	Achieved 0.498 m ³ per person per day Only those residents who are billed water metered rates are included in this measure The meter reading are taken two times per year and they do not coincide with the financial year. (2019: Achieved 0.342m ³ per day)

Objective	Performance measure	Service target	Achievement
	The extent to which the drinking water supplies comply with the drinking water standards for bacteria compliance. (Mandatory Performance Measure)	≥99% of monitoring samples comply, at both the treatment plant and within the reticulation, across the district	Achieved Treatment: 99.96% Achieved Reticulation: 99.72% <i>Self-administered properties not monitored by Council.</i> (2019: Achieved Treatment: 99.98% Reticulation: 99.83%)
	The extent to which the drinking water supplies comply with the drinking water standards for protozoal compliance. (Mandatory Performance Measure)	≥80% of the treatment plant sites are compliant across the district.	Not achieved 72.92% (2019: Not achieved 70%)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for water supply.	≤\$330	Achieved \$328.60 (2019: Achieved \$289)

WATER RACES

Nuisance effects of water services are minimised.	Proportion of residents rating the water race system good or very good.	≥35%	Achieved 38% (48% of users) (2019: Achieved 45%)
	The total number of complaints received about continuity of supply, expressed per 1000 rated properties.	Less than 50.	Achieved 14.77 (2019: Achieved 14.33)
Problems with water services are addressed in a timely manner and prioritised according to risk and need.	Where personnel attends an urgent blockage or other fault in the water race system. The median response times measures the: a) Attendance time: from the time that personnel receives notification to the time that service personnel reach the site; b) Resolution time: the time that personnel receives notification to the time that service personnel confirm the resolution of the blockage or other fault.	a) Less than 4 hours b) Less than 48 hours	a) Achieved 33 minutes (2019: Achieved 2 hours 7 minutes) b) Achieved 2 hours 43 minutes (2019: 2 hours 54 minutes)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for water races.	≤\$200	Achieved \$96.87 (2019: Achieved \$195)
Adverse effects of water services on the environment are minimised.	Compliance with resource consents for surface water takes for water supplies measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions Received from Environment Canterbury	a) Nil b) Nil c) Nil d) Nil	Achieved (Nil) Achieved (Nil) Achieved (Nil) Achieved (Nil) (2019: Achieved Nil for all)

Community water supplies funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	7,187	6,548	6,081	Note 1
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	97	124	119	
Internal charges and overheads recovered	1,421	1,340	1,312	
Other operating funding	-	-	-	
Total operating funding (A)	8,705	8,012	7,512	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	4,809	3,604	4,493	Note 2
Finance costs	-	-	-	
Internal charges applied	2,841	2,680	2,624	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	7,650	6,284	7,117	
Surplus/(deficit) of operating funding (A-B)	1,055	1,728	395	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	3,718	2,158	2,117	Note 3
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	3,718	2,158	2,117	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	6,311	5,845	12,203	
Capital expenditure to improve the level of service	5,889	2,859	3,710	Note 4
Capital expenditure to replace existing assets	2,232	1,397	2,947	Note 5
Increase/(decrease) in reserves	(3,037)	(3,511)	(10,903)	
Increase/(decrease) of investments	(6,622)	(2,704)	(5,445)	
Total applications of capital funding (D)	4,773	3,886	2,512	
Surplus/(deficit) of capital funding (C-D)	(1,055)	(1,728)	(395)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note 1 Targeted rates revenue is higher than the LTP due to the actual number of water connections being higher due to the substantial growth in the district over recent years.

Note 2 Payments to staff and suppliers is higher than the LTP largely due to the timing of completion of some operational projects carried forward from the 2018/19 year for completion in the current financial year.

Note 3 Development and financial contributions is higher than the LTP due to the higher than forecast substantial growth in the district.

Note 4 Capital expenditure to improve the level of service is higher than the LTP due to projects being carried forward from the 2018/19 year for completion in the 2019/20 financial year. Projects undertaken during the year include source upgrades to UV treatment and storage.

Note 5 Capital expenditure to replace existing assets is higher than the LTP due to work on water treatment upgrades being carried forward from the 2018/19 year for completion in the 2019/20 financial year.

Community wastewater funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	7,039	6,542	6,233	Note 1
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	1,039	654	638	
Internal charges and overheads recovered	882	831	814	
Other operating funding	2	-	-	
Total operating funding (A)	8,962	8,027	7,685	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	5,019	3,714	3,543	Note 2
Finance costs	378	94	65	Note 3
Internal charges applied	1,763	1,663	1,628	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	7,160	5,471	5,236	
Surplus/(deficit) of operating funding (A-B)	1,802	2,556	2,449	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	9,064	5,015	5,075	Note 4
Increase/(decrease) in debt	(6,907)	(1,436)	2,600	Note 5
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	2,157	3,579	7,675	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	6,441	2,351	7,382	Note 6
Capital expenditure to improve the level of service	1,307	1,520	956	
Capital expenditure to replace existing assets	2,621	435	1,706	Note 7
Increase/(decrease) in reserves	(1,502)	472	(717)	
Increase/(decrease) of investments	(4,908)	1,357	797	
Total applications of capital funding (D)	3,959	6,135	10,124	
Surplus/(deficit) of capital funding (C-D)	(1,802)	(2,556)	(2,449)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note 1 Targeted rates revenue is higher than the LTP due to the actual number of connections being rated is higher than budget due to additional connections from the higher than forecast substantial growth in the district.

Note 2 Payments to staff and suppliers is higher than the LTP due to higher than anticipated costs associated with sludge removal and disposal, as well as higher general maintenance and insurance costs.

Note 3 Finance costs are higher than the LTP due to the basis on which the budget was prepared. Major capital projects were planned to be funded by internal borrowing as opposed to external borrowing. External borrowing has been used to fund the outstanding deficit on the capital account.

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

Note 5 Debt has decreased as the requirement to borrow is lower due to higher Council revenue than originally budgeted.

Note 6 Capital expenditure to meet additional demand is higher than the LTP due to the timing of completion of expansions to the Pines Wastewater Treatment Plant expansion being progressed during the current financial year.

Note 7 Capital expenditure to replace existing assets is higher than the LTP due to sewerage treatment renewals being progressed during the current financial year including the Leeston sewerage system.

Community stormwater funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	1,309	1,238	1,120	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	-	-	-	
Internal charges and overheads recovered	185	173	169	
Other operating funding	-	-	-	
Total operating funding (A)	1,494	1,411	1,289	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	714	780	894	
Finance costs	72	100	118	
Internal charges applied	369	346	338	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	1,155	1,226	1,350	
Surplus/(deficit) of operating funding (A-B)	339	185	(61)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	264	358	351	
Increase/(decrease) in debt	(83)	(358)	(351)	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	181	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	-	-	18	
Capital expenditure to improve the level of service	619	1,077	1,669	Note 1
Capital expenditure to replace existing assets	-	118	-	
Increase/(decrease) in reserves	234	159	212	
Increase/(decrease) of investments	(333)	(1,169)	(1,960)	
Total applications of capital funding (D)	520	185	(61)	
Surplus/(deficit) of capital funding (C-D)	(339)	(185)	61	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note1 Capital expenditure to improve the level of service is lower than the LTP due to projects being carried forward for completion in the 2020/21 financial year. This includes work being undertaken to improve district and Prebbleton stormwater.

Water races and land drainage funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	41	41	40	
Targeted rates	2,810	2,724	2,597	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	379	404	383	
Internal charges and overheads recovered	420	396	388	
Other operating funding	-	-	-	
Total operating funding (A)	3,650	3,565	3,408	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	2,590	2,651	2,866	
Finance costs	-	-	-	
Internal charges applied	841	792	776	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	3,431	3,443	3,642	
Surplus/(deficit) of operating funding (A-B)	219	122	(234)	
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	12	-	42	
Capital expenditure to improve the level of service	306	41	484	
Capital expenditure to replace existing assets	779	2,538	1,249	Note 1
Increase/(decrease) in reserves	(396)	(2,173)	(712)	
Increase/(decrease) of investments	(482)	(284)	(1,297)	
Total applications of capital funding (D)	219	122	(234)	
Surplus/(deficit) of capital funding (C-D)	(219)	(122)	234	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note 1 Capital expenditure to replace existing assets is lower than the LTP due to projects being carried forward for completion in the 2020/21 financial year including Malvern water race renewals.

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 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
- 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.

Service targets for Izone Southern Business Hub

There are no service targets for the Izone Southern Business Hub.

Izone Southern Business Hub funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	40	-	31	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	40	-	31	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	459	323	409	Note 1
Finance costs	-	-	-	
Internal charges applied	-	-	-	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	459	323	409	
Surplus/(deficit) of operating funding (A-B)	(419)	(323)	(378)	
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	3,309	-	9,473	Note 2
Total sources of capital funding (C)	3,309	-	9,473	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	-	-	-	
Increase/(decrease) of investments	2,890	(323)	9,095	
Total applications of capital funding (D)	2,890	(323)	9,095	
Surplus/(deficit) of capital funding (C-D)	419	323	378	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note 1 These costs are directly linked to the sale of land at the Izone Southern Business Hub.

Note 2 Gross sales proceeds from sale of assets are higher than the LTP due to the timing of the sale of commercial property at the Izone Southern Business Hub.

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 the Chief Executive Officer's department, Finance function, Information services, Records management, Asset management and service delivery.

The internal Council services activity also covers the Council's corporate revenue, including dividends, interest and property leases. Because it includes corporate revenue, the Internal Council Services activity generates a surplus. This surplus is used to reduce the general rate requirement so that all ratepayers benefit from this revenue. 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

The Council collects rates on behalf of the Canterbury Regional Council and in return they pay a fee and a portion of the rating valuation cost. The revenue received is used to offset the cost of running the Council's rates department.

Internal Council Services funding impact statement

	2019/20	2019/20	2018/19	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	(6,710)	(8,391)	(8,953)	Note 1
Targeted rates	415	390	417	
Subsidies and grants for operating purposes	136	81	79	
Fees and charges	1,735	2,069	2,044	
Internal charges and overheads recovered	17,644	16,416	16,239	Note 2
Other operating funding	6,895	7,466	8,875	Note 3
Total operating funding (A)	20,115	18,031	18,701	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	16,795	14,980	14,754	Note 4
Finance costs	143	78	91	
Internal charges applied	2,164	1,950	1,939	
Other operating funding applications	(59)	143	140	
Total application of operating funding (B)	19,043	17,151	16,924	
Surplus/(deficit) of operating funding (A-B)	1,072	880	1,777	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	22,189	(267)	(247)	Note 5
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	22,189	(267)	(247)	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	434	511	543	
Capital expenditure to improve the level of service	22	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	45	55	52	
Increase/(decrease) of investments	22,760	47	935	
Total applications of capital funding (D)	23,261	613	1,530	
Surplus/(deficit) of capital funding (C-D)	(1,072)	(880)	(1,777)	
Funding balance (A-B) + (C-D)	-	-	-	

Explanations for significant variances between actual and the Long-Term Plan 2019/20:

Note 1 The decreased contribution towards the general rate from support services is largely due to higher costs associated with the centralisation of the customer service area at the Council. The aim of this project is to provide customers contacting the Council with a high level of service that meets their needs and allows them to transact with us in a simple and satisfying way. Making these improvements has required investment in both staff and processes.

Note 2 Internal charges and overheads recovered is higher than the LTP due to continued population growth.

Note 3 Other operating funding revenue is lower than the LTP due to lower dividend revenue received from Orion New Zealand Limited during the year. Orion delayed the declaration of their 2020/21 interim dividend until September and will therefore be received during the 2020/21 financial year. The reduction in the dividend revenue received from Orion was partially offset by higher dividend revenue received from Sicon Limited and higher interest revenue received on cash balances held.

Note 4 Payments to staff and suppliers is higher than the LTP due to the increased costs required to cope with the demands of rapidly developing district, including specialist project management resources in the property and commercial and water service delivery area to oversee and coordinate capital projects, increased IT costs including computer licencing and cloud storage costs.

Note 5 The movement in debt represents the net transfer of loans between internal and external borrowing.

Financial reporting





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 2020 fairly reflect the financial position and operations of the Selwyn District Council.



Sam Broughton
Mayor of Selwyn District



David Ward
Chief Executive



Kelvin Mason
Group Manager Organisational Performance

28 October 2020



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 revenue and expenditure items such as vested asset revenue (revenue 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 revenue sources, including general rates, targeted rates, fees and charges, subsidies, interest, dividends and development contributions. The revenue 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 revenue funds both types of costs it is treated as operating revenue.

Similarly, expenditure is split between operating and capital items. The statement shows how the difference between revenue 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 revenue 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 revenue and cash expenditure need to be funded by a combination of borrowing, investments and reserves.

The amount of general rate revenue 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 revenue from dividends, interest and other sources that is used to reduce the amount of general rate revenue that needs to be charged to ratepayers. This revenue is treated as corporate revenue and included in the support services funding impact statement. This means that the general rate revenue line in this statement is actually a reduction in the general rate requirement, rather than an amount of revenue to be collected from ratepayers. In effect, it offsets the amount of general rate expenditure that would need to be charged to ratepayers if the Council did not have dividend and interest revenue.

	2019/20	2019/20	2018/19	2018/19
	Actual	Annual Plan	Actual	Annual Plan
	\$'000	\$'000	\$'000	\$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charge, rate penalties	23,421	22,806	21,195	20,574
Targeted rates	41,203	40,752	36,254	35,318
Subsidies and grants for operating purposes	6,185	6,688	5,530	6,360
Fees and charges	18,992	17,864	18,166	15,831
Interest and dividends from investments	6,875	7,345	9,689	8,875
Other operating funding	499	516	500	270
Total operating funding (A)	97,175	95,971	91,334	87,228
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	82,038	80,445	75,931	76,335
Finance costs	979	2,864	1,241	1,881
Other operating funding applications	148	616	300	515
Total application of operating funding (B)	83,165	83,925	77,472	78,731
Surplus/(deficit) of operating funding (A-B)	14,010	12,046	13,862	8,497
SOURCES OF CAPITAL FUNDING				
Subsidies for capital expenditure	5,370	4,861	4,102	3,715
Development and financial contributions	26,264	15,655	22,896	15,880
Increase/(decrease) in debt	20,000	84,316	-	44,971
Gross sales proceeds from sale of assets	3,751	3,649	9,021	11,153
Total sources of capital funding (C)	55,385	108,481	36,019	75,719
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	46,528	119,663	27,200	72,587
Capital expenditure to improve the level of service	17,384	35,240	10,953	23,697
Capital expenditure to replace existing assets	13,415	18,315	12,283	14,594
Increase/(decrease) in reserves	(1,420)	(25,930)	9,690	(17,228)
Increase/(decrease) of investments	(6,512)	(26,761)	(10,245)	(9,434)
Total applications of capital funding (D)	69,395	120,527	49,881	84,216
Surplus/(deficit) of capital funding (C-D)	(14,010)	(12,046)	(13,862)	(8,497)
Funding balance (A-B) + (C-D)	-	-	-	-

Financials – financial highlights

Introduction

Selwyn District Council continued to experience high levels of population and economic growth during the 2019/20 financial year. The financial results for the year are a reflection of the success of the district as a whole.

Expenditure

Expenditure for the year was \$113.5 million compared with the budget of \$115.3 million. The main variances compared with budget were:

- Finance costs \$1.9 million below budget, due to a reduced borrowing requirement due to positive cash flows and some capital projects that have not yet been completed.
- Depreciation and amortisation expenditure \$2.6 million below budget largely due to the timing of completion of some significant capital projects.
- Cost of sales \$850,000 higher than budget due to the sale of land in the Izone Southern Business Hub being ahead of budget.
- Subsidised maintenance and operational expenditure \$2.7 million higher than budget due to additional work required to maintain our roading network.
- Write-off of property, plant and equipment \$597,000 higher due to the demolition of some Council held properties in Lincoln and Darfield to allow for development.

Revenue

Revenue for the year was \$190.6 million compared with the budget of \$146.9 million. The main variances compared with budget were:

- Rates revenue was \$1.1 million above budget due to higher levels of population growth in the district compared with those projected in the budget.
- Dividend revenue was \$1.3 million below budget due to lower dividend revenue received from Orion New Zealand Limited during the year. Orion delayed the declaration of their 2020/21 interim dividend until September and will therefore be received during the 2020/21 financial year. The reduction in the dividend revenue received from Orion was partially offset by higher dividend revenue received from Sicon Limited.

