

Selwyn District Council

# Annual Report

## 2020/21

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







*Devil's Punchbowl, Arthur's Pass*



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# From the Mayor and Chief Executive

Dear Selwyn ratepayers and residents

Waikirikir Selwyn has continued its position as one of the strongest economies across Aotearoa, with our GDP growing by 7% in comparison to a national average of 4.2% over the 2020/21 year.

Many New Zealanders are now choosing Selwyn as their preferred place to plant a business or raise a whānau. Residential building consents set new records, up 11.2% on an annual basis, and \$138 million of non-residential consents were lodged.

Growth has provided many opportunities and we have seen a huge increase in the level of community infrastructure over the past year including the upgrading of Tennyson Street in Rolleston, the Selwyn Sports Centre and many other significant projects, including Te Ara Ātea and the Toka Hapāi Health Hub which is opening in stages. We need to continue to ensure our growth is sustainably managed with supporting infrastructure. However our growth is also causing us some pain with the processing time for building consents longer than our usual standard and extra traffic on our roads meaning increases in expensive intersection and road-related improvements.

We are mindful of our diverse large and small communities and the need for continued climate change thinking and improving our environment.

Getting our strategic planning right to meet community aspirations requires a solid financial platform. Council confirmed an average rate increase of 4.9% over the next 10 years, allowing us to keep pace with community expectations on delivery and affordability. We have also maintained our AA+ Fitch credit rating, putting our financial management and future options at the lead of local government in New Zealand.

Revenue from all sources was \$171.2 million, ahead of our expected budget of \$158.6 million. This was boosted by development contributions received ahead of expectation and resource consents charges. The quality of life enjoyed by Selwyn's residents, the financial security of our Council and the business opportunities within our growing district have been underscored by statistics which consistently place Selwyn as one of New Zealand's top performing communities.

There is still uncertainty ahead with the COVID-19 pandemic – at the time of writing our borders remain closed and finding the right people for available jobs is proving difficult. In the local government space there are ongoing reviews into the Resource Management Act, the Future of Local Government and Three Waters, all of which will dramatically change the shape of local government in the future.

Thanks to everybody who has contributed to Waikirikir Selwyn's success. You are among more than 70,000 people who now call Selwyn home. Thanks for the way you contribute to our environment, our schools, our townships, our rural community, and our neighbourhoods by caring for yourself and your family and having a worldview that contributes to the wellbeing of others.



Sam Broughton, Mayor



David Ward, Chief Executive







*Mayor Sam Broughton and David Ward*



# 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 supports the Council's accountability to the community for the decisions made during the year.

The financial statements and performance information presented in this report are reporting against the third year of the Selwyn District Council Long-Term Plan 2018–2028, which was adopted on 20 June 2018.

## Māori involvement in decision making

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

The territorial area governed by Selwyn District Council sits within the takiwā (territory) of Te Taumutu Rūnanga and Ngāi Tūāhuriri which are two of 18 Ngāi Tahu regional papatipu rūnanga, constituted under the Te Rūnanga o Ngāi Tahu Act 1996 to represent mana whenua interests.

The approved tribal leaders and members of Te Taumutu Rūnanga and Ngāi Tūāhuriri are acknowledged as knowledge holders of mātauranga mana whenua.





## Operational arrangements

### Mahaanui Karataiao Limited Service Level Agreement

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.

### Te Taumutu Rūnanga

Council engages in quarterly meetings with the Chair and Executive members of Te Taumutu Rūnanga which cover a wide range of topics that both parties have an interest in. These include the impact of both current and proposed legislation, together with operational matters across Selwyn district.

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

### Te Waihora Co-governance Agreement

Selwyn District Council is also signatory to the Te Waihora Co-governance Agreement between Te Rūnanga o Ngāi Tahu, Environment Canterbury (Canterbury Regional Council), Selwyn District Council and Christchurch City Council.

Other processes which incorporate formal mechanisms for Māori to participate in Council decision making include the District Plan Review, National Policy Statement on Urban Development and the Greater Christchurch Partnership.

For further information see the policy: Development of Māori capacity to contribute to the Council's decision making processes, in the Long-Term Plan 2021–2031.



