



Selwyn District Council

# Summary Annual Report 2019/20

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








Lake Coleridge





# Welcome to

## Selwyn District Council's Summary Annual Report 2019/20

This summary provides an overview and summary of Selwyn District Council and group's activities and services for the year ended 30 June 2020. The information has been extracted from the full annual report for the year ended 30 June 2020 adopted by the Council on 28 October 2020. The full financial statements have been prepared in accordance with, and comply with, Tier 1 PBE accounting standards. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand as it relates to summary financial statements.

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

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

*The full Selwyn District Council Annual Report 2019/20 is available from Council offices and service centres, or online at [selwyn.govt.nz](http://selwyn.govt.nz).*

# 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*

# Service performance

**341,292**

visits to Council pools and  
Selwyn Aquatic Centre

**7.87** million

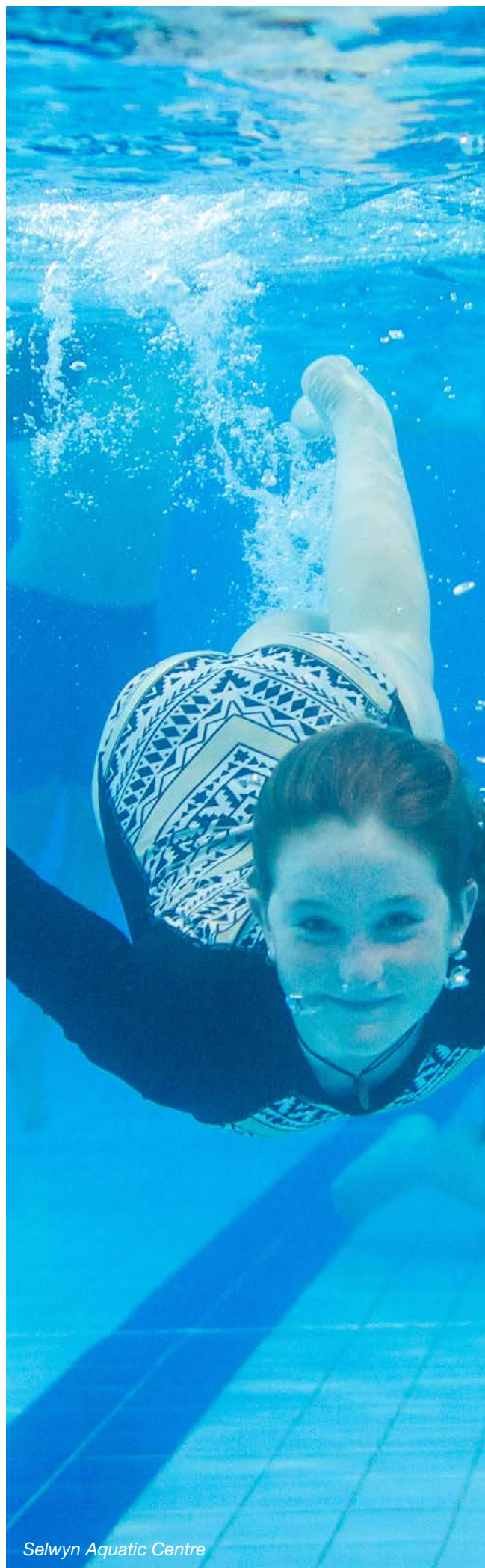
cubic metres of water supplied  
to households

**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.

# Significant performance measures

The following is a selection of our performance measures from our significant activities. Overall the Council achieved 100 out of 140 performance measures (71%).

✓ **89%**

of residents have used or visited a public park in the past 12 months  
(target 80%).

✓ **85%**

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

✓ **84%**

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

✗ **66 km**

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

✓ **4.78**

swims per capita of district population  
(target 4.5).

✓ **94%**

of residents rated the Council's rubbish collection service as very good or good  
(target 90%).

✓ **100%**

100% of all urgent dog callouts were attended to within four hours  
(target 100%).

✓ **99.9%**

compliance with national standards for water standards for bacteria compliance  
(target 99%).

✗ **85%**

of residents rating the performance of libraries in the resident survey as good or very good  
(target 90%).

✓ **77%**

of the urban fire district area is within 135 metres of one hydrant and 270 m of two  
(target 60%).