In our revenue statement we have also incorporated a number of extraordinarily high revenue items including:

- Development contributions revenue \$10.6 million above budget as the level of housing development in the district continues to be 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.
- Fees and charges revenue \$1.1 million above budget due to building and resource consent revenue being higher than forecast due to growth in the district.
- Vested asset revenue \$25.8 million higher than budget due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- Land sales revenue was higher than budget by \$3.3 million due to the sale of land in the Izone Southern Business Hub being above what was budgeted.
- Gains from the movement in the fair value of investment property was \$1.1 million above budget largely due to the movement in the valuation of the Council's investment property.

Cashflow

The Council has a positive **operating** cash flow of \$47 million. The operating cash flow is used to fund the capital expenditure programme and repay debt.

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

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

Equity

- The value of the Council's net assets increased by \$192 million for the year ended 30 June 2020.
- The increase was due to total comprehensive revenue and expense of \$192 million. This increase includes the fair value movement in the value of the Council's investments in Sicon Limited \$1.9 million, Orion New Zealand Limited \$19.0 million and valuation movements in the value of the Council's roading network \$41.7 million and 5 water infrastructural assets \$52.3 million.
- The value of the Council's net assets is \$1.819 billion (2019: \$1.627 billion).

Assets

- **Cash** and cash equivalents held at year end is higher than budgeted by \$10.7 million.
- **Receivables** is higher than budget by \$7 million partly due to a higher rates receivable balance at year end, timing of receipt of GST returns and higher dividend receivable from Sicon Limited.
- **Inventory** is higher than budgeted by \$1.5 million due to the timing of sale of land at Izone.
- **Other financial assets** which includes term deposits held by council are higher than budget by \$32.2 million.
- **Property, plant and equipment** is lower than budget by \$35.0 million due to the timing of completion of some large capital projects and the roading and waters valuation movements being \$16 million above budget.
- **Investment in council controlled organisations** is higher than budget by \$13.5 million due to valuation movements in the Council's investments in Orion New Zealand Limited and Sicon Limited above budget.

Liabilities

- **Borrowings** are lower than budget by \$64.3 million because the budget included higher borrowing levels in the current year to fund capital projects which have been funded using existing cash reserves or have been carried forward for completion in future periods.

Financials – annual report disclosure statement for year ending 30 June 2020

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. The Council and group has adjusted its comparative year financial statements for the year ended 30 June 2014 due to transition to the new PBE accounting standards. The 2013/14 comparative graphs have been updated accordingly.

For 2019/20 council is reporting against its limits as outlined in the 2018-28 LTP

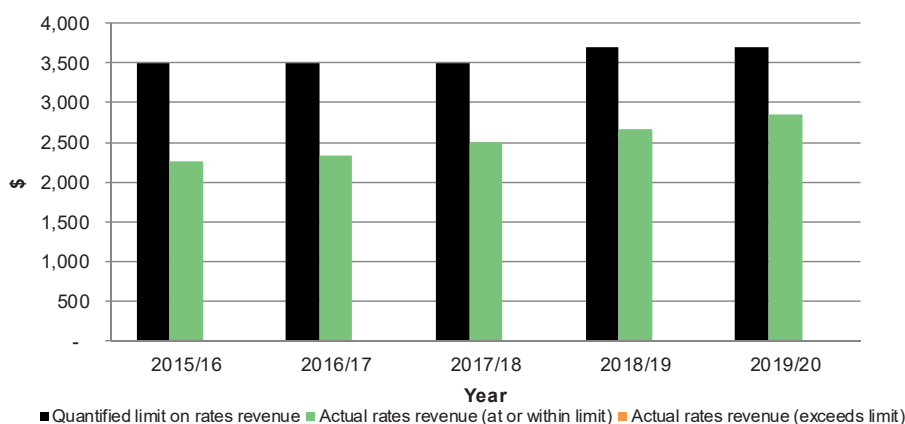
Rates affordability benchmark

The council meets the rates affordability benchmark if –

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

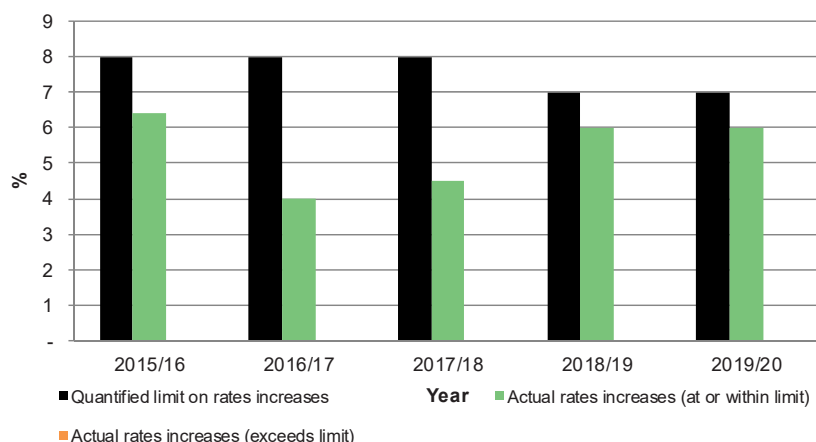
Rates (revenue) affordability

The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is actual rates revenue (including GST) will not exceed \$3,700 per ratepayer.



Rates (increases) affordability

The following graph compares the Council's actual average rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 7% per annum.

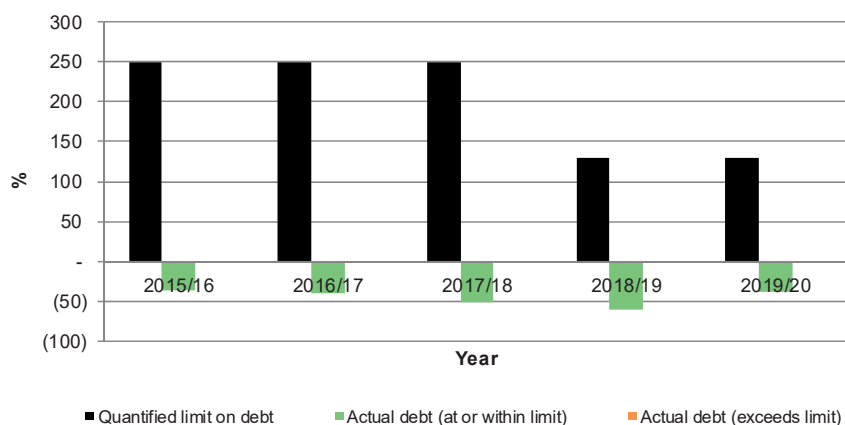


Debt affordability benchmark

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

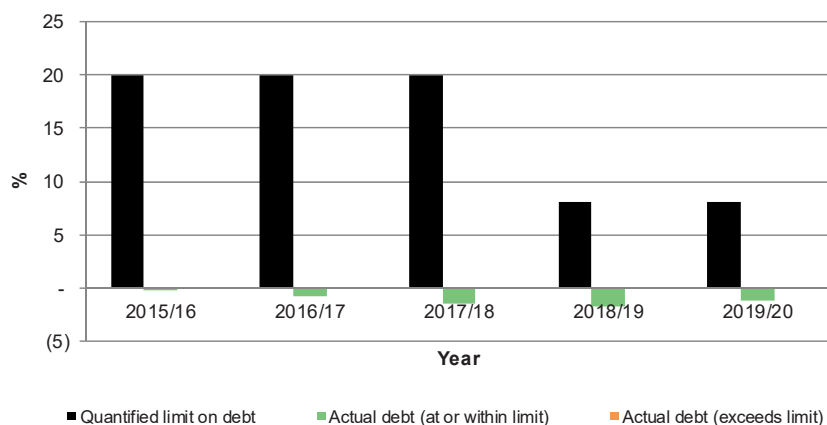
Net borrowing as percentage of revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net borrowings as a percentage of revenue will be less than 130%.



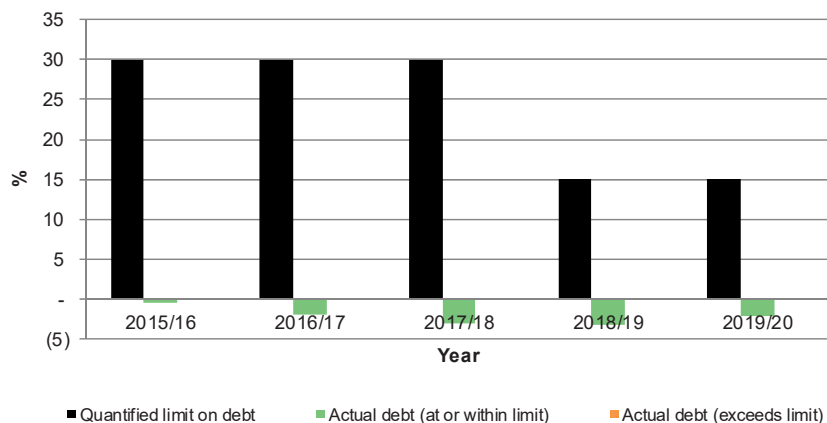
Net interest as percentage of revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net interest as a percentage of revenue will be less than 8%.



Net interest as percentage of rates revenue

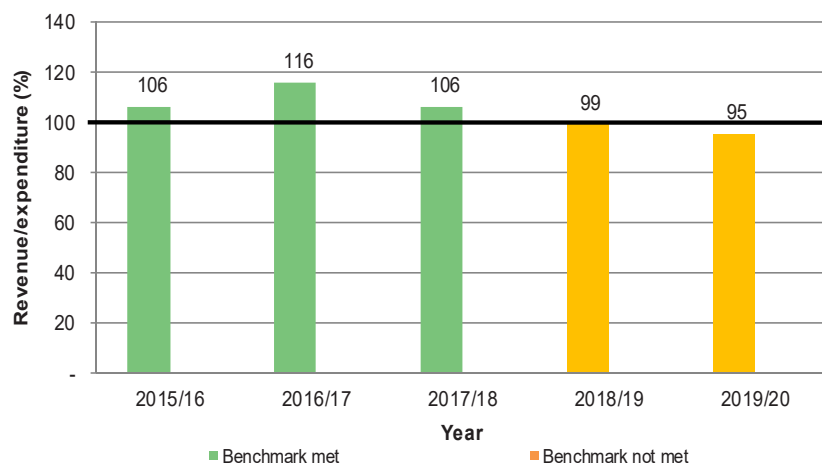
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest as a percentage of rates revenue will be less than 15%.



Balanced budget benchmark

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

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

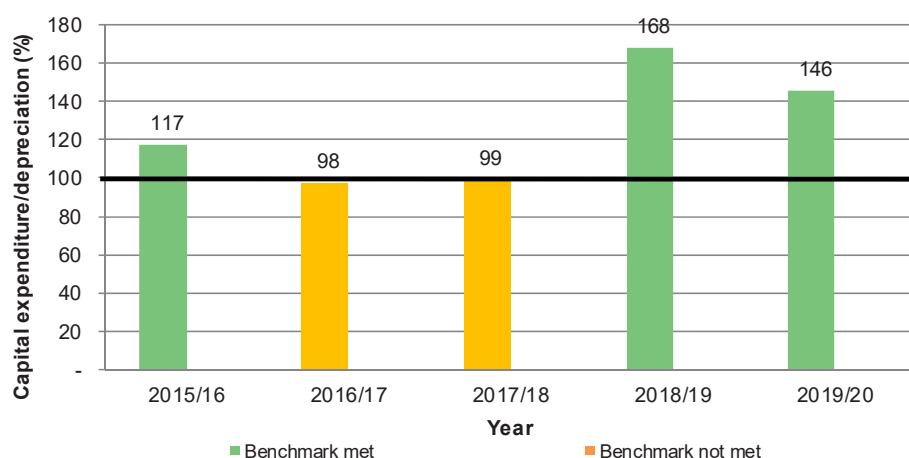


2018/19 and 2019/20 –The Council did not meet the balanced budget benchmark largely due to the Council's decision to not fully fund depreciation (the Council generally funds renewals rather than depreciation).

Essential services benchmark

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

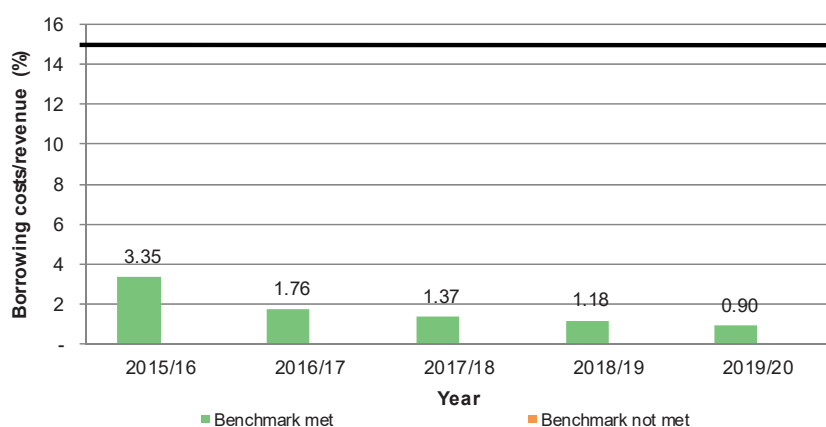
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

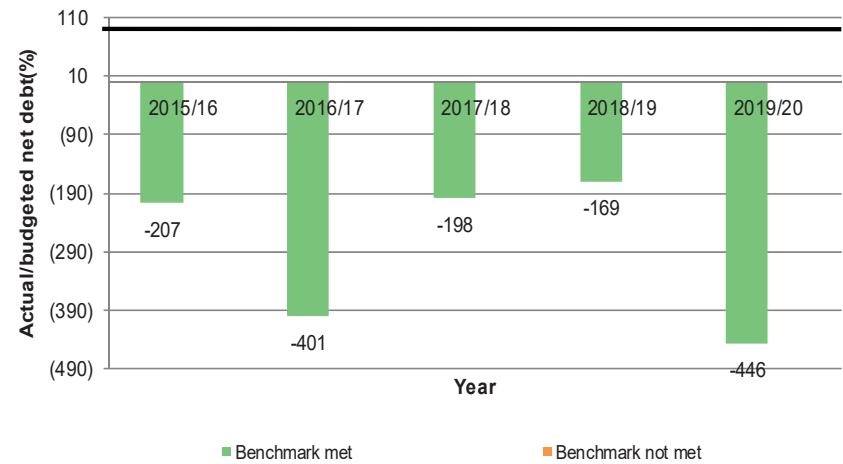
Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it means the debt servicing benchmark if it's borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

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

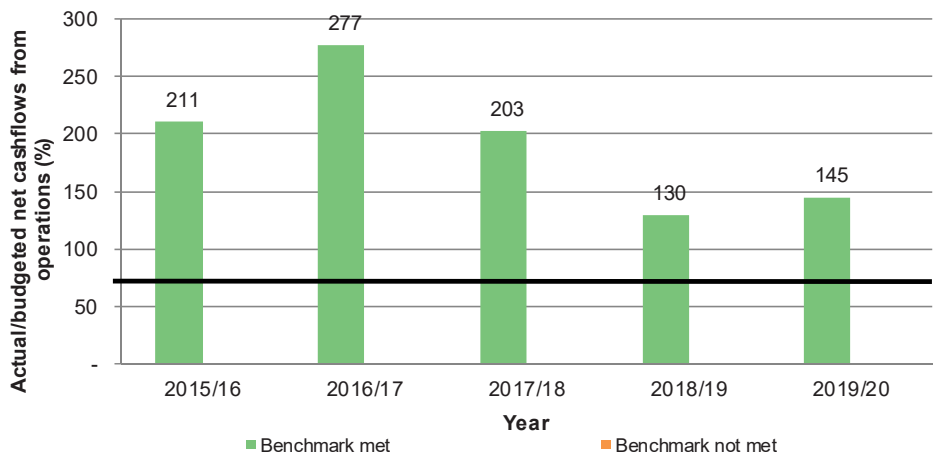
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

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

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



Rating base information

- The number of rating units within the district at the end of the preceding financial year: 28,768
- The total capital value of rating units within the district at the end of the preceding financial year: \$24.8 billion
- The total land value of rating units at the end of the preceding financial year: \$12.9 billion

Insurance of assets

- The total value of all assets that are covered by insurance contracts: \$910 million
- The maximum amount to which assets are insured: \$390 million.
- The maximum amount to which assets are covered by financial risk sharing arrangements: \$520 million
- The total value of the Council's self-insurance fund: \$12.5 million

The total value of all assets covered by insurance contracts is \$910 million. \$570 million of these assets are underground assets which are covered by \$50 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 \$50 million. This policy has an excess of \$12.5 million. 40% of the residual of \$37.5 million or \$15 million is provided by the insurance policy with the balance of the residual \$22.5 million or 60% provided by Central Government.