# The year in review

## \$120.6 million

total expenditure  
(compared with budget of \$120.8 million)

## \$68.7 million

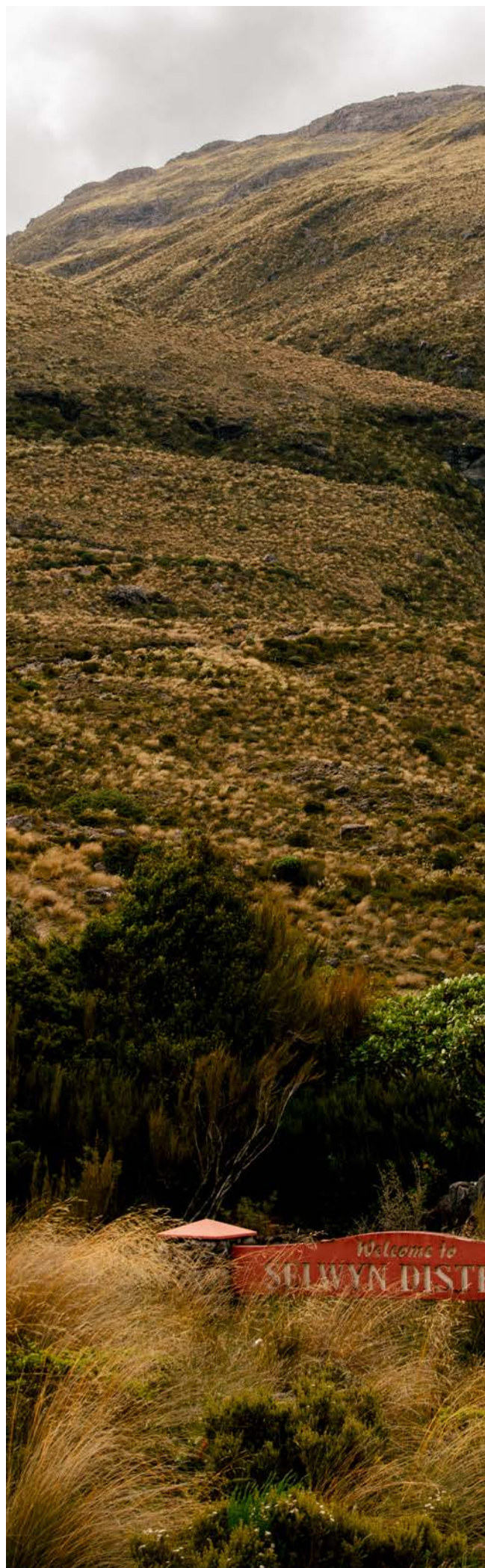
rates revenue levied  
(compared with budget of \$67.8 million)

## \$24.7 million

received in development  
contributions revenue  
(compared with budget of \$16.2 million)

## \$1.95 billion

total council net assets  
(2020 \$1.82 billion)





Selwyn performed well in the financial year ending 30 June 2021 despite the impacts of the COVID-19 pandemic. The district economy performed better than expected, with continuing high levels of population and economic growth. The number of rating units grew by 2,998 (10.4%) to 31,766, making Selwyn one of the fastest-growing districts in New Zealand. The successes of the district combined with the strength of Council investments and the quality of Council operations are reflected positively in this year's performance.

## Group performance

The Selwyn District Council Group reported an after-tax surplus of \$52.4 million in the 2020/21 financial year, a decrease of \$26.7 million on the previous year. The Group's net assets at 30 June 2021 are \$1.9 billion.

*[Note: A significant portion of the group surplus comprises development contributions, which are retained for future infrastructure provision and cannot be used to reduce rates; and vested assets, which are a non-cash item and are also not available to reduce rates.]*

**The Council's core operating expenditure in the year was \$120.6 million, which compares favourably with the budget of \$120.8 million. The main variances compared with budget were:**

- Lower levels of borrowing, as a result of higher cash in-flows and the delayed start of some capital projects, have resulted in financing expenses being \$1.5 million lower than budget.
- The delay in completing some large capital projects has led to depreciation and amortisation expenditure being \$2.1 million below budget.
- Subsidised maintenance and operational expenditure is \$2.7 million higher than budget, due to additional work required to maintain our roading network.
- Expenditure associated with the May Flood Event \$1.9 million. Of this amount \$1.4 million relates to subsidised road maintenance as noted above.
- The Council's increased focus on the provision of high-quality water supply resulted in additional costs to deliver this service \$1.0 million.

**The Council's core revenue in the year was \$171.2 million. This strong performance was \$12.6 million higher than the budget of \$158.6 million.**

The robust nature of the Selwyn economy and continued population growth have been a significant factor behind the positive revenues. The main variances compared with budget were:

- Higher than anticipated population growth in the district resulted in rates revenue being \$0.9 million above budget.
- Housing development to support population growth has led to development contribution revenue being \$8.5 million above budget. Development contributions are collected from developers to fund the building of infrastructure assets to service the additional demand created from this housing growth.
- Also linked to the housing growth in the district is the collection of fees and charges for the provision of building and resource consents and land information memorandum (LIM) reports. The revenue generated from fees and charges was \$4.0 million higher than budget.
- Vested asset revenue is \$0.5 million higher than budget due to the higher than expected level of housing development activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- The Council's equity investments performed in line with expectation. Dividend revenue was \$0.3 million below budget, largely as a consequence of Orion New Zealand Limited delaying the declaration of their 2021 financial year interim dividend until September. This will be received during the 2022 financial year. The reduction in the dividend revenue received from Orion was partially offset by higher dividend revenue received from Sicon Limited.
- Land sales revenue was higher than budget by \$0.2 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 \$1.6 million above budget largely due to the movement in the valuation of the Council's investment property.