The 2018/19 annual report was adopted on time  
(target within statutory timeframes).



Total average operating cost per serviced property for water supply was **\$329** per annum  
(target \$330).

✗ **63%**

of residents rated the overall performance of Council as very good or good  
(target 65%).

✓ **0.498m<sup>3</sup>**

of water consumed per resident on average per day  
(target 0.6m<sup>3</sup>).

✗ **94%**

of building consents were issued within statutory time frames  
(target 95%).

## Impact of Covid-19

The Covid-19 pandemic has had an impact on the Council's achievement of its performance targets during the year. Council facilities were closed and services disrupted for a significant period during lockdown restrictions. The impact on the performance targets are explained in the relevant activity sections of the full annual report.



## 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.
- 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 was \$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.



# 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

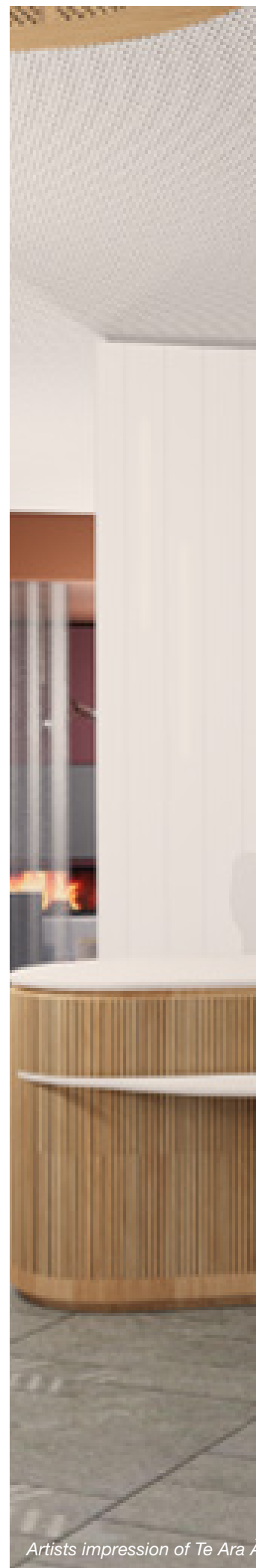
In late 2019 work started on the new Selwyn Sports Centre complex at Foster Park. This facility is expected to be ready for use in 2021 and will assist in meeting the rapidly growing need for indoor sports facilities in Selwyn. It includes eight courts, multi-use space, an indoor walking track, changing 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
<div>Community Facilities</div> <div></div>	<div>\$32.3m</div> <div>(including renewal)</div>	<div>\$20.4m</div> <div>(excluding depreciation)</div>	<div>RATES 62%</div> <div>OTHER 38%</div>	<div>\$36</div>
<div>Community Services</div> <div></div>	<div>\$0m</div> <div>(including renewal)</div>	<div>\$2.7m</div> <div>(excluding depreciation)</div>	<div>RATES 92%</div> <div>OTHER 8%</div>	<div>\$4</div>
<div>Democracy</div> <div></div>	<div>\$0m</div> <div>(including renewal)</div>	<div>\$5.1m</div> <div>(excluding depreciation)</div>	<div>RATES 97%</div> <div>OTHER 3%</div>	<div>\$7</div>
<div>Environmental Services</div> <div></div>	<div>\$0m</div> <div>(including renewal)</div>	<div>\$14.5m</div> <div>(excluding depreciation)</div>	<div>RATES 46%</div> <div>OTHER 54%</div>	<div>\$10</div>



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

# 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*



## Summary of financial statements

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

Expenditure for the year was \$113.5 million compared with the budget of \$115.3 million.

Revenue for the year was \$190.6 million compared with the budget of \$146.9 million.

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.

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 lower than budget by \$3.3 million due to the sale of land in the Izone Southern Business Hub being below what was budgeted.

## Impact of Covid-19

On 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now 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 pandemic has had an impact on the Council in a number of areas including the following:

- Council facilities were closed and services disrupted during lockdown, leading to reduced attendances.
- A reduction in Selwyn Aquatic Centre revenue of \$423,000 for the three month period from April to June compared with the same period in 2019.
- Dividend revenue received from Orion New Zealand Limited was lower than budget, with approximately a 10% reduction in expected dividend revenue.
- The Council incurred some additional civil defence costs in response to providing emergency accommodation and other welfare costs. These costs will be partly recoverable through a claim to central government.
- 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.