Council also has 2 self-insurance funds as follows:

- Earthquake self-insurance reserve as at 30 June 2020 \$11.8 million.
- General insurance reserve as at 30 June 2020: \$0.7 million.

Financials – statement of comprehensive revenue and expense for the year ended 30 June 2020

Statement of Comprehensive Revenue and Expense

	Note	Council 2019/20 \$000	Council Budget \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Revenue						
Rates	2	64,624	63,558	57,449	64,618	57,446
Fees and charges	3	18,992	17,864	18,166	18,369	17,865
Development and financial contributions		26,264	15,655	22,896	26,264	22,896
Subsidies and grants		11,555	11,549	9,632	11,555	9,632
Other revenue	4	67,039	37,952	53,758	97,157	87,720
Gains	5	2,145	368	4,211	2,249	2,170
Total revenue	1	190,619	146,946	166,112	220,212	197,729
Expenditure						
Employee benefit expenses	6	24,999	24,767	22,167	42,366	39,415
Depreciation and amortisation expense	7	28,717	31,341	25,949	31,659	29,192
Other expenses	8	58,897	56,294	56,573	64,519	69,809
Finance costs		920	2,864	940	972	1,093
Total operating expenditure	1	113,533	115,266	105,629	139,516	139,509
Operating surplus / (deficit) before taxation		77,086	31,680	60,483	80,696	58,220
Share of associate surplus / (deficit)		-	-	-	-	-
Surplus / (deficit) before taxation		77,086	31,680	60,483	80,696	58,220
Income taxation expense / (benefit)	9	(70)	-	(33)	1,683	294
Surplus / (deficit) after taxation		77,156	31,680	60,516	79,013	57,926
<i>Surplus / (deficit) attributable to:</i>						
Selwyn District Council		77,156	31,680	60,516	79,013	57,926
Minority interest		-	-	-	-	-
Surplus / (deficit) after taxation		77,156	31,680	60,516	79,013	57,926
Other comprehensive revenue and expense						
<i>Items that will be reclassified to surplus / (deficit)</i>						
Financial assets at fair value	21	20,821	7,618	-	18,971	-
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Gain / (loss) on infrastructure assets revaluation	15	93,869	77,388	68	93,869	68
Gain / (loss) on land and building revaluation	15	-	-	18,772	123	20,999
Total other comprehensive revenue and expense		114,690	85,006	18,840	112,963	21,067
Total comprehensive revenue and expense		191,846	116,686	79,356	191,976	78,993
<i>Total comprehensive revenue and expense attributable to:</i>						
Selwyn District Council		191,846	116,686	79,356	191,976	78,993
Total comprehensive revenue and expense		191,846	116,686	79,356	191,976	78,993

The accompanying notes form part of these financial statements.

Financials – statement of changes in equity for the year ended 30 June 2020

	Note	Council 2019/20 \$000	Council Budget \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Balance at 1 July		1,627,496	1,621,266	1,548,140	1,623,072	1,547,081
Total comprehensive revenue and expense for the year		191,846	116,686	79,356	191,976	78,993
Acquisition of non - controlling interest		-	-	-	-	(3,002)
Balance at 30 June	20-23	1,819,342	1,737,952	1,627,496	1,815,048	1,623,072
<i>Total comprehensive revenue and expense for the year is attributable to:</i>						
Selwyn District Council		191,846	116,686	79,356	191,976	78,993
Total comprehensive revenue and expense		191,846	116,686	79,356	191,976	78,993

The accompanying notes form part of these financial statements.

Financials – statement of financial position as at 30 June 2020

	Note	Council Actual 2019/20 \$000	Council Budget 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2019/20 \$000	Group Actual 2018/19 \$000
Current assets						
Cash and cash equivalents		16,909	6,736	8,664	24,686	9,789
Receivables	10	14,952	8,000	11,204	15,008	15,562
Inventory	12	1,562	30	2,322	4,749	4,921
Other financial assets	13	60,289	28,051	71,903	60,289	71,903
Income taxation receivable	9	-	-	28	-	99
Property held for sale		-	770	-	575	560
Investment in joint venture		-	-	-	-	(2)
Total current assets		93,712	43,587	94,121	105,307	102,832
Non-current assets						
Receivables	10	125	300	123	125	123
Other financial assets	13	833	1,089	1,122	833	1,122
Investment in council controlled organisations	13	132,847	119,324	111,626	108,747	89,376
Investment property	14	23,455	27,145	21,325	16,370	14,441
Forestry assets		213	311	247	213	247
Property, plant and equipment	15	1,632,490	1,667,484	1,435,061	1,652,036	1,455,188
Deferred tax	9	-	-	-	516	87
Intangible assets	15	346	497	489	1,818	2,482
Total non-current assets		1,790,309	1,816,150	1,569,993	1,780,658	1,563,066
Total assets		1,884,021	1,859,737	1,664,114	1,885,965	1,665,898
Current liabilities						
Payables and deferred revenue	16	23,965	21,000	17,122	25,899	18,809
Employee benefit liabilities	17	3,419	-	2,307	5,067	3,655
Other provisions	18	210	-	-	588	254
Income taxation payable	9	27	-	-	1,356	-
Derivative financial instruments	11	383	-	422	383	422
Borrowings	19	-	1,622	5,000	-	8,000
Total current liabilities		28,004	22,622	24,851	33,293	31,140
Non-current liabilities						
Employee benefit liabilities	17	113	-	93	126	104
Other provisions	18	1,043	423	1,043	1,043	1,043
Deferred tax	9	-	-	92	936	-
Derivative financial instruments	11	319	846	339	319	339
Borrowings	19	35,200	97,894	10,200	35,200	10,200
Total non - current liabilities		36,675	99,163	11,767	37,624	11,686
Equity						
General funds	20	1,037,237	1,004,790	957,632	1,045,530	964,068
Fair value through other comprehensive revenue	21	86,398	36,119	65,577	71,297	52,326
Special funds	22	66,009	73,195	67,428	66,009	67,428
Asset revaluation reserve	23	629,698	623,848	536,859	632,212	539,250
Total equity		1,819,342	1,737,952	1,627,496	1,815,048	1,623,072
Total liabilities and equity		1,884,021	1,859,737	1,664,114	1,885,965	1,665,898

The accompanying notes form part of these financial statements.

Financials – statement of cash flows for the year ended 30 June 2020

	Note	Council Actual 2019/20 \$000	Council Budget 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2019/20 \$000	Group Actual 2018/19 \$000
Operating activities						
<i>Cash was provided from:</i>						
Receipts from customers		124,686	108,728	113,914	155,872	147,640
Agency receipts		2,323	1,052	1,919	2,323	1,919
Interest received		2,479	1,405	3,025	2,490	3,037
Dividends received		3,899	5,940	6,364	3,099	5,864
Income taxation received		33	-	-	207	-
Goods and services taxation (net)		(1,460)	-	739	(735)	844
		131,960	117,125	125,961	163,256	159,304
<i>Cash was applied to:</i>						
Payments to suppliers and employees		82,078	81,062	73,965	102,178	105,751
Agency payments		2,323	1,052	1,919	2,323	1,919
Income taxation		-	-	53	-	740
Interest paid		978	2,864	1,241	1,030	1,394
		85,379	84,978	77,178	105,531	109,804
Net cash flow from operating activities	24	46,581	32,147	48,783	57,725	49,500
Investment activities						
<i>Cash was provided from:</i>						
Sale of property, plant & equipment		1,230	2,260	3,374	2,025	4,438
Sale of property intended for sale / investment property		-	-	827	-	827
Proceeds from investments		71,503	43,633	67,004	71,500	67,004
		72,733	45,893	71,205	73,525	72,269
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		70,889	173,219	48,213	73,331	54,759
Purchase of intangible assets		22	-	133	22	133
Purchase of investments and goodwill		60,000	-	69,010	60,000	69,010
Purchase of investment property		158	-	3,721	-	-
		131,069	173,219	121,077	133,353	123,902
Net cash flow from investing activities		(58,336)	(127,326)	(49,872)	(59,828)	(51,633)

The GST (net) component of operating activities reflects the net GST paid to and received from Inland Revenue. 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 2020 (continued)

	Note	Council Actual 2019/20 \$000	Council Budget 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2019/20 \$000	Group Actual 2018/19 \$000
Financing activities						
<i>Cash was provided from:</i>						
Loans raised		25,000	87,064	23,000	25,000	23,000
		25,000	87,064	23,000	25,000	23,000
<i>Cash was applied to:</i>						
Settlement of loans		5,000	2,748	23,000	5,000	26,000
		5,000	2,748	23,000	5,000	26,000
Net cash flow from financing activities		20,000	84,316	-	20,000	(3,000)
Net increase / (decrease) in cash and cash equivalents		8,245	(10,863)	(1,089)	17,897	(5,133)
Plus: opening cash and cash equivalents		8,664	17,598	5,729	6,789	11,922
Cash, cash equivalents at the end of the year		16,909	6,735	4,640	24,686	6,789
<i>Summary of cash resources:</i>						
Cash and bank		16,901	6,735	8,656	24,678	9,781
Short term deposits maturing within 3 months		8	-	8	8	8
Bank overdrafts		-	-	-	-	(3,000)
Cash, cash equivalents at the end of the year		16,909	6,735	8,664	24,686	6,789

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 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Selwyn District Council group consists of the ultimate parent Selwyn District Council and its subsidiary Sicon Limited (100% share ownership), the Selwyn District Charitable Trust (Trustee and Settlor) and its associate Central Plains Water Trust which is equity accounted (50% owned).

All Selwyn District Council subsidiaries and Central Plains Water Trust are incorporated 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 financial reporting purposes.

The financial statements of the Council and group are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 28 October 2020.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

Standards issued and not yet effective that have been early adopted

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. Council does not intend to early adopt the amendment.

PBE IPSAS 41 Financial Instruments

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022.

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted.

The main changes compared to PBE IPSAS 29 that are relevant to the Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

Although Council has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. Council has not yet determined how application of PBE FRS 48 will affect its statement of performance.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

The Council and group has adopted the new group standards, PBE IPSAS 34 to 38, in preparing these financial statements. In adopting these new standards, the Council and group has updated its accounting policies for its investments in subsidiaries, associates, and joint ventures. Disclosures have also been updated for the new disclosure requirements of PBE IPSAS 38.

Subsidiaries

The Council consolidates in the group financial statements for those entities it controls. Control exists where the Council is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Institute.

Investments in subsidiaries are measured at cost in the Council's parent financial statements.

Associate

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. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the Council's parent financial statements.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint ventures are measured at cost in the Council's parent financial statements.

Equity method of accounting in group financial statements

Investments in associates and joint ventures are accounted for in the group financial statements using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The group's share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

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

Sicon Limited accounts for its interest in joint venture using the equity method where the initial investment is recognised at cost. The carrying amount is increased or decreased to recognise the venture'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.

Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of Environment Canterbury Regional Council (Ecan) are not recognised in the financial statements, as the Council is acting as an agent for Ecan.

Development and financial contributions

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

New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local facilities, such as pools. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Construction contracts

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

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

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

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

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

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.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at 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 statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

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

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Leases

Finance leases

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

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

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

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

Receivables

Receivables are recorded at their face value, less any provision for impairment.

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.

Other financial assets

Financial assets are initially recognised 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 financial assets are recognised on trade-date, the date on which the Council and group 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 the Council and group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets and liabilities at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Currently, the Council values interest rate swaps in this category. The Council's interest rate swaps are a financial liability at 30 June 2020 (2019: liability).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

Currently, the Council has community loans, term deposits and trade and other receivables in this category.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Currently, the Council currently holds no investments in this category.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, the Council holds share investments in this category.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

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.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property / property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

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

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 rather than 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.

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, other land and work in progress 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	10 – 180 years	0.6% - 10%
Heritage	85 years	4%
Heavy plant and machinery	10 years	10%
Other plant and machinery	5 years	20%
Motor vehicles	5 years	20%
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	50 years	2%
Culverts	50 – 100 years	1% - 2%
Traffic signs	10 years	10%
Street lights	30 years	3.3%
Street light poles	40 years	2.5%
Bridges	50 – 150 years	0.7% - 2%
Railings	20 – 40 years	2.5% to 5%

Water races

Water races (structure)	5 – 100 years	1% - 20%
Water races (race)	Not depreciated	

Land drainage and Stormwater

Land drainage (structure)	5 – 80 years	1.25% - 20%
Land drainage (drain)	Not depreciated	

Water supplies

Wells	50 years	2%
Pump Stations	5 – 80 years	1.25% - 20%
Reservoirs	25 – 50 years	2% - 4%
Valves Service Connections	25 – 50 years	2% - 4%
Pipes & Fire Hydrants	50 – 75 years	1.3% - 2%

Sewerage systems

Manholes	95 years	1.05%
Pipes	50 – 95 years	1.05% - 2%
Pump stations	5 – 150 years	0.7% - 20%
Sewerage treatment stations	5 – 95 years	1.05% - 20%
Service connection	95 years	1.05%

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

Sicon Limited

Depreciation is provided using a mix of both straight-line and diminishing value methods 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% - 30%
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 2019.

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 2019.

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 2020 by Robert Berghuis (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 1 July 2019 by John Vessey NZ Dip Eng, Dip Civil Eng Applied, CertETN a valuer at WSP.

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. Subsequent additions are valued at cost.

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 revenue and expense and accumulated in an asset revaluation reserve for that class of asset for the Council and for each asset for Sicon 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 off-sets 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 revenue and expense.

Intangible assets

Goodwill

The recoverable amount as at 30 June 2020, has been determined based on a value in use calculation using estimated cash flow projections. The projection are based on 0.5% growth rate for the first five years then nil growth rate beyond that. The post-tax discount rate applied to cash flow projections is 2.2%.

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.

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.

Brand Name / Customer List & Customer Contracts

Brand Name, Customer List & Customer Contracts are finite life intangibles recorded at their fair value on acquisition less accumulated amortisation and impairment. They are amortised on a straight line basis over their assumed useful life. The fair values have been established by reference to Former Blakely Construction Limited (BCL) revenue, discounted cash flows and contracts on BCL books at time of acquisition.

These valuations use assumptions including future revenue, margins, risk and appropriate discount rates.

Amortisation

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

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

Asset class	Useful life	Annual amortisation rate
Selwyn District Council	4 years	25%
Sicon Limited	2-3 years	33%-50%
Wanganui mining	24.04 years	4.16%
Brand Name	10 years	10%
Customer Relationships	3 years	33%
Customer Contracts	As profit realised	

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

Amortisation begins from acquisition date and ceases at the date that the licence is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

Forestry assets

Forestry assets are independently revalued 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 2020 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.

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 2020.

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

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.

Value in use for non – cash generating units

Non – cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non – cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash – generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets 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.

Payables

Short-term creditors and other payables are recorded at their face value.

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 entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

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

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, 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 entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

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 and Sicon 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

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation 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 and is included in "finance costs".

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 32.

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:

Other financial assets – fair value through other comprehensive revenue and expense

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.

Impairment of goodwill

Sicon determines whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the single cash-generating unit of its business unit BCL, using a value in use discounted cash flow methodology, to which the goodwill is allocated. The Directors of Sicon estimated the forecast trading performance of the business unit BCL and determined that the goodwill of the business was not impaired.

Intangible assets – Brand name and customer list

Determining the cost of the brand name and customer list intangible assets acquired in the purchase of the trade and assets of BCL, required an estimation of the discounted future cash flows expected from the established brand name and customer relationships. The Directors of Sicon have assumed that cash flows associated with the brand name and customer relationships will continue over 15 years and 3 years respectively.

COVID-19

On 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as COVID-19, with the outbreak declared a pandemic on 11 March 2020. The New Zealand Government declared a State of National Emergency on 25 March 2020. The next day the country was put into Alert Level 4 and effectively lockdown. On 28 April 2020, the Alert Level was reduced to Level 3, and then further reduced to Level 2 on 14 May 2020. The country moved to Level 1 on 9 June 2020.

The Council assesses that COVID-19 has had minimal impact on the operational results for the year ended 30 June 2020. Note 14 details the assumptions used in the valuation of investment properties, Note 15 details the assumptions used in the valuation of property, plant and equipment and Note 34 provides further detail on the event and the impact on the Council and group.

Due to the uncertainties and implications surrounding COVID-19 it is not possible for Council to identify and quantify all impacts associated with COVID-19. Changes in market conditions could substantially affect the Council's investments.

Movements in unit rates used for valuing items of property, plant and equipment could move materially and cashflows used for valuing the Council's investment property assets could change due to changes in market conditions from COVID-19.