*For more information on financial performance, see the Financial Reporting section starting at p. 88.*



# Service performance

**69%**

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

**437,835**

visits to Selwyn Aquatic Centre  
and council pools

**8.8 million**

cubic metres of drinking water  
supplied to households

**44 km**

of road resealing completed







## Our services

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

- Maintaining over 3,000 kilometres of roads, footpaths and cycleways
- Providing rubbish and recycling services to more than 23,000 households. More than 85% of residents rated these services as good or very good.
- Providing and maintaining 524 reserves and playgrounds, and 706 hectares of recreation reserves. 85% of people living in Selwyn visited a park last year.
- Providing and running the Selwyn Aquatic Centre and community pools. A total of 437,835 admissions were recorded at the Selwyn Aquatic Centre and council pools – equivalent to 6.06 swims for each Selwyn resident.
- Providing and maintaining 25 community centres and halls. 76% 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. 88% of users rated libraries services as good or very good.
- Issuing building and resource consents. During the year a total of 2,853 building consents were issued and 846 resource consent applications processed.
- Operating 27 community water supplies, supplying clean, safe drinking water to 77% of the district's population.



# Progress on our key projects

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 2021.

## Te Ara Ātea and Rolleston town centre

Construction is well advanced on Te Ara Ātea – the new library and community facility in Rolleston – which will be open to the public before the end of 2021. 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, car parking as well as retail, hospitality and commercial development.

A number of roading projects critical to the town centre development were completed during 2020 and 2021, and planning for the new commercial, retail, hospitality and entertainment areas that surround Te Ara Ātea and the town square, is continuing.

## Selwyn Sports Centre

The new indoor courts complex at Foster Park, which will assist in meeting the rapidly growing need for indoor sports facilities in Selwyn, opened in May 2021. It includes eight courts, a multi-use space, an indoor walking track, changing rooms, administration areas and public toilets servicing the Foster Park fields and playground.

## Selwyn Aquatic Centre extension

Users of the Aquatic Centre are enjoying the new extension to the centre, with the new pool completed in June 2021. The new 10-lane, 25-metre pool is more than double the previous lane capacity and accommodates increasing demand from aquafitness, casual swimming, deep water and other activities.

## Toka Hapāi Selwyn Health Hub

Selwyn residents are beginning to enjoy improved access to health services, following the completion of the Toka Hapāi Selwyn Health Hub building in April 2021. The Council, the Canterbury District Health Board and Pacific Radiology have agreed plans for the hub, which will provide space for health providers and related services to locate in Selwyn. The Canterbury District Health Board is planning to have services open in early 2022.







## Service highlights

### Post-COVID economic rebound continues

Coming out of the COVID-19 lockdowns of early 2020, Selwyn's economy has rebounded strongly during the 2020/21 year. Although growth initially slowed due to lockdowns, gross domestic product (GDP) increased steadily throughout the year to record 7% growth overall – while national GDP grew by 4.2% over the same period.

Economic data shows employment has been growing faster than the national average, and together with GDP growth this has led to higher productivity and household incomes. Unemployment remains low and new businesses continue to locate in our district. Key factors in the productivity increase include population growth and a high dairy payout.

Increased confidence and activity in the building and housing sector has continued through from last year. During the year to 30 June a total of 2,853 building consents were issued and 846 resource consent applications processed – both figures well up on 2020 results. Non-residential consents to a value of \$138 million were lodged with the Council, in another sign of confidence from business to keep building in the region.

Employment continued to grow, up by 0.8%, compared to a 0.7% drop in employment across Canterbury and a 0.1% drop nationally. Unemployment in Selwyn averaged 2.8% for the financial year, well below the national rate of 4.7%. It is estimated there are more than 7,000 businesses in Selwyn, with around 23,200 full time employees. Agriculture, manufacturing and construction remain major contributors to economic activity in the district.

Population growth also contributed to an active Selwyn housing market, with data showing the average house values in the district increasing by 21.1% over the year to June 2021. Increasing confidence in the economy saw consumer spending rise by 12.6% over the year, well ahead of the increase nationally of 7.7%.

The pandemic has had relatively little impact on tourism in Selwyn, with the amount spent by tourists remaining largely unchanged. Tourists spent about \$56 million in Selwyn in the year to June 2021, compared with \$57 million for the year to June 2019 and \$54 million last year.





Community Skate Park, West Melton

## Planning for the future

The Selwyn District Plan is a key document in helping the Council to plan for, and manage, the future growth of the district. The review of the District Plan has progressed significantly this year: the plan was formally notified in October 2020, and public hearings began in August 2021. The new operative plan is expected to be in place by late 2022.