## 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.

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 lower 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.



## Cash flow

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 changes in the size and composition of the contributed equity and borrowings of the Council.

## Events after balance date

On 11 August 2020 four new cases of Covid-19 were identified in South Auckland. From midday on 12 August 2020 Auckland went into alert level 3 lockdown and the rest of New Zealand, including Selwyn district, went into alert 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.

The Council agreed to sign the Memorandum of Understanding and Funding agreement, which was signed by the Mayor and Chief Executive on 27 August 2020.

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

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

(2019: No significant post balance date events).



# Summary statement of comprehensive revenue and expense

for the year ended 30 June 2020

	Council	Council	Council	Group	Group
	2019/20	Budget	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000	\$000
Total revenue	190,619	146,946	166,112	220,212	197,729
Other expenditure	(112,613)	(112,402)	(104,689)	(138,544)	(138,416)
Finance costs	(920)	(2,864)	(940)	(972)	(1,093)
Operating surplus/(deficit) before taxation	77,086	31,680	60,483	80,696	58,220
Income taxation expense (benefit)	(70)	-	(33)	1,683	294
Surplus/(deficit) after taxation	77,156	31,680	60,516	79,013	57,927
<b>Other comprehensive revenue and expense</b>					
<i>Items that will be reclassified to surplus/(deficit)</i>					
Financial assets at fair value	20,821	7,618	-	18,971	-
Realisation of assets	-	-	-	-	-
<i>Items that will not be reclassified to surplus/(deficit)</i>					
Gain/(loss) on infrastructure assets revaluation	93,869	77,388	68	93,869	68
Gain on land and building revaluation	-	-	18,772	123	20,999
Deferred taxation on revaluation	-	-	-	-	-
Total other comprehensive income	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 income attributable to:</i>					
Selwyn District Council	191,846	116,686	79,356	191,976	78,993
Non-controlling interest	-	-	-	-	-
Total comprehensive revenue and expense	191,846	116,686	79,356	191,976	78,993

## Summary statement of changes in equity

for the year ended 30 June 2020

	Council	Council	Council	Group	Group
	2019/20	Budget	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000	\$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
Contributions from minority interest	-	-	-	-	-
Balance at 30 June	1,819,342	1,737,952	1,627,496	1,815,108	1,623,072
<i>Components of equity:</i>					
General funds	1,037,237	1,004,790	957,632	1,045,530	964,068
Fair value through other comprehensive revenue reserve	86,398	36,119	65,577	71,297	52,326
Special funds	66,009	73,195	67,428	66,009	67,428
Asset revaluation reserve	629,698	623,848	536,859	632,212	539,250
Non-controlling interest	-	-	-	-	-
Total equity	1,819,342	1,737,952	1,627,496	1,815,108	1,623,072



## Summary statement of financial position

for the year ended 30 June 2020

	Council	Council	Council	Group	Group
	2019/20	Budget	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000	\$000
Current assets	93,712	43,587	94,121	105,307	102,832
Non-current assets	1,790,309	1,816,150	1,569,993	1,780,658	1,563,066
<b>Total assets</b>	<b>1,884,021</b>	<b>1,859,737</b>	<b>1,664,114</b>	<b>1,885,965</b>	<b>1,665,898</b>
Current liabilities	28,004	22,622	24,851	33,293	31,140
Non-current liabilities	36,675	99,163	11,767	37,624	11,686
<b>Total liabilities</b>	<b>64,679</b>	<b>121,785</b>	<b>36,618</b>	<b>70,917</b>	<b>42,826</b>
Selwyn District Council	1,819,342	1,737,952	1,627,496	1,815,048	1,623,072
Non-controlling interest	-	-	-	-	-
<b>Total equity</b>	<b>1,819,342</b>	<b>1,737,952</b>	<b>1,627,496</b>	<b>1,815,048</b>	<b>1,623,072</b>
<b>Total liabilities and equity</b>	<b>1,884,021</b>	<b>1,859,737</b>	<b>1,664,114</b>	<b>1,885,965</b>	<b>1,665,898</b>