COVID-19 is a temporary event and will not have a lasting negative impact on the Council's financial assets, including its investment in Orion New Zealand Limited and Sicon Limited.

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 18 comments on the exposure of the Selwyn District Council in relation to weather tightness claims and landfill after care costs.

Financials – notes to the financial statements

Note 1: Summary of cost of service

	Council 2019/20 \$000	Council Budget \$000	Council 2018/19 \$000
Revenue			
Democracy	1,008	1,017	832
Community facilities	29,608	24,334	27,707
Community services	231	73	198
Environmental services	8,600	5,722	7,429
Transportation	13,509	14,863	10,825
Solid waste management	10,879	11,596	10,514
Community water supplies	11,013	9,049	9,376
Community waste water supplies	17,532	12,898	15,317
Stormwater	1,573	1,639	1,321
Water races and land drainage	3,189	3,182	3,117
Izone southern business hub	3,349	882	5,056
Total activity revenue	100,491	85,255	91,692
General rates	22,775	22,499	20,694
Rates penalties	646	307	501
Other corporate revenue	10,529	8,512	14,797
Vested assets	56,178	30,373	38,428
Total revenue	190,619	146,946	166,112
Expenditure			
Democracy	5,098	5,275	5,081
Community facilities	25,806	31,158	24,089
Community services	2,786	3,145	2,507
Environmental services	14,648	13,083	14,342
Transportation	25,523	24,994	23,930
Solid waste management	9,894	11,017	9,736
Community water supplies	10,280	9,817	8,054
Community waste water supplies	10,831	9,373	9,721
Stormwater	1,894	1,977	1,724
Water races and land drainage	3,595	4,113	3,609
Izone southern business hub	1,339	90	2,192
Other corporate expenditure	1,839	1,224	644
Total activity expenditure	113,533	115,266	105,629
Total operating expenditure	113,533	115,266	105,629

Each significant activity includes targeted rates attributable to a particular activity (refer Note 2). Other corporate revenue includes revenue sources, which are not directly attributable to a significant activity, for example dividends, interest and insurance proceeds. Other corporate expenditure includes expenditure sources, which are not directly attributable to a significant activity, for example, interest rate swap valuation movements. Other corporate revenue and expenditure is included in the internal council services activity operating statement in Section 2 of the annual report. Significant revenue and expenditure variance explanations are included for each activity in the financial highlights section of the annual report.

Note 2: Rates revenue

	Council Actual 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2019/20 \$000	Group Actual 2018/19 \$000
General rates	22,775	20,694	22,769	20,691
Rates penalties	646	501	646	501
Metered water supply	2,114	1,815	2,114	1,815
<i>Targeted rates attributable to activities:</i>				
Community facilities	13,502	10,578	13,502	10,578
Democracy	865	815	865	815
Solid waste management	8,093	7,581	8,093	7,581
Community waste water supplies	7,050	6,560	7,050	6,560
Community water supplies	5,461	5,025	5,461	5,025
Stormwater	1,309	1,175	1,309	1,175
Water races and land drainage	2,810	2,704	2,810	2,704
Total rates	64,624	57,449	64,618	57,446

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 2018-28.

	Council Actual 2019/20 \$000	Council Actual 2018/19 \$000	Group Actual 2019/20 \$000	Group Actual 2018/19 \$000
Total gross rates	64,688	57,507	64,682	57,504
<i>Rates remissions:</i>				
Sports bodies	22	22	22	22
Churches	25	25	25	25
Other social and cultural organisations	17	11	17	11
Total remissions	64	58	64	58
Rates (net of remissions)	64,624	57,449	64,618	57,446

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 and charges

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Building consents	5,845	4,902	5,845	4,902
Connection and irrigation fees	251	300	251	300
Dog registration	485	473	485	473
Gravel royalties	9	101	9	101
Leases	780	687	729	636
LIM revenue	317	321	317	321
Rental and hire charges	677	957	677	957
Rental income from investment properties	1,580	1,210	1,008	960
Resource consent fees	1,608	1,390	1,608	1,390
Selwyn Aquatic Centre	1,500	1,828	1,500	1,828
Solid waste fees and charges	2,723	2,850	2,723	2,850
Other fees and charges	3,217	3,147	3,217	3,147
Total fees and charges	18,992	18,166	18,369	17,865

Note 4: Other revenue

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Dividend revenue	4,536	6,664	3,036	5,864
Interest revenue	2,339	3,025	2,350	3,037
Land sales	3,309	5,014	3,309	5,014
Petroleum tax	287	262	287	262
Provisions reversed during the year	23	-	86	-
Port Hills fire recovery	-	119	-	119
Vested land and infrastructure from property development	56,178	38,428	56,178	38,428
Other income - Council	367	246	367	246
Other trading income - Sicon Group	-	-	29,890	34,750
Other income - COVID-19 Wage Subsidy	-	-	1,654	-
Total other revenue	67,039	53,758	97,157	87,720

Note 5: Other gains

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Gain on disposal of property held for sale	-	823	-	823
Gain on disposal of property, plant and equipment	382	372	609	558
Gain on changes in fair value of investment property (Note 14)	1,763	3,016	1,640	789
Total gains	2,145	4,211	2,249	2,170

Note 6: Employee benefit expenses

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Salaries and wages	23,280	21,519	39,949	38,403
Employer contributions to superannuation plans	587	429	978	814
Employer contributions to other plans & benefits	-	-	5	5
Increase / (decrease) in employee liabilities	1,132	219	1,434	193
Total employee benefit expenses	24,999	22,167	42,366	39,415

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

Council employee numbers and remuneration

	Council 30 June 2020
Number of employees employed by Selwyn District Council	447
Number of full-time employees at Selwyn District Council	217
Full-time equivalent number of all other employees	83
<i>Number of employees receiving total annual remuneration:</i>	
Less than \$60,000	269
\$60,001 - \$80,000	76
\$80,001 - \$100,000	56
\$100,001 - \$120,000	25
\$120,001 - \$140,000	10
\$140,001 - \$200,000	6
\$200,001 - \$340,000	5
Number of employees employed by Selwyn District Council	447

	Council 30 June 2019
Number of employees employed by Selwyn District Council	468
Number of full-time employees at Selwyn District Council	200
Full-time equivalent number of all other employees	82
<i>Number of employees receiving total annual remuneration:</i>	
Less than \$60,000	312
\$60,001 - \$80,000	68
\$80,001 - \$100,000	47
\$100,001 - \$120,000	26
\$120,001 - \$140,000	6
\$140,001 - \$220,000	6
\$220,001 - \$320,000	3
Number of employees employed by Selwyn District Council	468

At balance date, the Council employed 217 (2019: 200) full-time employees, with the balance of staff representing 83 (2019: 82) full-time equivalent employees. The disclosure includes full-time, part-time and casual 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 7: Depreciation and amortisation

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Operational assets (Note 15a and 15b)	5,344	4,627	7,743	7,253
Infrastructural assets (Note 15c)	23,208	21,181	23,208	21,181
Intangible assets	165	141	708	758
Total depreciation and amortisation	28,717	25,949	31,659	29,192

Depreciation and amortisation by group of activity

	Council 2019/20 \$000	Council Budget \$000	Council 2018/19 \$000
<i>Directly attributable depreciation and amortisation expense by group of activity:</i>			
Community facilities	4,704	7,107	4,036
Community services	52	19	59
Democracy	8	8	8
Environmental services	138	147	57
Internal Council services	579	721	576
Izone southern business hub	28	34	30
Solid waste management	151	258	152
Stormwater	895	792	761
Transportation	13,115	13,276	12,626
Wastewater	4,412	4,372	3,866
Water races and land drainage	585	729	713
Water supply	4,050	3,878	3,065
Total depreciation and amortisation	28,717	31,341	25,949

Note 8: Other expenses

	Council	Council	Group	Group
	2019/20	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000
<i>Fees to auditors:</i>				
- fees to Audit New Zealand for audit of the financial statements	139	136	246	253
- fees to Audit New Zealand for the assurance of the debenture trust deed	5	5	5	5
Bad debts written off	12	16	12	177
Cost of sales	852	1,455	852	1,455
Directors' and members' remuneration	673	610	848	787
Grants	328	459	328	459
Impairment of receivables	-	45	-	45
Impairment of property, plant and equipment	-	-	192	2
Loss on changes in fair value of investment property (Note 14)	156	150	156	150
Loss on disposal of assets	597	778	655	850
Minimum lease payments under operating leases	163	194	298	785
Port Hills fire expenses	-	120	-	120
Refuse contract payments	4,586	4,120	4,586	4,120
Refuse transfer station operations	4,608	5,261	4,608	5,261
Roading	14,410	11,727	14,410	11,727
Valuation services	252	247	252	247
Other operating expenses	32,116	31,250	37,071	43,366
Total other expenses	58,897	56,573	64,519	69,809

Note 9: Income taxation

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Relationship between taxation expense and accounting profit				
Surplus / (deficit) before tax continuing activities	77,086	60,483	80,696	58,220
Taxation at 28%	21,584	16,935	22,595	16,302
<i>Plus / (less) tax effect of:</i>				
Permanent adjustments (non-taxable revenue)	(21,624)	(16,966)	(20,882)	(15,957)
Prior year adjustment	(30)	(2)	(30)	(51)
Taxation expense	(70)	(33)	1,683	294
Components of tax expense				
Current taxation expense	52	30	1,460	394
Prior year adjustments	(46)	(2)	(46)	(51)
Deferred taxation expense	(76)	(61)	269	(49)
Taxation expense	(70)	(33)	1,683	294
Taxation expense attributable to:				
Continuing operations	(70)	(33)	1,683	294
Total taxation expense / (benefit)	(70)	(33)	1,683	294
Taxation receivable / (provision)				
Opening balance 1 July	28	3	99	(324)
Less: current taxation expense	(52)	(30)	(1,460)	(394)
Less: taxation refund	(59)	(5)	(305)	(5)
Prior period adjustments	31	2	285	73
Plus: taxation paid	25	58	25	749
Taxation receivable / (provision)	(27)	28	(1,356)	99

Deferred taxation assets / (liabilities)

	Opening Balance 1 July 2019 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Closing Balance 30 June 2020 \$000
Parent				
Deferred tax liabilities				
Investment property	(80)	80	-	-
Property, plant & equipment	(13)	13	-	-
Deferred taxation liabilities	(93)	93	-	-
Net deferred taxation balance	(93)	93	-	-

	Opening Balance 1 July 2018 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Closing Balance 30 June 2019 \$000
Parent				
Deferred taxation liabilities				
Investment property	(142)	62	-	(80)
Property, plant & equipment	(12)	(1)	-	(13)
Deferred taxation liabilities	(153)	61	-	(93)
Net deferred taxation balance	(153)	61	-	(93)

	Opening Balance 1 July 2019	Charged to Surplus	Charged to other comp- rehensive income	Closing Balance 30 June 2020
	\$000	\$000	\$000	\$000
Group				
Deferred tax liabilities				
Property, plant & equipment	(139)	85	-	(54)
Accrued revenue	-	(665)	-	(665)
Retentions	(171)	(46)	-	(217)
Deferred taxation liabilities	(310)	(626)	-	(936)
Deferred tax assets				
Property, plant & equipment	43	41	-	84
Trade and other payables	148	23	-	171
Employee benefits and other accruals	206	55	-	261
Deferred taxation assets	397	119	-	516
Net deferred taxation	87	(507)	-	(420)
<i>Deferred taxation attributable to:</i>				
Continuing operations				(420)
Net deferred tax balance				(420)

	Opening Balance 1 July 2018	Charged to Surplus	Charged to other comp- rehensive income	Closing Balance 30 June 2019
	\$000	\$000	\$000	\$000
Group				
Deferred taxation liabilities				
Property, plant & equipment	(153)	14	-	(139)
Trade and other receivables	(49)	49	-	-
Retentions	(167)	(4)	-	(171)
Deferred taxation liabilities	(369)	59	-	(310)
Deferred tax assets				
Property, plant & equipment	56	(13)	-	43
Trade and other payables	142	6	-	148
Employee benefits and other accruals	218	(12)	-	206
Derecognition of other temporary differences	13	(13)	-	-
Deferred taxation assets	429	(32)	-	397
Net deferred taxation	60	27	-	87
<i>Deferred taxation attributable to:</i>				
Continuing operations				87
Net deferred taxation				87

Note 10: Receivables

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Rates receivables	3,457	2,617	3,457	2,617
<i>Other receivables:</i>				
- Other	3,710	3,406	5,204	8,502
- Related party receivables (Note 27)	211	251	146	246
Community loans	125	123	125	123
Dividend receivable	1,500	800	-	-
Sundry receivables & prepayments	6,116	4,207	6,243	4,274
Gross receivables	15,119	11,404	15,175	15,762
Less: provision for impairment	(42)	(77)	(42)	(77)
Total receivables	15,077	11,327	15,133	15,685
Less: non - current community loans	(125)	(123)	(125)	(123)
Current portion	14,952	11,204	15,008	15,562
<i>Total gross receivables comprise:</i>				
Receivables from non - exchange transactions <i>(this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates)</i>	7,999	4,552	6,434	3,747
Receivables from exchange transactions <i>(this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)</i>	7,120	6,852	8,741	12,015

Community loans have been valued at amortised cost, which approximates the loan's fair value. The face value of community loans is \$151,000 (2019: \$149,000).

Fair value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

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 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

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

The carrying amount of receivables that would otherwise be past due or impaired and whose terms have been renegotiated is \$nil (2019 \$nil).

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

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

	Gross 2019/20 \$000	Impairment 2019/20 \$000	Council Net 2019/20 \$000	Gross 2018/19 \$000	Impairment 2018/19 \$000	Council Net 2018/19 \$000
Not past due	1,694	-	1,694	1,393	-	1,393
Past due 1 - 30 days	775	-	775	309	-	309
Past due 31 - 60 days	404	-	404	186	-	186
Past due > 61 days	4,294	(42)	4,252	4,135	(77)	4,058
Total	7,167	(42)	7,125	6,023	(77)	5,946

	Gross 2019/20 \$000	Impairment 2019/20 \$000	Group Net 2019/20 \$000	Gross 2018/19 \$000	Impairment 2018/19 \$000	Group Net 2018/19 \$000
Not past due	3,018	-	3,018	6,029	-	6,029
Past due 1 - 30 days	843	-	843	658	-	658
Past due 31 - 60 days	427	-	427	269	-	269
Past due > 61days	4,373	(42)	4,331	4,163	(77)	4,086
Total	8,661	(42)	8,619	11,119	(77)	11,042

As of 30 June 2020 and 2019, 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.

Impairment provision

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Opening balance 1 July	(77)	(48)	(77)	(94)
Additional provisions made during the year	-	(45)	-	(45)
Provisions reversed during the year	23	-	23	46
Receivables written-off during the period	12	16	12	16
Closing balance 30 June	(42)	(77)	(42)	(77)

Note 11: Derivative financial instruments

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Current liability portion				
Interest rate swaps - cash flow hedges	383	422	383	422
Total current liability portion	383	422	383	422
Non-current liability portion				
Interest rate swaps - cash flow hedges	319	339	319	339
Total non-current liability portion	319	339	319	339
Total derivative financial instrument liabilities	702	761	702	761

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 \$25 million (2019: \$15 million) and for the group \$25 million (2019: \$15 million). As at 30 June, the Council's fixed interest rates of cash flow hedge interest rate swaps varied from 0.80% to 5.43% (2019: 4.965% to 5.585%) and the group rates varied from 0.80% to 5.43% (2019: 4.965% to 5.585%).

Note 12: Inventory and work in progress

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Current				
Gravel stocks	-	-	262	307
Izone Southern Business Hub - land held for sale	1,545	2,305	1,545	2,305
Other direct materials	-	-	549	482
Selwyn Aquatic Centre	17	17	17	17
Work in progress	-	-	2,376	1,810
Total current inventory	1,562	2,322	4,749	4,921

There is no inventory pledged as security for liabilities (2019: \$nil), there is no inventory subject to retention of title clauses (2019: \$nil), nor has there been any write-down of inventory (2019: \$nil).

Sicon Limited bank borrowings are secured over all assets Sicon Limited including inventory. Sicon Limited inventory as at 30 June 2020 is \$nil (2019: \$nil). Otherwise, no inventory is pledged as security for liabilities.