The Council also works with its neighboring local authorities, Ngāi Tahu and other agencies on the Greater Christchurch Partnership, to plan for a strong local future. This year the partnership has developed a strategic document, Greater Christchurch 2050, which sets high-level priorities and directions to support sustainable growth over the next 30 years.

## Responding to community needs

A highlight for 2020/21 was the completion of the Selwyn Sports Centre in Rolleston. This is a multi-function indoor sports and recreation complex centre with eight indoor courts and flexibility to cater for events, exhibitions and other community uses. The centre recorded 84,000 visits in its first two months. We also made significant progress on the expansion of the Selwyn Aquatic Centre, with the opening of the new 10-lane, 25-metre pool and new changing facilities, providing much-needed extra capacity.

Toka Hapāi Selwyn Health Hub, funded by the Council as a commercial investment, was nearing completion at the end of the financial year, with radiology services set to open in July. District Health Board services, including a birthing unit, are on track to open in 2022. The new hub will bring improved access to a range of health services for Selwyn residents.

Construction of Te Ara Ātea, the new library and community facility in Rolleston, made substantial progress, despite some disruption from COVID-19. The building features sustainable design, with reduced energy use and locally sourced sustainable materials. It is scheduled to open to the public in late 2021 and will serve as a multifunctional civic centre, and a place of discovery, community gathering and sharing knowledge.

Te Ara Ātea will be the focal point of the emerging Rolleston town centre, which continues to take shape. Some of the community spaces are under construction, including an innovative sensory area, accessible kai gardens and feature poles decorated by local school children. Consultation was completed on changes to roading and design, and on the development of the Reserve. Alongside the community spaces, the Council has partnered with developers Cooper Developments and contractors Armitage Williams to create a vibrant retail, entertainment and hospitality precinct, Rolleston Fields. Planning for this area is well advanced and construction of the initial stages started in mid-2021.

Selwyn's network of parks and recreation space continues to expand, with six hectares of new reserves added this year. Notable developments have included the first stage of a new community park and skate facility in West Melton, an extension to Kirwee Reserve, a new dog exercise area at McHugh's Forest Park in Darfield, and an upgrade of Southbridge Reserve. In Lincoln, a new 450-metre walkway along the Liffey Stream was opened.

The Selwyn Libraries network has recorded strong growth in visits and issues, both digital and in-person. Library membership continues to grow and the range of events and programmes delivered in libraries is increasing – encompassing everything from orchestra performances to spoon carving, craft beer, rocket making and robotics. New digital initiatives introduced include the Township Trails heritage tours app and Selwyn Stories online.



Residents continued to enjoy access to a vibrant programme of public events throughout the year, despite occasional disruptions from COVID-19 restrictions. Nearly 4,000 people attended CultureFest events over several days, while Summer in Selwyn and KidsFest provided seasonal highlights. Other successful events included the Wellbeing Expo for older residents and the Selwyn Arts Festival.

The Council also supports newcomers to the district with events designed to bring people and communities together, including the Faces of Selwyn exhibition and podcast series, Putting Down Your Roots planting days, and hosting a Welcoming Communities workshop.

Economic development activities this year have included the continuing Selwyn Business Survey, and further growth in the Selwyn Business Network. The district's tourism brand, Selwyn – from the land, has continued to raise the district's profile as a visitor destination. Successful promotions this year included a 10-day Taste Selwyn food festival, a tourism summit and regional tourism events.

In September, a new online community directory was launched, with over 300 groups and organisations initially signed up, from sports clubs and social services, to arts, crafts and music groups. The service provides a searchable online directory of community groups in the district.

Community grants administered by the Council have supported local initiatives, with the Selwyn Community Fund allocating more than \$150,000 to 82 different ventures.

During the year the Council won the Transforming Service Delivery award at the national Taituarā Local Government Excellence Awards, for its customer services transformation project. This brought several separate customer channels together into a new purpose-built centre at the Council's Rolleston offices.

Council staff and community volunteers play a vital role in maintaining an active Civil Defence response capability. In June the organisation responded to a severe weather event, which saw significant flooding along Selwyn's rivers and damage and disruption to roads, water supplies and homes. Around 200 households were evacuated during the floods.

In August the Council recognised more than a hundred Selwyn community members for their acts of kindness and professionalism during the COVID-19 lockdown. The Covid Heroes campaign was run in conjunction with Te Taumutu Rūnanga and the Selwyn Times newspaper.

## Essential infrastructure

Alongside our services and facilities, the Council has maintained a comprehensive programme of investment in infrastructure to support the district's growing population.