## Summary statement of cash flows

for the year ended 30 June 2020

	Council	Council	Council	Group	Group
	2019/20	Budget	2018/19	2019/20	2018/19
	\$000	\$000	\$000	\$000	\$000
Net cash flow from operating activities	46,581	32,147	48,783	57,725	49,500
Net cash flow from investing activities	(58,336)	(127,326)	(49,872)	(59,828)	(51,633)
Net cash flow from financing activities	20,000	84,316	-	20,000	(3,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,245</b>	<b>(10,863)</b>	<b>(1,089)</b>	<b>17,897</b>	<b>(5,133)</b>
Cash, cash equivalents at the end of the year	16,909	6,735	8,664	24,686	6,789

## Summary funding impact statement

for the year ended 30 June 2020

	2019/20	2019/20	2018/19	2018/19
	Actual	Budget	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
Total operating funding (A)	97,175	95,971	91,334	87,228
Total application of operating funding (B)	83,165	83,925	77,472	78,731
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>14,010</b>	<b>12,046</b>	<b>13,862</b>	<b>8,497</b>
Total sources of capital funding (C)	55,385	108,481	36,019	75,719
Total applications of capital funding (D)	69,395	120,527	49,881	84,216
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(14,010)</b>	<b>(12,046)</b>	<b>(13,862)</b>	<b>(8,497)</b>
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Annual report disclosure statement

## Summary for the year ended 30 June 2020

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

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

## Rating base information

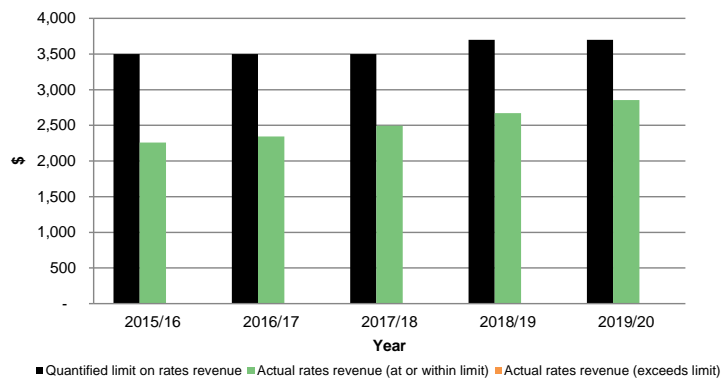
The number of rating units within the district at the end of the preceding financial year: 28,768

The total capital value of rating units within the district at the end of the preceding financial year: \$24.8 billion

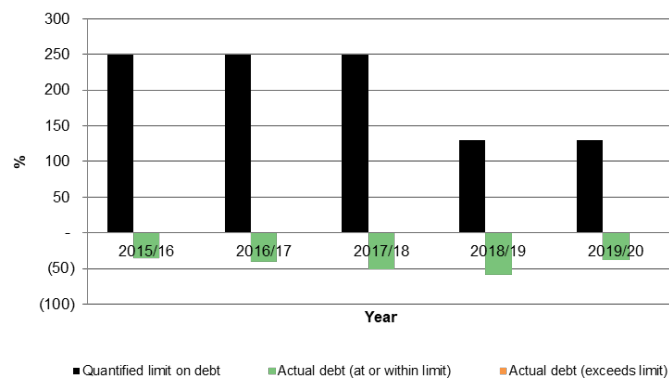
The total land value of rating units at the end of the preceding financial year: \$12.9 billion