Note 13: Other financial assets

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Current portion				
<i>Loans and receivables</i>				
Term deposits with maturities of 4-12 months*	60,000	69,000	60,000	69,000
Finance lease receivable **	289	267	289	267
Loan receivable **	-	2,636	-	2,636
Total loans and receivables	60,289	71,903	60,289	71,903
Total current portion	60,289	71,903	60,289	71,903
Non - current portion				
<i>Loans and receivables</i>				
Finance lease receivable **	396	685	396	685
Total loans and receivables	396	685	396	685
<i>Fair value through other comprehensive revenue and expense</i>				
Transwaste (Canterbury) Limited ***	1,500	1,500	1,500	1,500
Orion New Zealand Limited ***	106,500	87,529	106,500	87,529
Sicon Limited ***	24,100	22,250	-	-
Local Government Funding Agency ***	747	347	747	347
Central Plains Water Limited ***	437	437	437	437
Total fair value through other comprehensive revenue and expense	133,284	112,063	109,184	89,813
Total non - current portion	133,680	112,748	109,580	90,498

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.

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 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Balance at 1 July	112,063	112,133	89,813	89,883
Purchase of new assets	400	10	400	10
Realisation of assets	-	(80)	-	(80)
Gains / (losses) in other comprehensive revenue and expense	20,821	-	18,971	-
Balance at 30 June	133,284	112,063	109,184	89,813

Fair value

Term deposits

The carrying value of term deposits approximates their fair value.

Orion New Zealand Limited and Sicon Limited

The investment in Orion New Zealand Limited is valued based on an independent valuation as at 30 June 2020 completed by Deloitte. The valuation was completed using the discounted cashflow valuation methodology.

The investment in Sicon Limited is valued based on an independent valuation as at 30 June 2020 completed by Ernst and Young Corporate Transaction Advisory Services Limited, Wellington. The valuation was completed based on maintainable earnings.

Local Government Funding Agency and Central Plains Water Limited

The carrying value approximates fair value.

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. The valuation is based on the length of TCL's resource consent, discounted cashflows, adjusted for debt and surplus assets.

Loan receivable

The Council entered into a deferred settlement agreement for the sale of a large parcel of land at the Izone Southern Business Hub (Izone). The agreement allows for settlement to be spread over a three year period with 6 monthly instalment payments. This deferred settlement secured the sale of a substantial parcel of land at Izone. As at 30 June 2020 the face value of loan receivables was \$Nil (2019:\$2.9 million). The loan is secured by a first ranking mortgage over land titles associated with the sale. The carrying value approximates fair value.

Note 14: Investment property

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Opening balance 1 July	21,325	13,965	14,441	13,255
Additions	158	3,721	80	-
Transfer from (to) property, plant and equipment	365	-	365	710
Transfer from (to) Inventory	-	772	-	-
Net fair value gains / (losses) on valuation (Note 5 & Note 8)	1,607	2,867	1,484	476
Closing balance 30 June	23,455	21,325	16,370	14,441

Investment properties are valued annually effective at 30 June to fair value in accordance with PBE IPSAS 16: 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 valuer has highlighted there is currently significant valuation uncertainty caused by the COVID-19 pandemic.

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

Note 15: Property, plant and equipment

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Operational assets (Note 15 a & b)	369,106	326,500	388,652	346,627
Infrastructural assets (Note 15 c)	1,263,384	1,108,561	1,263,384	1,108,561
Total property, plant and equipment	1,632,490	1,435,061	1,652,036	1,455,188

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 2019.

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 2020 by Robert Berghuit 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 1 July 2019 by John Vessey who is a senior valuer with WSP.

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: \$25,094,000 (2019: \$16,982,000)

Value of assets constructed by Selwyn District Council: \$7,329,000 (2019: \$4,597,000)

Value of assets transferred to Selwyn District Council: \$nil (2019: \$nil)

Estimate of replacement cost: \$37,406,000 (2019: \$27,213,000)

Water supply (other assets)

Closing book value: \$117,830,000 (2019: \$101,873,000)

Value of assets constructed by Selwyn District Council: \$6,088,000 (2019: \$5,385,000)

Value of assets transferred to Selwyn District Council: \$4,740,000 (2019: \$4,383,000)

Estimate of replacement cost: \$164,977,000 (2019: \$142,152,000)

Sewerage treatment plants and facilities

Closing book value: \$58,404,000 (2019: \$51,639,000)

Value of assets constructed by Selwyn District Council: \$4,606,000 (2019: \$9,395,000)

Value of assets transferred to Selwyn District Council: \$1,250,000 (2019: \$nil)

Estimate of replacement cost: \$75,746,000 (2019: \$71,376,000)

Sewerage (other assets)

Closing book value: \$214,374,000 (2019: \$166,765,000)

Value of assets constructed by Selwyn District Council: \$4,310,000 (2019: \$2,376,000)

Value of assets transferred to Selwyn District Council: \$8,169,000 (2019: \$8,210,000)

Estimate of replacement cost: \$254,058,000 (2019: \$197,450,000)

Stormwater drainage

Closing book value: \$69,632,000 (2019: \$61,844,000)

Value of assets constructed by Selwyn District Council: \$70,000 (2019: \$71,000)

Value of assets transferred to Selwyn District Council: \$8,117,000 (2019: \$7,149,000)

Estimate of replacement cost: \$78,394,000 (2019: \$68,820,000)

Roads and footpaths

Closing book value: \$644,139,000 (2019: \$587,452,000)

Value of assets constructed by Selwyn District Council: \$9,927,000 (2019: \$13,036,000)

Value of assets transferred to Selwyn District Council: \$18,173,000 (2019: \$14,276,000)

Estimate of replacement cost: \$829,141,000 (2019: \$777,620,000).

a. Operational Assets - Parent**Gross carrying amount:**

	Land	Farm land	Buildings	Heritage Assets	Plant and Machinery	Library Books	Work in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2018	189,542	4,430	82,948	65	24,400	3,851	9,048	314,282
Additions	6,552	1,213	8,759	-	1,686	470	5,445	24,125
Disposals	(1,972)	-	(961)	-	(16)	-	-	(2,949)
Net revaluation increase / (decrease)	11,534	1,117	(1,110)	5	-	-	-	11,546
Transfers	397	-	7,375	-	11	-	(7,783)	-
Balance at 30 June 2019	206,053	6,760	97,011	70	26,081	4,321	6,710	347,004
Additions	17,700	21	7,131	-	1,283	544	22,542	49,221
Disposals	(130)	-	(671)	-	(311)	-	-	(1,112)
Transfers	292	-	1,076	-	4	-	(1,430)	(58)
Transfers to investment property	(365)	-	-	-	-	-	-	(365)
Balance at 30 June 2020	223,550	6,781	104,547	70	27,057	4,865	27,822	394,690

Accumulated depreciation:

Balance at 1 July 2018	-	-	(4,709)	(5)	(15,516)	(2,891)	-	(23,119)
Disposals	-	-	-	-	16	-	-	16
Net adjustments on asset revaluation	-	-	7,218	8	-	-	-	7,226
Depreciation expense	-	-	(2,509)	(3)	(1,946)	(169)	-	(4,627)
Balance at 30 June 2019	-	-	-	-	(17,446)	(3,060)	-	(20,504)
Disposals	-	-	21	-	243	-	-	264
Depreciation expense	-	-	(3,252)	(3)	(1,853)	(236)	-	(5,344)
Balance at 30 June 2020	-	-	(3,231)	(3)	(19,056)	(3,296)	-	(25,584)
Net carrying amount at 30 June 2019	206,053	6,760	97,011	70	8,635	1,261	6,710	326,500
Net carrying amount at 30 June 2020	223,550	6,781	101,316	67	8,001	1,569	27,822	369,106

b. Operational Assets - Group**Gross carrying amount:**

	Land	Farm land	Buildings	Heritage Assets	Plant and Machinery	Library Books	Work in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2018	189,545	4,430	84,674	65	54,222	3,849	9,048	345,833
Additions	6,552	1,213	8,759	-	4,504	470	5,445	26,943
Disposals	(1,972)	-	(971)	-	(1,470)	-	-	(4,413)
Net revaluation increase / (decrease)	11,534	1,117	1,117	5	-	-	-	13,773
Transfers	397	-	7,375	-	11	-	(7,783)	-
Transfers (to) / from inventory	772	-	3,721	-	-	-	-	4,493
Transfers (to) / from investment property	-	-	(546)	-	-	-	-	(546)
Transfers (to) / from assets held for sale	-	-	-	-	(659)	-	-	(659)
Balance at 30 June 2019	206,828	6,760	104,129	70	56,608	4,319	6,710	385,424
Additions	17,700	21	7,209	-	3,735	544	22,542	51,751
Disposals	(130)	-	(671)	-	(1,434)	-	-	(2,235)
Net revaluation increase / (decrease)	-	-	123	-	-	-	-	123
Transfers	292	-	1,076	-	4	-	(1,430)	(58)
Transfers (to) / from investment property	(365)	-	-	-	-	-	-	(365)
Transfers (to) / from assets held for sale	-	-	-	-	(1,264)	-	-	(1,264)
Balance at 30 June 2020	224,325	6,781	111,866	70	57,649	4,863	27,822	433,376

Accumulated depreciation:

	Land	Farm land	Buildings	Heritage Assets	Plant and Machinery	Library Books	Work in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2018	-	-	(5,691)	(5)	(30,812)	(2,889)	-	(39,397)
Disposals	-	-	8	-	520	-	-	528
Net adjustments on asset revaluation / transfers	-	-	7,218	8	-	-	-	7,226
Transfers to / (from) assets held for sale	-	-	-	-	99	-	-	99
Depreciation expense	-	-	(2,509)	(3)	(4,572)	(169)	-	(7,253)
Balance at 30 June 2019	-	-	(974)	-	(34,765)	(3,058)	-	(38,797)
Disposals	-	-	21	-	1,298	-	-	1,319
Transfers to / (from) assets held for sale	-	-	-	-	497	-	-	497
Depreciation expense	-	-	(3,252)	(3)	(4,252)	(236)	-	(7,743)
Balance at 30 June 2020	-	-	(4,205)	(3)	(37,222)	(3,294)	-	(44,724)
Net carrying amount at 30 June 2019	206,828	6,760	103,155	70	21,843	1,261	6,710	346,627
Net carrying amount at 30 June 2020	224,325	6,781	107,661	67	20,427	1,569	27,822	388,652

Gross carrying amount:											
Balance at 1 July 2018	585,073	110,354	56,024	205,890	42,719	74,031	3,858	12,426	1,090,375		
Additions	26,481	10,973	7,215	12,768	53	562	-	2,798	60,850		
Disposal	(42)	-	-	-	-	-	-	-	(42)		
Net revaluation increase / (decrease)	-	-	-	-	-	-	33	-	33		
Transfers	829	3,427	6	7,221	-	-	-	(11,483)	-		
Balance at 30 June 2019	612,341	124,754	63,245	225,879	42,772	74,593	3,891	3,741	1,151,216		
Additions	28,067	17,244	8,188	17,971	387	958	528	10,761	84,104		
Net revaluation increase / (decrease)	3,697	4,026	(905)	32,968	1,390	(1,517)	-	-	39,659		
Transfers	34	950	-	372	3	124	58	(1,483)	58		
Balance at 30 June 2020	644,139	146,974	70,528	277,190	44,552	74,158	4,477	13,019	1,275,037		
Accumulated depreciation:											
Balance at 1 July 2018	(12,306)	(2,834)	(640)	(3,609)	(15)	(672)	(1,445)	-	(21,521)		
Disposal	12	-	-	-	-	-	-	-	12		
Net adjustments on asset revaluation	-	-	-	-	-	-	35	-	35		
Depreciation expense	(12,626)	(3,065)	(761)	(3,866)	(15)	(698)	(150)	-	(21,181)		
Balance at 30 June 2019	(24,920)	(5,899)	(1,401)	(7,475)	(30)	(1,370)	(1,560)	-	(42,655)		
Net adjustments on asset revaluation	38,035	5,899	1,401	7,475	30	1,370	-	-	54,210		
Depreciation expense	(13,115)	(4,050)	(895)	(4,412)	(52)	(533)	(151)	-	(23,208)		
Balance at 30 June 2020	-	(4,050)	(895)	(4,412)	(52)	(533)	(1,711)	-	(11,653)		
Net carrying amount at 30 June 2019	587,421	118,855	61,844	218,404	42,742	73,223	2,331	3,741	1,108,561		
Net carrying amount at 30 June 2020	644,139	142,924	69,633	272,778	44,500	73,625	2,766	13,019	1,263,384		

Note 15d: Intangible assets

	Council Computer Software \$000	Group Computer Software \$000	Group Brand Name \$000	Group Customer list & contracts \$000	Group Mining \$000	Group Goodwill \$000	Group Total \$000
Opening cost at 1 July 2019	1,892	2,029	1,357	1,234	11	3,266	7,897
Accumulated amortisation / impairment	(1,403)	(1,471)	(474)	(1,063)	(11)	(2,396)	(5,415)
Opening balance at 1 July 2019	489	558	883	171	-	870	2,482
Additions	22	44	-	-	-	-	44
Amortisation charge	(165)	(199)	(338)	(171)	-	-	(708)
Disposals	-	-	-	-	(11)	-	(11)
Closing balance at 30 June 2020	346	403	545	-	(11)	870	1,807
Closing cost at 30 June 2020	1,914	2,073	1,357	1,234	-	3,266	7,930
Accumulated amortisation / impairment	(1,568)	(1,670)	(812)	(1,234)	-	(2,396)	(6,112)
Closing balance at 30 June 2020	346	403	545	-	-	870	1,818

	Council Computer Software \$000	Group Computer Software \$000	Group Brand Name \$000	Group Customer list & contracts \$000	Group Mining \$000	Group Goodwill \$000	Group Total \$000
Opening Cost at 1 July 2018	1,759	1,828	1,357	1,234	42	3,266	7,727
Accumulated amortisation / impairment	(1,262)	(1,288)	(193)	(771)	(9)	(2,396)	(4,657)
Opening balance at 1 July 2018	497	540	1,164	463	33	870	3,070
Additions	133	201	-	-	-	-	201
Amortisation charge	(141)	(183)	(281)	(292)	(2)	-	(758)
Disposals	-	-	-	-	(31)	-	(31)
Closing balance at 30 June 2019	489	558	883	171	-	870	2,482
Closing cost at 30 June 2019	1,892	2,029	1,357	1,234	11	3,266	7,897
Accumulated amortisation / impairment	(1,403)	(1,471)	(474)	(1,063)	(11)	(2,396)	(5,415)
Closing balance at 30 June 2019	489	558	883	171	-	870	2,482

Note 16: Payables and deferred revenue

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
<i>Payables and deferred revenue under exchange transactions</i>				
Trade payables	13,301	9,252	18,348	12,108
Deposits, retentions and accrued expenses	5,579	4,862	6,922	5,902
Amounts due to subsidiaries and associates	4,456	2,379	-	170
<i>Payables and deferred revenue under non-exchange transactions</i>				
Rates revenue received in advance	629	629	629	629
Total payables and deferred revenue	23,965	17,122	25,899	18,809

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 17: Employee entitlements

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Accrued pay	1,417	917	1,999	1,374
Annual leave	1,990	1,378	2,982	2,207
Long service leave	113	93	118	97
Retirement gratuities	-	-	8	8
Sick leave	12	12	86	73
Total employee entitlements	3,532	2,400	5,193	3,759
<i>Comprising:</i>				
Current	3,419	2,307	5,067	3,655
Non - current	113	93	126	104
Total employee entitlements	3,532	2,400	5,193	3,759

Note 18: Other provisions

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Current portion				
Contractual rework	-	-	53	254
Infringement provision	-	-	305	-
COVID-19 Wage Subsidy Repayment Provision	-	-	20	-
Weathertightness	210	-	210	-
Total current provisions	210	-	588	254
Non-current portion				
Landfill provision	1,043	1,043	1,043	1,043
Total non-current provisions	1,043	1,043	1,043	1,043

Council and group	Contractual rework \$000	Weather- tightness \$000	Landfill \$000	Infringement provision \$000
2019/20				
Opening balance 1 July	254	-	1,043	-
Additional provisions made during the year	(80)	210	-	305
Amounts used during the year	(121)	-	-	-
Closing balance 30 June	53	210	1,043	305
2018/19				
Opening balance 1 July	316	50	429	-
Additional provisions made during the year	13	-	614	-
Amounts used during the year	(75)	(50)	-	-
Closing balance 30 June	254	-	1,043	-

Council*Weather tightness*

The Council is aware of three potential claim in relation to the weather-tightness of homes in the area at year end (2019: no claims). 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 Council's closed landfill sites.

Group*Maintenance provision*

Provisions are required to settle the obligation to rework certain general construction and sealing contracts. A reliable estimate of the cost is required before the provision is recognised.