Substantial roading works have been completed as part of the Rolleston town centre development this year, including the upgrade of Tennyson Street, construction of two new public carparks, street upgrades and pedestrian connections. New traffic signals were installed at the main town centre intersection, and the realignment of the Rolleston Drive entrance into the township was completed.

Construction of two major new roundabouts and other road works at the Springs Road/Marshs Road and Shands Road/Blakes Road intersections in Prebbleton have progressed this year. These are key parts of the arterial network that join to the new motorway.

A new 2.1 kilometre cycle and walk way between Doyleston and Leeston was opened, helping to improve connections between these townships. The Council also completed the replacement of 3,300 old street lights with new LED versions, which reduce power consumption and light pollution.

Continuing work on the Reconnect Project at the Pines Resource Recovery Park included a new, covered recycling area which was completed in April. A project to audit recycling bins on-street was successful in significantly reducing contamination of recycling loads.

More than \$15 million worth of improvements to drinking water, stormwater and wastewater systems has been completed this year. Upgrades to drinking water systems included three new water sources equipped with UV treatment to cater for growth in Lincoln, Prebbleton and Leeston, and a new deep bore in Darfield to supplement the existing supply. Nine water treatment plants were upgraded with UV treatment and water main renewals, and system upgrades were completed in Upper Selwyn Huts, Darfield, Malvern Hills, Arthur's Pass, Castle Hill and Hororata.

New wastewater infrastructure and upgrades included a new pipeline from Doyleston to Leeston, while 1.2 kilometres of old pipes were replaced in Prebbleton and Leeston. Stormwater protection projects included the next stages of the Leeston stormwater bypass, stormwater piping in Prebbleton, and improvements around Hororata township.



## Investing in our people

Our own organisation has experienced rapid growth in recent years and our people and services have evolved to meet changing community needs. Economic and population growth is set to continue and we are dealing with external disruption from local government reforms, as well as leading through the COVID-19 pandemic. Our kaimahi (staff) are our greatest asset, playing critical roles in maintaining essential services, adapting to the changing needs of our communities and delivering on our organisation's purpose: We are here to create vibrant, sustainable community, enabling a high quality way of life by delivering smart and innovative services, facilities and infrastructure.

We focus on developing capacity and capability within our organisation, supporting our people through external changes and embracing new ways of working – delivering a digital-first ambition; putting our customers at the centre; ensuring we are agile and efficient; and embedding our values in everything that we do. We have also continued with our learning programme on Te Reo Māori and developing a deeper understanding of Te Tiriti o Waitangi and how it applies to the Council's work.

A top priority is to continue to embed our health, safety and wellbeing culture to create an environment where our kaimahi are kept safe, well and empowered. We are committed to working with our staff, contractors and communities to manage our critical risks and to enable people to work well and live better.

The Council's first People Strategy was developed in 2020, designed to support delivery of our organisation strategy. We have delivered our first significant step in establishing strong foundations with implementation of our remuneration framework and development our Health, Safety and Wellbeing Strategy.

## Responding to the climate challenge

Climate change is one of the most pressing issues faced by central and local governments worldwide. It is internationally accepted that the climate is changing due to the increase in greenhouse gases in the atmosphere – with changes observed at global and regional levels.

The Council is responding to this challenge with actions on a number of fronts:

- In December 2020 we adopted our first climate change policy. This brings together several areas of work into a consolidated blueprint for action on climate change, and commits the Council to make climate change mitigation and adaptation central to its planning and decision-making.
- We've formed an expert group within the Council to examine climate change-related opportunities and risks, and develop an adaptation action plan that will feed into planning processes.
- With our regional partners, we're planning more detailed risk assessments, and developing cross-sector plans for adaptation to climate change.
- We have completed an initial assessment of flooding hazards in coastal and low-lying parts of the district, using computer-based flood modelling to predict the extent and depth of flooding.
- We have undertaken an assessment of our own carbon emissions (based on the 2018/19 year). This assessment, which will be published this year, forms a baseline against which future carbon emissions will be compared.

Among our own projects, the Selwyn Sports Centre has been built with solar panels that will provide up to 80 per cent of power use in summer and with innovative cladding that reduces the need for additional insulation. Te Ara Ātea, the anchor building of the new Rolleston Town Centre, has been built to a high environmental standard with innovations including sustainable materials and reduced energy use.

For more information on the Council's ongoing response to climate change visit [www.selwyn.govt.nz/climatechange](http://www.selwyn.govt.nz/climatechange)



## Major flood event

A significant storm event occurred at the end of May 2021, causing flooding that affected some of the Council's assets including reserves, roading, water and wastewater infrastructure. The Council has estimated that the cost to remedy the damage may be in the region of \$8.3 million. A substantial proportion of the repair costs is likely to be recovered through the Council's insurance policies, Waka Kotahi NZ Transport Agency and support and from the Government. By the end of the 2021 financial year, \$1.6 million has been spent on repairing damaged assets. For more information see Note 34 in the financial statements.