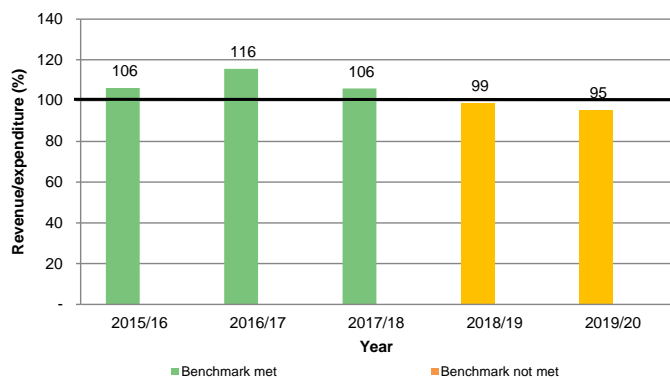
## Affordability benchmarks



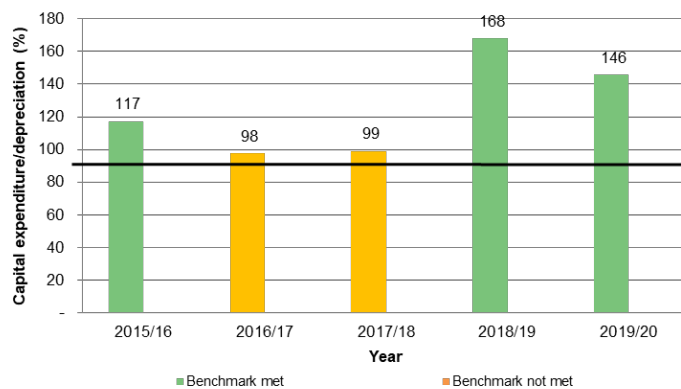
## Debt affordability benchmark



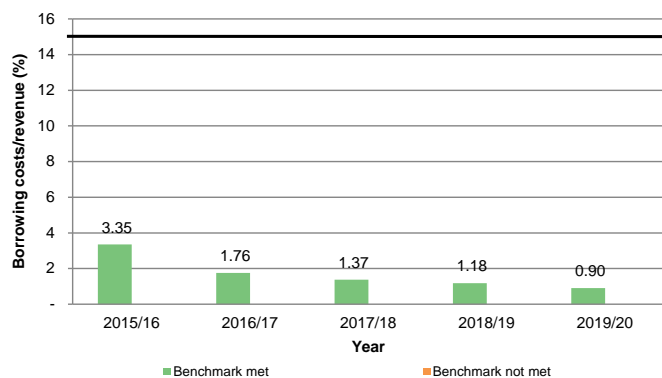
## Balanced budget benchmark



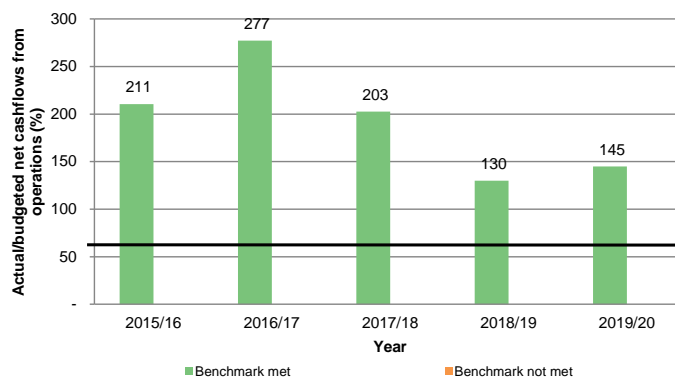
## Essential services benchmark



## Debt servicing benchmark



## Operations control benchmark



# Independent Auditor's Report

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

The summary of the annual report was derived from the annual report of the Selwyn District Council (the District Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 4 to 7, 12 to 13, and 16 to 23:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

## Opinion

In our opinion:

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

## Summary of the annual report

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

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

## The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2020 in our auditor's report dated 28 October 2020. That report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 pandemic on the Council as set out in the full Annual Report in note 34 to the financial statements. We also draw specific attention to the following matter due to the significant level of uncertainty caused by the pandemic:

- Investment properties

Note 14 on page 108 of the full Annual Report describes the significant uncertainties highlighted by the valuer, related to estimating the fair values of the District Council and Group's investment properties.

An extract of this information is included in the summary of the annual report on page 18.

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

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

## Auditor's responsibility

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

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

Other than in our capacity as auditor, 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  
30 November 2020



## Selwyn District Council

Sam Broughton (Mayor)

Bob Mugford

Debra Hasson

Grant Miller

Jeff Bland

Jenny Gallagher

Malcolm Lyall

Mark Alexander

Murray Lemon

Nicole Reid

Shane Epiha

Sophie McInnes

## Malvern Community Board

John Morten (Chairperson)

Bill Woods

Judith Pascoe

Karen Meares

Ken May





Selwyn District Council

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