Note 19: Borrowings

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Current				
Bank overdraft and flexible credit facilities	-	-	-	3,000
Secured loans	-	5,000	-	5,000
Total current borrowings	-	5,000	-	8,000
Non-current				
Secured loans	35,200	10,200	35,200	10,200
Total non - current borrowings	35,200	10,200	35,200	10,200
Total borrowings	35,200	15,200	35,200	18,200

Secured loans

The Council's secured borrowings of \$35.2 million (2019: \$15.2 million) include floating rate borrowings of \$25.0 million and fixed borrowings of \$10.2 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 is between 1.74% and 1.92%.

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.

Bank overdraft and flexible credit facilities (Group)

The overdraft facility is secured by debenture. The maximum amount that can be drawn down against the overdraft facility is \$300,000 (2019 - \$300,000). There are no restrictions on the use of this facility.

The commercial flexi facility is secured by debenture. The maximum amount that can be drawn down against the overdraft facility is \$3.0 million (2019 - \$3.0 million). There are no restrictions on the use of this facility.

The term facility had a limit of \$3.0 million with the ANZ Bank New Zealand Limited, this was ended on 5 February 2020. There were no restrictions on the use of this facility.

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	New borrowings \$000	Closing balance \$000	Interest on borrowings \$000
2019/20					
Community facilities					
Broadfield Loan Reserve	34	(6)	-	28	-
Dunsandel Community Centre Loan	732	(17)	-	715	-
Halkett Community Centre 25 Year Loan Reserve	29	(6)	-	23	-
Kirwee Pavillion/Hall Reserve Loan Reserve	43	(14)	-	29	-
Lincoln Library Loan	4,140	(119)	-	4,021	-
McHughs Plantation Loan Reserve	1,223	(62)	-	1,161	-
Rhodes Park Community Centre Loan	1,251	(113)	-	1,138	-
Selwyn District Park Loan	2,574	(92)	-	2,482	-
	10,026	(429)	-	9,597	-
2018/19					
Community facilities					
Broadfield Loan Reserve	39	(5)	-	34	-
Dunsandel Community Centre Loan	748	(16)	-	732	-
Halkett Community Centre 25 Year Loan Reserve	34	(5)	-	29	-
Kirwee Pavillion/Hall Reserve Loan Reserve	56	(13)	-	43	-
Lincoln Library Loan	4,254	(114)	-	4,140	-
McHughs Plantation Loan Reserve	1,283	(60)	-	1,223	-
Rhodes Park Community Centre Loan	1,213	38	-	1,251	-
Selwyn District Park Loan	2,661	(87)	-	2,574	-
	10,288	(262)	-	10,026	-

Note 20: General funds

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Opening balance 1 July	957,632	903,907	964,068	912,510
<i>Transfers to:</i>				
Special funds	(24,662)	(23,787)	(24,662)	(23,787)
<i>Transfers from:</i>				
Revaluation reserve on disposal of property, plant and equipment	1,030	2,895	1,030	2,895
Special funds	26,081	14,101	26,081	14,101
Acquisition of non - controlling interest	-	-	-	423
Surplus for the year attributable to parent	77,156	60,516	79,013	57,926
Closing balance 30 June	1,037,237	957,632	1,045,530	964,068

Note 21: Fair value through other comprehensive revenue reserve

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Opening balance 1 July	65,577	65,577	52,326	52,326
Valuation gains to other comprehensive revenue and expense	20,821	-	18,971	-
Closing balance 30 June	86,398	65,577	71,297	52,326
<i>Represented by:</i>				
Orion New Zealand Limited	70,277	51,306	70,277	51,306
Sicon Limited	15,101	13,251	-	-
Transwaste (Canterbury) Limited	1,020	1,020	1,020	1,020
Closing balance 30 June	86,398	65,577	71,297	52,326

Note 22: Special funds

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Opening balance 1 July	67,428	57,742	67,428	57,742
Transfers to general funds	(26,081)	(14,101)	(26,081)	(14,101)
Transfers from general funds	24,662	23,787	24,662	23,787
Closing balance 30 June	66,009	67,428	66,009	67,428

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 2019 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2020 \$'000
5 Waters					
Armack Drive Water Supply Special Fund	D	9	1	-	10
Arthurs Pass Water Supply Holding Capacity	D	(16)	-	-	(16)
Bealey River River Protection Reserve	D	25	1	-	26
Branthwaite Drive Water Supply Reserve	A	30	1	-	31
Burnham Water Supply Reserve	A	29	-	-	29
Castle Hill Water Supply Reserve	A	3	-	-	3
Darfield Water Supply Capital Rate Reserve	A	(1,473)	192	-	(1,281)
Darfield Water Supply Water Quality Upgrade	C	963	22	(102)	883
District Holding Capacity	D	(83)	-	-	(83)
Doyleston Water Supply Capital Contribution Reserve	A	161	4	-	165
Dunsandel Water Supply Reserve	A	80	2	-	82
Edendale Water Supply Reserve	A	105	2	-	107
Ellesmere Sewerage Renewal Reserve	B	867	36	(279)	624
Greenpark Land Drainage Reserve	A	23	1	-	24
Hororata River Land Drainage Reserve	A	18	-	-	18
Irwell Land Drainage Reserve	A	1	-	-	1
Johnson Road Capital Injection Special Fund	C	7	-	-	7
Johnson Road Water Supply Reserve	A	29	1	-	30
Jowers Road Water Supply Equipment Reserve	A	7	-	-	7
Kirwee Water Supply Equipment Reserve	A	567	30	(200)	397
L2 River Land Drainage Reserve	A	(18)	6	-	(12)
L2 River Land Drainage De-silting Reserve from Surpluses	C	116	3	-	119
L2 River Land Drainage Machinery Reserve from Surpluses	C	306	8	-	314
Lake Coleridge Quality Upgrade Special Reserve	C	130	3	-	133

	Purpose of reserve fund	Opening 1 July 2019 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2020 \$'000
Lake Coleridge Sewerage Electricorp Payment Reserve	C	60	2	-	62
Leeston Land Drainage Reserve	C	43	1	-	44
Leeston Sewerage to Record Surpluses	C	12	-	-	12
Leeston Stormwater Reserve	A	165	4	-	169
Leeston Water Supply Reserve	A	965	13	(927)	51
Lincoln Sewerage Reserve	A	8	1	-	9
Lincoln Water Supply Reserve	A	731	901	(1,374)	258
Malvern Hills Rural Water Supply Reserve	A	605	15	-	620
Osbourne Land Drainage Renewal Reserve	B	(74)	16	(371)	(429)
Prebbleton Sewerage Reserve	A	454	12	-	466
Prebbleton Water Supply Reserve	A	1,722	406	(707)	1,421
Rakaia Huts Water Supply Reserve	A	37	1	-	38
Rolleston Water Supply Reserve	A	1,182	2,384	(3,125)	441
Selwyn Rural Water Supply Capital Rate Reserve	A	295	8	-	303
Sheffield Water Supply Reserve	A	252	6	-	258
Sewerage Renewal Reserve	B	5,912	1,351	(2,629)	4,634
Southbridge Water Supply Reserve	A	(27)	4	-	(23)
Springfield Water Supply Capital Reserve	A	5	-	-	5
Springfield Water Supply Reserve	A	80	2	-	82
Springston Special Reserve	D	10	-	-	10
Springston/Aberdeen Subdivision Special Fund Reserve	D	73	2	-	75
Springston Water Supply Reserve	A	239	5	-	244
Stormwater District Renewal Reserve	A	423	230	-	653
Tai Tapu Sewerage Holding Capacity Reserve	D	174	-	-	174
Tai Tapu Sewerage Reserve	A	8	2	-	10
Tai Tapu Water Supply Reserve	A	412	10	-	422
Tai Tapu/Otahuna Water Supply Reserve	A	122	3	-	125
Taumutu Culverts Land Drainage Reserve	A	52	1	-	53
Templeton/Claremont Capital Reserve	A	7	-	-	7
Templeton/Claremont Water Supply Reserve Surpluses	C	40	1	-	41
Wairiri Valley Land Drainage Reserve	A	5	-	-	5
West Melton Sewerage Reserve	A	(109)	-	-	(109)
Water Race Renewal Reserve	A	1,302	(56)	-	1,246
Water Supplies Renewal Reserves	A	5,089	1,623	(2,248)	4,464
West Melton Water Supply Reserve	A	(35)	-	-	(35)
		22,125	7,261	(11,962)	17,424

	Purpose of reserve fund	Opening 1 July 2019 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2020 \$'000
Community facilities					
Albert Anderson Fund	D	7	-	-	7
Art Acquisition Reserve	D	51	7	-	58
Broadfield Loan Reserve	E	(34)	6	-	(28)
Darfield Christmas in the Park Reserve	D	5	-	(5)	-
Darfield Domain Reserve	A	51	2	-	53
Darfield Township Reserve	A	1,086	221	(34)	1,273
District Reserve Contributions Reserve	A	61	2	-	63
Doyleston Contributions Reserve	A	1	-	-	1
Dunsandel Community Centre Loan	E	(732)	17	-	(715)
Ellesmere Reserve Board Reserve	A	185	19	-	204
Glentunnel Community Centre Reserve	A	60	1	-	61
Glentunnel/Coalgate Capital Equipment Reserve	A	40	1	-	41
Halkett Community Centre 25 Year Loan Reserve	E	(29)	6	-	(23)
Halkett Community Centre Ex Land Subdivision Reserve	C	15	-	-	15
Hororata Cross Country Course Reserve	D	18	1	-	19
Hororata Reserve CPW Shares Hororata Reserve	D	(121)	-	-	(121)
Kimberley Reserve Timber Sales Reserve	C	39	1	(20)	20
Kirwee Operational Reserve	A	45	1	(2)	44
Kirwee Pavilion/Hall Reserve Loan Reserve	E	(43)	14	-	(29)
Ladbrooks Community Centre Investment Reserve	C	8	1	(3)	6
Lake Coleridge Township	A	1	-	-	1
Lakeside Community Centre Reserve	A	4	-	-	4
Lakeside Community Centre Loan Repayment Fund	A	(203)	5	-	(198)
Leeston Park Special Fund Reserve	A	10	14	-	24
Leeston Township Est NA Osbourne Reserve	D	75	2	-	77
Lincoln Library Ex Paparua Reserve	D	14	-	(14)	-
Lincoln Library Loan	E	(4,140)	119	-	(4,021)
McHughs Plantation Loan Reserve	E	(1,223)	62	-	(1,161)
Metal Pits Reserve	D	1,173	25	(364)	834
Plant Depreciation Replacement Reserve	B	16	-	-	16
Prebbleton Cell Tower Special Fund Reserve	D	71	2	-	73
Rolleston Com Centre Capital Fund	A	167	4	-	171
Rolleston Community Fund	D	215	5	-	220
Rolleston Headquarters Building Renewal Reserve	C	2,639	247	-	2,886
Reserve Contrib.Malvern Ward	A	1,694	217	(270)	1,641
Reserve Contrib.Springs Ward	A	12,461	3,396	(619)	15,238
Reserve Contrib.Ellesmere Ward	A	1,068	89	(461)	696
Reserve Contrib.Selwyn Central Ward	A	17,236	7,955	(8,620)	16,571
Rhodes Park Community Centre Loan	E	(1,251)	113	-	(1,138)
Selwyn District Park Loan	E	(2,574)	92	-	(2,482)
Sheffield Hall Refurbishment Fund	A	7	1	-	8
Sheffield Reserve Special Funds Reserve	A	16	1	(16)	1
Southbridge Advisory Committee Reserve	A	29	-	-	29

	Purpose of reserve fund	Opening 1 July 2019 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2020 \$'000
Springston Ex Ellesmere Reserve	A	11	(1)	(4)	6
Springston Township	A	4	-	-	4
Tai Tapu ex Paparua Library Reserve	D	21	1	(6)	16
Weedons Reserve Ex Paparua Investment Reserve	A	10	(1)	(8)	1
Weedons Reserve Loan Repayment Reserve	A	-	1	(1)	-
Weedons Reserve Loan Repayment Reserve	A	(120)	7	-	(113)
Weedons Surplus Reserve	A	-	1	(1)	-
West Melton Community Centre Ex Paparua Reserve	A	2	-	-	2
West Melton Community Centre Scholarship Fund Reserve	C	48	1	(2)	47
West Melton Surplus Reserve	A	-	2	(2)	-
		28,194	12,660	(10,452)	30,402
Community services					
Ex Ellesmere - Ellesmere Clay Loan Reserve	A	20	3	(13)	10
Insurance Reserve Fund Reserve	A	681	17	-	698
Selwyn District Education Fund Reserve	D	150	4	(9)	145
		851	24	(22)	853
Environmental services					
Dog Pound Loan	E	(376)	13	-	(363)
Weather Tightness Insurance Reserve	D	3	148	(210)	(59)
		(373)	161	(210)	(422)
Internal council services					
MAB Discretionary Fund Reserve	D	10	1	-	11
Earthquake Self Insurance Reserve	D	11,725	43	-	11,768
Pre 1989 Contributions Reserve	D	71	1	-	72
		11,806	45	-	11,851
Transportation					
Roading Contributions Reserve	A	4,091	4,259	(1,533)	6,817
Undergrounding Reserve	A	3,378	84	-	3,462
		7,469	4,343	(1,533)	10,279
Solid waste					
Operational Assets Replacement Fund Reserve	B	(2,644)	151	(1,886)	(4,379)
		(2,644)	151	(1,886)	(4,379)
Closing balance 30 June		67,428	24,662	(26,081)	66,009

Note 23: Asset revaluation reserves

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Opening balance 1 July	536,859	520,914	539,250	521,078
Net revaluation gains / (losses)	93,869	18,840	93,992	21,067
Transfer to general reserves on disposal	(1,030)	(2,895)	(1,030)	(2,895)
Closing balance 30 June	629,698	536,859	632,212	539,250

Property revaluation reserves for each asset class consist of:

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Land and buildings	118,559	119,589	121,073	121,980
Farm land	4,036	4,036	4,036	4,036
Roading	245,338	203,606	245,338	203,606
Water supplies	56,144	46,219	56,144	46,219
Stormwater	13,254	12,758	13,254	12,758
Sewerage	112,649	72,206	112,649	72,206
Land drainage	23,553	22,133	23,553	22,133
Water races	56,165	56,312	56,165	56,312
Closing balance 30 June	629,698	536,859	632,212	539,250

Note 24: Reconciliation of net surplus / (deficit) after tax to net cash flow from operating activities

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Surplus after taxation	77,156	60,516	79,013	57,926
<i>Add / (less) non-cash items:</i>				
Vested assets revenue	(56,178)	(38,428)	(56,178)	(38,428)
(Gains) / losses on fair value of investment property	(1,607)	(2,866)	(1,484)	(639)
(Gains) / losses on fair value of forestry assets	34	64	34	64
Impairment of property, plant & equipment	597	-	597	-
Depreciation and amortisation	28,717	25,949	31,660	29,192
Non - current employee benefits	20	-	20	-
Non - current provisions	-	614	-	614
Movement in provision for doubtful debts	(35)	29	(35)	29
Land & building revaluation (increment/decrement)	-	-	-	-
Interest rate swap	(59)	(301)	(59)	(301)
Movement in deferred taxation	(92)	(61)	416	64
Share of joint venture (surplus) / deficit	-	-	1	-
	48,553	45,516	53,985	48,521
<i>Add / (less) movements in working capital items:</i>				
Trade and other receivables	(4,332)	(305)	(5,698)	(795)
Income tax	55	(25)	1,456	(514)
Inventory & work in progress	760	2,029	172	513
Trade and other payables	815	2,538	6,947	2,886
Employee benefit liabilities	1,112	219	1,414	192
	46,963	49,972	58,276	50,803
<i>Add / (less) items classified as investing or financing activities:</i>				
Net (gain)/loss on sale of property, plant and equipment	(382)	(417)	(551)	(1,303)
Transfers to / (from) inventory to investment property	-	(772)	-	-
Net cash inflow / (outflow) from operating activities	46,581	48,783	57,725	49,500

Note 25: Capital commitments and operating leases

Capital commitments

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Community facilities	40,497	5,722	40,497	5,722
Refuse	1,410	-	1,410	-
Transportation	1,151	-	1,151	-
Wastewater	4,857	-	4,857	-
Water supply	1,431	582	1,431	582
Total capital commitments	49,346	6,304	49,346	6,304

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

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 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Not later than one year	-	-	97	256
Later than one year and not later than five years	-	-	14	170
Later than five years	-	-	-	-
Total non-cancellable operating leases	-	-	111	426

Operating leases as lessor

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

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Not later than one year	848	1,511	296	961
Later than one year and not later than five years	2,229	2,361	589	358
Later than five years	1,683	391	1,683	391
Total non-cancellable operating leases	4,760	4,263	2,568	1,710

Note 26: 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 three potential claims in relation to the weather tightness of homes in the area. As detailed in Note 18, 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 2019/20 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 weather tightness 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.