## Three waters reform

In July 2020, the Government launched a programme to reform local government's delivery of drinking water, wastewater, and stormwater services. These services are currently provided by local authorities and the Government has signalled its intent that these services will in future be provided by new, publicly-owned water service delivery entities.

Local authorities, including Selwyn, signed a Memorandum of Understanding with the Government under which they agree to work together in the first stage of the reform. This commits us to engage with the initial reform programme and share information on our three waters assets and operations.

The Government initially proposed a voluntary approach to reform, in which local authorities would be asked to decide whether to participate in the new service delivery system with an 'opt out' option available. However, subsequent to the 2020/21 balance date, and following feedback to Government from councils including Selwyn, the Government announced in October 2021 that it would introduce legislation in December 2021 that would mandate the reforms, to be put in place by July 2024. It also removed the option for councils to opt-out of the reforms.



*Kowai River, flooding event May 2021*



# 2021 Residents Survey

**69%**

Satisfied with overall  
Council performance

(2020: 63%)

**92%**

Agree Selwyn is a  
great place to live

(2020: 92%)

## Community facilities (users)

 **82%** Council swimming pools  
(2020: 87%)

 **87%** Parks and reserves  
(2020: 84%)


 **88%** Libraries  
(2020: 85%)

 **90%** Children's playgrounds  
(2020: 86%)

 **77%** Public halls  
(2020: 69%)

## Land transport (all residents)

 **50%** Cycleways  
(2020: 50%)


 **38%** Safer roads and footpaths  
(2020: 39%)

 **44%** Urban roads  
(2020: 42%)

 **24%** Rural roads  
(2020: 28%)

 **61%** Footpaths  
(2020: 52%)

## Waste management (users)

 **85%** Resource Recovery Park  
(2020: 82%)

 **88%** Organic collection  
(2020: 91%)

 **93%** Rubbish collection  
(2020: 94%)

 **85%** Recycling collection  
(2020: 90%)

## Water services (users)

 **88%** Wastewater  
(2020: 82%)

 **73%** Drinking water supply  
(2020: 76%)

 **59%** Urban stormwater  
(2020: 59%)

 **48%** Water races  
(2020: 48%)



# 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, 69% of residents rated the Council's overall performance as good or very good, an increase of 6% from 2020. In questions about living in Selwyn, 92% of people said Selwyn was a great place to live, the same as in the last survey.

Among the services rated most highly by users were rubbish collection (93% rated good or very good), playgrounds (90%), libraries (88%), organics collection (88%), sewerage and wastewater (88%), parks and reserves (87%), recycling (85%), council-operated swimming pools (82%), while the Pines Resource Recovery Park was rated good or very good by 85% 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 76% of respondents, while 85% have visited a park or reserve and 63% have used the public library network.








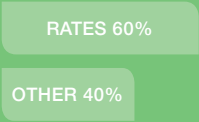




### How the survey works

The survey was carried out in July–August 2021 by an independent research company, and surveyed a total of 644 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%.

# How your rates were spent 2020/21

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
Community Facilities	<div><div>\$53.6m</div><div>(including renewal)</div></div>	<div><div>\$23.4m</div><div>(excluding depreciation)</div></div>	<div>RATES 54%</div> <div>OTHER 46%</div>	<div>\$33</div>
Community Services	<div><div>\$0m</div><div>(including renewal)</div></div>	<div><div>\$3.1m</div><div>(excluding depreciation)</div></div>	<div>RATES 69%</div> <div>OTHER 31%</div>	<div>\$4</div>
Democracy	<div><div>\$0m</div><div>(including renewal)</div></div>	<div><div>\$3.4m</div><div>(excluding depreciation)</div></div>	<div>RATES 84%</div> <div>OTHER 16%</div>	<div>\$5</div>
Environmental Services	<div><div>\$0m</div><div>(including renewal)</div></div>	<div><div>\$15.9m</div><div>(excluding depreciation)</div></div>	<div>RATES 38%</div> <div>OTHER 62%</div>	<div>\$11</div>



Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
<b>Transportation</b> 	<b>\$21.2m</b> <i>(including renewal)</i>	<b>\$12.5m</b> <i>(excluding depreciation)</i>	 RATES 20% OTHER 80%	 <b>\$8</b>
<b>Solid Waste Management</b> 	<b>\$2.2m</b> <i>(including renewal)</i>	<b>\$10.8m</b> <i>(excluding depreciation)</i>	 RATES 71% OTHER 29%	 <b>\$12</b>
<b>5 Waters Services</b> 	<b>\$25.5m</b> <i>(including renewal)</i>	<b>\$18.5m</b> <i>(excluding depreciation)</i>	 RATES 60% OTHER 40%	 <b>\$27</b>
<b>Izone</b> 	<b>\$0m</b> <i>(including renewal)</i>	<b>\$0.1m</b> <i>(excluding depreciation)</i>	 RATES 0% OTHER 100%	 <b>\$0</b>