New Zealand Local Government Funding Agency (LGFA)

Selwyn District Council is a guarantor 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. NZLGFA has a local currency rating from Fitch Ratings and Standard and Poor's of AA+ and a foreign currency rating of AA.

Selwyn District Council is one of 31 shareholders of the NZLGFA. In that regard, it has uncalled capital of \$0.2 million (2019: \$0.2 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 2020, NZLGFA had borrowings totalling \$11.9 billion (2019: \$9.8 billion).

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 Cox, Killinchy, Hawkins and Springston landfills as per Note 18.

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.

Ministry of Education and Carter Holt Harvey (CHH)

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. The MOE's claim against CHH is for 833 school buildings, 1 of which are located within the Selwyn District.

In 2016, CHH commenced proceedings against 48 councils, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates.

8 school buildings built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court.

The court directed that the trial be staged. The first stage will be a 6 month hearing commencing in April 2020, to determine whether shadow clad is inherently defective.

As at 30 June 2020, there was uncertainty around any potential liability and claim quantum.

Subsequent to balance date it was resolved that there would be no liability to Council's under a notice of discontinuance signed on the 3rd September 2020.

Development contribution claim

In 2019 a potential claim was identified in relation to previously collected development contributions. There is insufficient information to conclude on potential liability and claim quantum, if any at this stage.

*Group**Sicon Limited (SL)*

From time to time SL has performance bonds and bonds in lieu of retentions to third parties. Bonds to the value of \$500,000 (2019 - \$500,000) are committed as at 30 June 2020.

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

Other than the above SL has no contingent liabilities as at 30 June 2020.

Contingent assets*Council*

The Council has no contingent assets as at 30 June 2020 (2019: \$nil).

*Group**Sicon Group (SL)*

SL has no contingent assets at 30 June 2020 (2019: nil).

Note 27: Related party transactions

The Council is the ultimate parent of the group and controls its subsidiaries, Sicon Group 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 District Charitable Trust

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

	2020	2019
	\$000	\$000
Donations received from the Trust	16	161
Accounts receivable	1	12

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 \$5,496 (2019: \$4,600) and meet other operating costs of the trust totalling \$50 (2019: \$50)

There were no commitments with Selwyn District Charitable Trust as at 30 June 2020 (2019: \$nil).

Orion New Zealand Limited

The Council entered into transactions with Orion New Zealand Limited during the year.

	2020	2019
	\$000	\$000
Dividend revenue	2,520	5,363
Rates revenue received	279	257
Accounts receivable	-	-

There were no commitments with Orion New Zealand Limited as at 30 June 2020 (2019: \$nil).

Sicon Limited

The Council entered into transactions with Sicon Limited during the year.

	2020	2019
	\$000	\$000
Rates, royalties, interest and lease revenue received	615	377
Dividend revenue	1,500	800
Contract services received from Sicon Group	30,203	16,825
Accounts receivable	64	190
Accounts payable	4,456	2,379

There were no commitments with Sicon Group as at 30 June 2020 (2019: \$nil).

Central Plains Water Trust

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

	2020 \$000	2019 \$000
Payments to suppliers on behalf of the Trust	186	168
Accounts receivable	146	72

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 2020 (2019: \$nil).

Tramway Reserve Trust

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

	2020 \$000	2019 \$000
Payments to suppliers on behalf of the Trust	-	-
Grant paid to the Trust	-	-

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 \$1,800 (2019: \$1,815).

There were no commitments with the Tramway Reserve Trust as at 30 June 2020 (2019: \$nil).

Transactions with key management personnel

Key Management Personnel Compensation

	2020	2019
<i>Councillors</i>		
Remuneration	\$601,000	\$568,000
Full-time equivalent members	12	12
<i>Senior Management Team, including the Chief Executive</i>		
Remuneration	\$1,780,000	\$1,838,000
Full-time equivalent members	8	8
Total key management personnel remuneration	\$2,381,000	\$2,406,000
Total full-time equivalent personnel	20	20

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

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.

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 (2019: \$nil).

Note 28: Remuneration

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.

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

	2020 Base salary \$	2020 Hearing fees \$	2020 Total remuneration \$	2019 Base salary \$	2019 Hearing fees \$	2019 Total remuneration \$
<i>Council</i>						
Mayor Sam Broughton	130,184	-	130,184	119,181	-	119,181
Councillor Malcolm Lyall	49,440	300	49,740	44,572	1,000	45,572
Councillor Debra Hasson	41,791	400	42,191	39,098	1,300	40,398
Councillor Mark Alexander	41,791	400	42,191	39,098	1,400	40,498
Councillor Jeff Bland	41,791	200	41,991	39,098	1,200	40,298
Councillor Grant Miller	41,791	400	42,191	39,098	1,100	40,198
Councillor Bob Mugford	41,791	400	42,191	39,098	1,300	40,398
Councillor Nicole Reid	41,791	300	42,091	39,098	1,200	40,298
Councillor Murray Lemon	41,791	300	42,091	39,098	1,300	40,398
Councillor Jenny Gallagher	30,021	300	30,321	-	-	-
Councillor Shane Epiha	30,021	300	30,321	-	-	-
Councillor Sophie McInnes	30,021	300	30,321	-	-	-
Councillor John Morten (till Oct '19)	11,664	100	11,764	39,098	1,300	40,398
Councillor Pat McEvedy (till Oct '19)	11,664	100	11,764	39,098	800	39,898
Councillor Craig Watson (till Oct '19)	11,664	100	11,764	39,098	1,300	40,398
<i>Malvern Community Board</i>						
John Morton (Chairperson)	12,480	-	12,480	-	-	-
Judith Pascoe	8,860	-	8,860	8,686	-	8,686
Karen Meares	8,859	-	8,859	8,686	-	8,686
Bill Woods	6,240	-	6,240	-	-	-
Ken May	6,240	-	6,240	-	-	-
Jenny Gallagher (Chairperson) (till Oct '19)	5,240	-	5,240	17,373	-	17,373
Kerry Pauling (till Oct '19)	2,620	-	2,620	8,686	-	8,686
Megan Hands (till Oct '19)	2,620	-	2,620	8,686	-	8,686

The following Elected Members also received directors' fees as directors of the Council's subsidiary company Sicon Limited and committee fees for the Selwyn Waihora Zone Committee.

	2020	2019
<i>Sicon Limited</i>		
Councillor John Morten	9,333	32,000
Councillor Pat McEvedy	32,917	32,000
<i>Selwyn Waihora Zone Committee</i>		
Megan Hands	3,208	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 \$329,115 (2019: \$323,392). This included a non-taxable allowance of \$nil (2019:\$nil).

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 2020, the Council made three severance payments to Council employees. (2019: three severance payments).

The value of each of the severance payments was \$1,000, \$5,000 and \$41,890. (2019: \$132,635, \$25,208 and \$7,875).

Note 29: Construction contracts – Group

	Group 2019/20 \$000	Group 2018/19 \$000
<i>For contracts in progress as at 30 June:</i>		
Contract costs incurred	4,672	7,490
Recognised profits	702	1,963
Progress billings	5,373	9,453
Gross amount due from customers	94	1,406
Accrued Revenue	766	-
Retentions receivable	272	408
Retentions payable	(13)	(20)
Construction Contract Revenue	24,112	15,164

Note 30: Events after balance date

Council

On the 11 August 2020 4 new cases of COVID-19 were identified in South Auckland. From midday on 12 August 2020 Auckland went into a Level 3 lockdown and the rest of New Zealand including the Selwyn District went into a Level 2 lockdown. On Tuesday 22 September 2020 the lockdown levels returned to Level 1. The impact of this lockdown on the Council was minimal.

In July 2020, the New Zealand Government announced an initial funding package of \$761 million to provide a post COVID-19 stimulus to maintain and improve water networks infrastructure, and to support a three year programme of reform of local government water services delivery arrangements.

Council agreed to sign the MoU and Funding agreement which was signed by the Mayor and Chief Executive on the 27 August 2020.

The agreement will provide \$5.33 million of funding from the signed agreement.

(2019: No significant post balance date events).

Group

Sicon Limited

Subsequent to year end, the spread of the COVID-19 virus continued to be managed in New Zealand with no community spread for 102 days.

On the 11th August 2020, the Prime Minister announced community spread in Auckland, with the move to Level 3 for Auckland and Level 2 for the rest of New Zealand. SL activated Level 2 policy and practice across the company on 12th August 2020.

There is uncertainty on what impact the COVID-19 pandemic will have on SL subsequent to year end.

There have been no other significant events subsequent to 30 June 2020.

Note 31: Financial instruments

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

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 26.

Maximum exposure to credit risk

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

	Council 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Cash and cash equivalents	16,909	8,664	24,686	9,789
Receivables	12,428	13,693	12,484	18,051
Term deposits	60,000	69,000	60,000	69,000
Total credit risk	89,337	91,357	97,170	96,840

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. For its other financial instruments, the Council does not have high concentrations of credit risk. The loan receivable balance is secured by a first ranking mortgage over land titles associated with the sale.

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 2019/20 \$000	Council 2018/19 \$000	Group 2019/20 \$000	Group 2018/19 \$000
Counterparties with credit ratings				
<i>Cash at bank and term deposits</i>				
Continuing operations AA- & A	76,909	77,664	84,686	78,789
Total cash at bank and term deposits	76,909	77,664	84,686	78,789
Counterparties without credit ratings				
<i>Community and related party loans</i>				
Existing counterparty with no defaults in the past	125	123	125	123
Total loans to related parties	125	123	125	123

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 2020, the Council has a multi-option credit facility of \$10 million (2019: \$10 million) against which it had drawn \$nil (2019: \$nil).

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 26.

Sicon Limited has a maximum amount that can be drawn down against their overdraft, commercial flexi and flexible credit facility of \$3.3 million (2019: \$3.3 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 2020					
Payables	23,336	23,336	23,336	-	-
Secured loans	35,200	37,749	490	26,918	10,341
Net settled derivatives (interest rate swap)	702	725	380	341	4
Group 2020					
Payables	25,270	25,270	25,270	-	-
Secured loans	35,200	37,749	490	26,918	10,341
Net settled derivatives (interest rate swap)	702	725	380	341	4
Council 2019					
Payables	16,493	16,493	16,493	-	-
Secured loans	15,200	17,244	5,751	6,391	5,102
Net settled derivatives (interest rate swap)	761	659	365	294	-
Group 2019					
Payables	18,180	18,180	18,180	-	-
Bank overdraft and flexible credit facilities	3,000	3,000	3,000	-	-
Secured loans	15,200	17,244	5,751	6,391	5,102
Net settled derivatives (interest rate swap)	761	659	365	294	-

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 2020					
Cash and cash equivalents	16,909	16,909	16,909	-	-
Receivables	12,428	12,536	11,994	542	-
Term deposits	60,000	61,624	61,624	-	-
Group 2020					
Cash and cash equivalents	24,686	24,686	24,686	-	-
Receivables	12,484	12,851	12,309	542	-
Term deposits	60,000	61,624	61,624	-	-
Council 2019					
Cash and cash equivalents	8,664	8,664	8,664	-	-
Receivables	13,693	14,176	12,969	1,207	-
Term deposits	69,000	70,624	70,624	-	-
Group 2019					
Cash and cash equivalents	9,789	9,789	9,789	-	-
Receivables	18,051	18,453	17,246	1,207	-
Term deposits	69,000	70,624	70,624	-	-

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 2020				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(169)	-	169	-
Term deposits	(600)	-	600	-
<i>Financial liabilities</i>				
Interest rate swaps	(478)	-	457	-
Secured loans	250	-	(250)	-
Total sensitivity	(997)	-	976	-
Council 2019				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(87)	-	87	-
Term deposits	(690)	-	690	-
<i>Financial liabilities</i>				
Interest rate swaps	(169)	-	164	-
Secured loans	150	-	(150)	-
Total sensitivity	(796)	-	791	-
	Surplus \$000	-100bps Other equity \$000	Surplus \$000	+100bps Other equity \$000
Group 2020				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(247)	-	247	-
Term deposits	(600)	-	-	-
<i>Financial liabilities</i>				
Interest rate swap	(478)	-	457	-
Secured loans	250	-	(250)	-
Bank overdraft	-	-	-	-
Total sensitivity	(1,075)	-	454	-
Group 2019				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(98)	-	98	-
Term deposits	(690)	-	690	-
<i>Financial liabilities</i>				
Interest rate swap	(169)	-	164	-
Secured loans	150	-	(150)	-
Bank overdraft	(30)	-	30	-
Total sensitivity	(837)	-	832	-

Note 32: 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 33: Business combination and non – controlling interests

On 2 April 2012, Ferguson Brothers (2012) limited, a wholly owned subsidiary was incorporated with 100 shares.

On 1 February 2017, Ferguson Brothers (2012) limited purchased the trade and assets of Blakely Construction Limited and simultaneously changes its name to Blakely Construction Limited (BCL). On this day, a further 900 shares were issued, 600 of these to SL resulting in a total shareholding of 70%.

On 2 July 2018 SL purchased the non-controlling interest's 30% at a price based on BCL's net earnings over the 3 years to 30 June 2018.

On 30 June 2019, final sign-off and settlement was agreed, with no addition consideration.

Note 34: Impact of COVID-19

On 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as COVID-19, with the outbreak declared a pandemic on 11 March 2020. The New Zealand Government declared a State of National Emergency on 25 March 2020. The next day the country was put into Alert Level 4 and effectively lockdown. On 28 April 2020, the Alert Level was reduced to Level 3, and then further reduced to Level 2 on 14 May 2020. The country moved to Level 1 on 9 June 2020.

In anticipation of the evolving situation, following advice from our financial advisors, staff increased the Council's cash holdings to \$30 million from our ordinary cash holding of \$15 million during this period to strengthen our liquidity position going into the lockdown. This was achieved by delaying reinvesting term deposits as they matured for a period of time. The additional cash holding impacted the Council's interest revenue for this period of time due to the cash being held in lower interest bearing accounts.

During Level 4 and Level 3 around 90% of our staff were able to work from home either in a business as usual mode, while other staff focused on the COVID-19 response and training. During Level 2, most of our business activity resumed with the required health and safety protocols in place and our staff began returning to their usual place of work. Level 1 predominantly saw a return to pre COVID-19 activity.

Work on our major capital projects resumed on 28 April 2020 following the move to Level 3. Council staff have worked together with our contractors to mitigate the lost time during Level 4. Most of the time lost on these projects has been regained during the last few months of the year.

The planned maintenance work at the Selwyn Aquatic Centre was undertaken during Level 3 while the facility was closed. Performing this work during Level 3 removed the need for the planned closure.

The lockdown and potential future impacts of COVID-19 may negatively impact residents' ability to pay rates. This could lead to a short term cashflow impact and increased rates arrears. Rates arrears could increase further compared with the current \$3.4 million balance as at 30 June 2020. Council staff are working with effected ratepayers to set up affordable payment plans. There were 40 ratepayers who have opted for the COVID-19 rates payment extension arrangement which amount to around \$50,000.

Council incurred some additional civil defence costs in response to providing emergency accommodation and other welfare costs. The Council incurred a total of \$226,000 in response to the emergency. A claim for these civil defence costs directly associated with COVID-19 has been filed with Central Government totalling \$133,000. This claim is undergoing an audit process. The unclaimable portion of costs totalling \$93,000 is an additional cost to the Council.

There has been an impact on the Council's achievement of its performance targets during the year. The impact on the performance targets are explained in the relevant activity sections of the annual report.

The Council's investment property portfolio was revalued as at 30 June 2020. The valuer has highlighted there is currently significant valuation uncertainty caused by the COVID-19 pandemic. Refer Note 14 of this report.

Staff and Council worked to identify savings for the 2020/21 Annual Plan. Our Long Term Plan had predicted that the average rates increase for 2020/21 would be in the region of 3.5%, and we have reduced that to approximately 1.6%. We examined all budgets and projects and found net savings of \$1.7 million which permitted this reduction.

	Council 2019/20 \$000	
Impact on revenue		
Rental and hire charges	(138)	Note 1
Civil Defence COVID-19 Claim	133	Note 2
Dividend revenue	(2,199)	Note 3
Interest revenue	(50)	Note 4
Selwyn Aquatic Centre	(423)	Note 5
Total revenue impact	(2,677)	
Impact on expenditure		
Civil Defence COVID-19 Emergency and Welfare Costs	226	Note 2
Extension of time claimed by contractors	137	Note 6
Total expenditure impact	363	
Total impact on operating surplus / (deficit) before taxation	(3,040)	

- Note 1** Rental and hire charges have reduced by \$138,000 compared with the comparable 3 month period from April to June in 2019.
- Note 2** The Council incurred a total of \$226,000 in response to the emergency. A claim for these civil defence costs directly associated with COVID-19 has been filed with Central Government totalling \$133,000. This claim is undergoing an audit process. The unclaimable portion of costs totalling \$93,000 is an additional cost to the Council.
- Note 3** Dividend revenue received from Orion New Zealand Limited was lower than budget due to the impacts of COVID-19. Orion delayed the declaration of their interim dividend until September 2020. Selwyn District Council received a dividend from Orion on 4 September 2020 totalling \$1,608,750. The impact of COVID-19 on the Orion dividend was therefore \$590,000, approximately a 10% reduction in expected dividend revenue from Orion.
- Note 4** In anticipation of the evolving situation, following advice from our financial advisors, staff increased the Council's cash holdings to \$30 million from our ordinary cash holding of \$15 million during this period to strengthen our liquidity position going into the lockdown. This was achieved by delaying reinvesting term deposits as they matured for a period of time. The additional cash holding impacted the Council's interest revenue for this period of time due to the cash being held in lower interest bearing accounts.
- Note 5** Selwyn Aquatic Centre revenue reduced by \$423,000 compared with the comparable 3 month period from April to June in 2019.
- Note 6** On some of the Council's major construction projects contractors claimed extension of time costs due to delays from COVID-19 lockdowns and the inability of contractors to work under Level 4 restrictions. There is potential for further extension of time claims to be lodged.

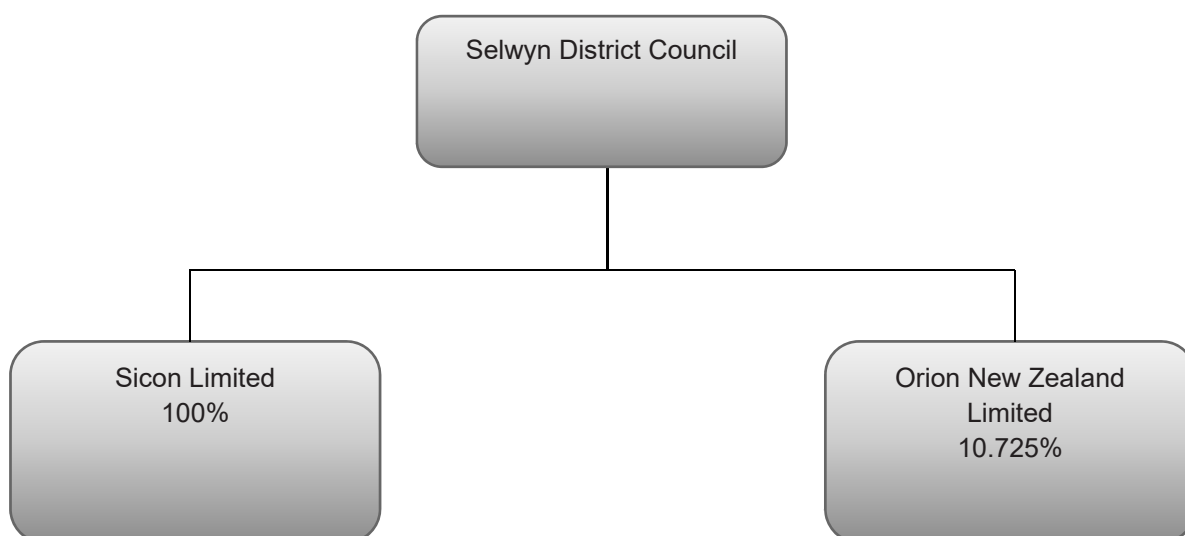
Sicon Limited (Group)

As a result of COVID-19, SL has incurred additional expenditure of \$178,000 during the year.

In April 2020, SL applied for and received a wage subsidy of \$1.65 million as part of the New Zealand Government's COVID-19 Economic Response Package. This was on the basis of meeting all of the criteria, including a forecast reduction in revenue of at least 30%, in any one month during the period April to June 2020, compared to the prior year.

SL management have assessed that there will potentially be a reduction in both privately funded subdivision developments and any additional spending from councils on improvement projects. SL assumes that COVID-19 is a temporary event and will not have a lasting negative impact on SL's performance. However, given the inherent uncertainty created by the COVID-19 pandemic SL has reduced its financial projections for the next three years.

Financial interests



Community Trusts Administered by the Council:

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

Financial interests – Sicon 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 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 2020 is set out below:

	Status	Actual 2020	Target 2020
Dividend paid	Achieved	\$1,500,000	≥\$800,000
Return after tax to opening equity (excluding amortisation)	Achieved	21.9%	≥8%
To maintain ISO 9001:2015 Quality Standard Certification	Achieved	Maintained	Maintain
To achieve ISO 45001 by the end of the 2020 calendar year.	Not achieved	ISO audit commenced 12Aug 2020. Expect to be completed by the end of 2020 calendar year.	Achieve ISO 45001 by end of 2020
Staff Retention	Achieved	71.3%	70%
Training & development as a % of payroll costs	Achieved	2.3%	≥1.5%
To achieve ISO 14001 by the end of the 2021 financial year.	Not Achieved	ISO audit commenced 12 Aug 2020. Expect to be completed by the end of 2021 financial year.	Achieve ISO 14001 by end of FY 2021

Summary of financial performance

	Actual 2020 \$000	Actual 2019 \$000
Revenue	62,669	51,773
Expenditure	57,560	51,008
Surplus / (deficit) before taxation	5,104	765
Surplus / (deficit) after taxation	3,441	437
Dividend	1,500	800

Financial interests – Orion New Zealand Limited

Relationship to the Council

Selwyn District Council has a 10.725% shareholding in Orion New Zealand Limited.

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

Nature and scope of the company

Orion's activities are to:

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

Objective

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

Key performance targets

The Company's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 31 March 2020 is set out below:

Financial performance targets:

	Actual 2020	Target 2020	Actual 2019	Note
Network delivery revenue (\$m)	242	244	256.5	1,2
Profit after tax (\$m)	48	42	47.9	1,2
Profit after tax to average equity (%)	7.2	6.3	7.2	1,2
Debt to debt plus equity (%)	33	33	31	3
Equity to total assets (%)	54	55	55	3
Fully imputed dividends (\$m)	47	47	53	

Note 1 – the group's net profit for the year ended 31 March 2020 was \$6.3 million above its SOI target due, primarily to the following favourable variances:

	\$m Post tax
Deferred tax adjustment due to reinstatement of depreciation on commercial buildings	5.0
Below budget expenses	3.4
Below budget Connetics profit	(2.0)
Other	(0.1)
	6.3

Note 2 – the group's net profit for the year ended 31 March 2020 was \$0.5 million above last year's net profit due, primarily to the following variances:

	\$m Post tax
Deferred tax adjustment due to reinstatement of depreciation on commercial buildings	5.0
Lower interest rate swap revaluation expense profit	1.3
Lower Connetics Profit	(1.1)
Higher expenses	(1.6)
Lower sundry revenues	(2.5)
Other	(0.6)
	(0.5)

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

Network reliability targets:

	Approx. Number of connections 31 March 2020	Actual 2020*	Target 2020	Actual 2019*	Industry Weighted Average 2019*
Orion network interruptions in minutes per year per connected customer (SAIDI):					
- Region A	174,000	25	22	27	
- Region B	33,500	290	357	336	
- Overall	207,500	68	73	76	299

Number of supply interruptions per year per connected customer (SAIFI):

- Region A	174,000	0.3	0.6	0.4	
- Region B	33,500	2.4	2.3	2.6	
- Overall	207,500	0.7	0.9	0.8	2.0

Important notes:

1. Natural disasters and other major events can cause significant numbers and/or durations of network supply interruptions. The future occurrence and/or severity of these events cannot be predicted.
2. SAIDI and SAIFI are standard industry measures of network reliability performance. They include planned and unplanned interruptions, but exclude interruptions that are caused by electricity generators or Transpower, or are caused by the low voltage (400V) network, or last for less than one minute
3. The commerce Commissions has set performance limits for our network reliability, pursuant to our default price-quality path (CPP). The commission assesses our actual performance against those limits, after 'normalising' for the impacts of 'major events'. Our overall targets above are consistent with our DPP limits for FY20. After applying the commission's normalisation methodology, we achieved our network reliability limits in FY15 – FY18 and FY20 but slightly exceeded our SADI limit in FY19 (74 actual against a target of 73).
4. Columns marked with an asterisk (*) are stated gross – before normalisation for major events.
5. As Christchurch has spread west post-earthquake, it has become difficult to define a slit between urban and rural. We have therefor changed to two regions. Region A is largely supplied from Transpower's Islington and Bromley grid exit points. Region B is Largely supplied from other grid exit points

Network development targets:

1. Work with the Christchurch City Council (CCC), Government agencies and property developers to support the Christchurch central city rebuild. *(Status: Achieved)*.
2. Upgrade our Highfield Zone substation for 33kV to 66kV. *(Status: Achieved)*.
3. Upgrade our Dunsandel Zone substation to restore 'N minus 1' firm capacity *(Status: Achieved)*.
4. Build and commission a new zone substation at Belfast and interconnect it with our existing 66kV sub-transmission network and a new switching station to be built and commissioned at Marshland. *(Status: Deferred to FY22 in line with customer requirements)*.
5. Install at least 100 low voltage monitoring devices around our electricity distribution network. *(Status: Materially Achieved)*.

Environmental targets:

1. Cost options to reduce or offset our carbon footprint and choose an initial reduction/offset strategy. *(Status: Partially achieved)*.
2. Measure our electricity distribution network resource consumption footprint. *(Status: Achieved)*.
3. Comply with applicable environmental legislation. *(Status: Achieved)*.
4. Keep annual SF6 gas losses below 0.8% per year. *(Status: Not achieved)*.
5. Support initiatives that are good for our community's sustainability. *(Status: Achieved)*.
6. Encourage the adoption of electric vehicles around our region. *(Status: Partially achieved)*.

Health and safety targets:

1. No serious safety events impacting our employees or our contractors. *(Status: Not achieved)*.
2. No serious events involving members of the public. *(Status: Not achieved)*.
3. Promote our local public safety education and awareness programme in the safe use of electricity. *(Status: Achieved)*.
4. Review and improve how we manage our critical health and safety risks *(Status: Achieved)*

Community and employment targets:

1. Ensure sustainable network asset management competence via our Orion engineering development programme. *(Status: Achieved)*.
2. Ensure that Connetics has a sustainable industry competence via its apprentice and electrical training schemes. *(Status: Achieved)*.
3. Establish a formal programme for secondary and tertiary students to gain work experience at Orion. *(Status: Achieved)*.
4. Support the wellbeing of employees. *(Status: Achieved)*.

Summary of financial performance

	Actual 2020 \$000	Actual 2019 \$000
Revenue	307,695	325,730
Expenditure	247,472	259,618
Surplus / (deficit) before taxation	60,223	66,112
Surplus / (deficit) after taxation	48,315	47,863
Ordinary dividend	53,000	53,000

Financial interests – Selwyn District Charitable Trust

Relationship to the Council

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

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 2020 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 \$5,000 (2019: \$110,490) in donation revenue. The Trust has distributed \$16,094 (2019: \$161,238) to the Selwyn District Council during the year. The donations received by the Trust during the year are to be used for the benefit of the Lakeside Hall and West Melton Community Centre.

At year end there was \$1,002 (2019: \$12,089) 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 2020 \$000	Actual 2019 \$000
Revenue	5	111
Expenditure	5	111
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 2020 is set out below:

- *Monitor the performance of CPWL in operating the Scheme, and communicate the results to the public.*

The Trust received quarterly reports from CPWL during the year and visited the Scheme infrastructure in person. The Trust also commissioned an independent expert report on the environmental and operational performance of the Scheme and published the results in its Annual Sustainability Report. It met with the settlor Councils to discuss the Report which was also published on the Trust's website.

- *To consult, and develop scheme recreational opportunities for the headrace canal and its margins and establish and support the Environmental Management Fund.*

The Trust considered opportunities for the use of the headrace canal for recreation and determined that no such opportunities exist.

The Environmental Management Fund was funded by CPWL as required by the resource consent conditions, and the Fund was managed by a Committee of persons appointed by the Trust. The Committee met on a number of occasions and published invitations for members of the public to apply for funds. As a result a number of grants were made within the terms of and scope of the Fund during the year. Details of the major grants made are included in the Annual Sustainability Report.

- *To establish and support the Community Liaison Group in its ongoing functions.*

The Community Liaison Group was established in December 2013 and is being supported as required.

- *The Trustees will prepare an annual budget by 30 June and will report the financial results.*

An Annual Budget was agreed with Central Plains Water Limited for the year; and financial statements are provided in the trust's annual report.

Summary of financial performance

	Actual 2020 \$000	Actual 2019 \$000
Revenue	94	70
Expenditure	94	70
Surplus / (deficit) before taxation	-	-

Financial interests – Tramway Reserve Trust**Relationship to the Council**

On the 18th June 2020, the Council exempted the Tramway Reserve Trust from being a Council Controlled Organisation under Section 7 (3) of the Local Government Act.

Nature and scope of activities

Tramway Reserve, at the end of Tramway Reserve Road, will be subject to restoration and enhancement to be led by the Tramway Reserve Trust. The restoration project was agreed as mitigation for the past and on-going use of Tramway Reserve Drain for 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 2020 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 2020 \$000	Actual 2019 \$000
Revenue	-	-
Expenditure	-	-
Surplus / (deficit) before taxation	-	-

Independent Auditor's Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Selwyn District Council's annual report for the year ended 30 June 2020

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

We are also required to report on:

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

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

We completed our work on 28 October 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 102 to 166:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2020;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 93, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service provision (referred to as "significant activities") on pages 18 to 89:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 30 to 89, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 30 to 89, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 96 to 100, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of matter – Impact of Covid-19 pandemic

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 pandemic on the District Council and Group as set out in Note 34 of the financial statements. We draw specific attention to the following matter due to the significant level of uncertainty caused by the pandemic:

- *Investment properties*

Note 14 on page 137 describes the significant uncertainties highlighted by the valuer, related to estimating the fair values of the District Council and Group's investment properties.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the significant activities, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 17, 94 and 95, 101 and 167 to 174, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out a limited assurance engagement relating to the District Council's debenture trust deed. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



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

Council information

Mayor and Councillors contact details (as at 30 June 2020)

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

Community Board Members contact details

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

Where to go for more information

The annual plan is also available at www.selwyn.govt.nz or you can get a copy at any Selwyn district library or service centre (see list below).

Customer services	
For general enquiries, assistance and information, telephone 0800 SELWYN (735 996)	
Website	Selwyn District Council Offices
www.selwyn.govt.nz	2 Norman Kirk Drive PO Box 90 ROLLESTON 7643
Service Centres	
Leeston Library/Service Centre 19 Messines Street Private Bag 1 LEESTON Phone: (03) 347 2871	Darfield Library/Service Centre 1 South Terrace DARFIELD 7510 Phone: (03) 318 8338
Lincoln Library/Service Centre Gerald Street LINCOLN 7608 Phone: (03) 347 2876	Rolleston Library 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/cities
Buddle Findlay PO Box 322 CHRISTCHURCH 8140	Akitakata, Hiroshima, Japan Yubetsu, Northern Hokkaido, Japan* Toraja Utara, South Sulawesi, Indonesia Coventry, Rhode Island, USA Shandan, Gansu Province, China

*The Malvern Community Board has been delegated the authority to facilitate relationships with Yubetsu.

Council controlled trading organisations

Council companies

Sicon Limited
(100% owned by Selwyn District Council)

85 Hoskyns Road
ROLLESTON

Phone: (03) 318 8320

Fax: (03) 318 8578

Email: sicon@sicon.co.nz

Website: www.sicon.co.nz

Board

Steve Grave (*Chairperson*)

Murray Harrington

Grant Lovell

Pat McEvedy

Other council organisations

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

PO Box 90

ROLLESTON 7643

Phone: (03) 347 2800

Fax: (04) 347 2799

Trustees

Denis O'Rourke (*Chairperson*)

Elle Archer

Les Wanhalla

Mark Christensen

Olive Webb

Pat McEvedy

Rob Lawrence

Viv Smart



Selwyn District Council

2 Norman Kirk Drive, Rolleston
PO Box 90, Rolleston 7643

0800 SELWYN (735 996)

www.selwyn.govt.nz