# Significant activities



*Helicpoter Hill*





# Introduction

The Council provides a wide range of services for and on behalf of the residents of Selwyn. For planning and reporting purposes, these services are grouped together as significant activities. The Council's plans for each significant activity for the 2020/21 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

**524** reserves and playgrounds

**25** community centres and halls

**19** cemeteries

## Key results

 **88%**

of residents are satisfied  
with libraries

 **90%**

of residents are satisfied  
with playgrounds

 **87%**

of residents are satisfied  
with parks and reserves

 **85%**

of residents have used  
a park or reserve

 **437,835**

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:

<b>Recreation reserves</b>	30 main recreation reserves (706 ha) and 30 nature reserves (447 ha)	<b>Township reserves and streetscapes</b>	524 reserves and playgrounds covering over 125 ha
<b>Cemeteries</b>	19 cemeteries (two closed)	<b>Rental housing</b>	15 houses
<b>Public toilets</b>	30 facilities	<b>Gravel reserves</b>	25 operational sites
<b>Community centres and halls</b>	25 facilities	<b>Forestry</b>	55 sites with a total area of 102.5 ha
<b>Swimming pools</b>	1 District Aquatic Centre SAC 2 sub-district pools 4 community pools	<b>Property and buildings</b>	District headquarters 15 strategic properties 13 heritage buildings
<b>Libraries</b>	At Rolleston, Lincoln, Leeston, Darfield plus 2 volunteer libraries	<b>Total asset value</b>	\$366 million

## Why is the Council involved?

Council involvement in community facilities is essential to promote community well-being and to achieving many of the community outcomes, in particular the development of a healthy community.

Community facilities provide places for people to meet and interact, support voluntary community committees in which people work together and develop a sense of common purpose, facilitate community social, leisure, education and cultural activities and provide places for people to participate in sport and recreation.

## Working in collaboration with others

We work with other organisations to improve our services and our efficiency. A partnership with Environment Canterbury on the development of the Waimakariri River Regional Park has continued in 2020/21 with further development of 'The Willows' recreation area including a new dog exercise park. We have continued to work with the Department of Conservation to implement the joint plan for the management of Tārerēkautuku/Yarrrs Lagoon alongside other partners including Te Taumutu Rūnanga, Lincoln University, Environment Canterbury and the Lincoln Envirotown Trust.

A Coes Ford Wetland Working Group was established, jointly led by the Council and Environment Canterbury, and made up of landowners, representatives from Te Taumutu Rūnanga, the Water and Wildlife Habitat Trust, and other Environment Canterbury staff. The group has been advocating to acquire additional land at Coes Ford to develop a wetland as a measure to improve water quality in the Waikirikiri Selwyn River and enhancing the receiving water body, Te Waihora/Lake Ellesmere.

We continue to work with volunteer libraries at Tai Tapu and Glentunnel, as well as the Corrections Department (books for inmates). We have worked with Aotearoa/Spark Foundation (Skinny Jump subsidised broadband), Digital Inclusion Alliance Aotearoa (DORA banking bus and mobile banking workshops) and Environment Canterbury (Our Climate Future exhibit at Darfield). We have worked with Lincoln University (programmes for speakers and Selwyn Art Series) as well as the Lincoln Students Association (CultureFest), Rekindle (arts programmes) and Nourish (sustainability programmes for the Malvern Ward).

The Council also acknowledges central government financial support for the work of libraries in Selwyn, through the NZ Libraries Partnership Programme and the National Library/DIA. This funding became available following the first COVID-19 lockdown.



## Activity goal

To provide community, cultural and recreational facilities that enhance the health and well-being 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 Selwyn because of its high quality natural environment with a number of townships, and a predominantly rural character. The services and facilities provided by the Council have a positive impact on social and cultural well-being of residents. Selwyn's population growth has led to increasing demand for community facilities, activities and services. Through community facilities and related services the Council aims to create environments where there is a good balance of both economic and more intangible benefits associated with well-being that people look for when they settle into a community.

## Swimming pools

The Council's Community Services and Facilities Group operates the Selwyn Aquatic Centre (SAC) as well as Darfield, Southbridge and Sheffield pools. The network of pools provides recreation, health and social opportunities for residents and visitors, as well as life skills such as learning to swim.

The number of swims per capita for the year was 6.06, exceeding the target of 4.5. A total of 414,090 general admissions were recorded at SAC, exceeding the target of 300,000. Over the year there has been some disruption with the building of the new pool and changing rooms and subsequent refurbishment of the existing pool. The new pool is now open and well utilised, as is the new front of house area, which adds increased retail and foyer space, new staff facilities, refreshed administration area and changing rooms.

A total of 9,425 admissions were recorded at Southbridge Pool, while at Darfield Pool 14,320 admissions were recorded, and three school swimming sports days held.

At SAC there were 27,123 enrolments in learn to swim programmes (excluding lessons delivered to school groups) and 8,252 attendees participated in aqua fitness classes. The range of classes is broad and includes some focused on health, disability and recovery.

Community events delivered from Selwyn pools attracted large attendances, with the Pool of Rock attracting 787, BOOST Splash attracting 70 youth and the Halloween pool party 120. New programmes were introduced such as Kids and Youth aqua classes which attracted 63 and Aqua Zumba also attracting 63 for the first two sessions. We also hosted our first women's only evening as part of CultureFest, attended by 49 women and girls. Summer pool opening parties in November were popular with 226 attending Southbridge and 250 at Darfield. The Active Selwyn team delivered further pool parties at community pools in January, with 35 people attending at Sheffield, 96 at Darfield and 305 at Southbridge.



Darfield Pool

A customer experience survey was delivered across all Council facilities in December 2020, with 55 responses received at SAC. On questions related to the benefits to well-being, 97.4% of respondents strongly agreed or agreed that visiting the pool benefits their well-being and their community well-being, 90.67% strongly agreed or agreed that visiting the pool is affordable and is easily accessible; 94.6% strongly agreed or agreed that they would recommend the pool to others and 95.7% intend to use the facility again. A total of 189 actions that benefit well-being were noted: the most common was taking time to relax and feeling welcome. Asked about overall satisfaction with their experience at SAC, 88.9% of customers were satisfied or very satisfied. The slightly lower than anticipated satisfaction level was likely due to changing facilities being relocated to portacoms outside the centre during the construction period.

The Selwyn Aquatic Centre-based Selwyn Swim Club is in the process of taking over responsibility for the swim squad and elite coaching from the Council.

Selwyn Aquatic Centre and the Darfield and Southbridge pools have maintained 100% PoolSafe accreditation from the New Zealand Recreation Association. The Council continues to provide lifeguard services at the seasonal Sheffield Community Pool, while Leeston and Killinchy pools operate with trained community volunteers. Halkett Pool was closed in 2020/21 for health and safety reasons.

## Reserves and open spaces

The Council manages a significant network of open space that is essential to the health and well-being of the district's environment and its people. Open spaces serve multiple functions – providing settings for recreation and physical activity, amenity and preservation, cultural connections, protecting significant landscapes and sites and as focal points for local neighbourhoods.

As the district has grown, the open space network has continued to expand to meet recreation, social and amenity needs. A number of new reserves and playgrounds have been added over the 2020/21 period as a result of residential development. The total area of neighbourhood reserves and green linkages increased by 6 hectares over the year. Planning has started on a Sport, Recreation and Play Strategy to help plan for spaces and facilities to meet continuing demand and to guide future investment decisions.

To meet demand for active sports space, development of an extension to Kirwee Reserve commenced with the construction of extra sports fields including irrigation and training lights. The first stage of the installation of a new community skate park at West Melton Domain has been completed. Additional land has been purchased adjacent to Foster Park for development as a car park to help solve existing capacity issues and this is also likely to accommodate a park and ride facility. Planning has progressed for a high amenity park as part of the Rolleston town centre development which will feature a sensory space, youth space and open green space. A new toilet facility has been constructed at Lakeside Domain to meet demand at this popular camping destination.

Redevelopment of the former Reid's Pit into a recreation reserve for off-road cycling and walking as well as ecological restoration areas has continued. A new dog exercise park has been developed at McHugh's Forest Park in Darfield to provide an additional space for this activity.

Renewal work on some sports facilities has also been a focus in larger recreation reserves, including resurfacing of the tennis and netball courts at Prebbleton Domain and reconstruction of courts at Dunsandel Domain.



Parks and reserves were the most popular community facility noted in the Council's Residents Survey, used by 85% of residents at least once in the last 12 months, while satisfaction remains consistently 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. Community centres and halls are also available for private and corporate hire.

A key project for 2020/21 has been the completion and opening of the Selwyn Sports Centre. This multi-functional indoor sports complex includes eight courts, a spin room, programme space, an indoor walking track and a sports business house. Use of the centre has exceeded expectations with nearly 84,000 visits over the initial two months of opening (May/June 2021).

In June, the Council decided to operationally manage the Council-owned centres and halls that are available for public and community hire. This will take effect from 1 September 2021 for most centres, and July 2022 for the remainder. Some centres and halls have already transferred from committees to Council operational management during the year.

The Council manages Lincoln Event Centre (LEC), Rolleston Community Centre (RCC), West Melton Community and Recreation Centre (WMCRC), Tai Tapu Community Centre, Dunsandel Community Centre, Weedons Pavilion, Prebbleton Cottage and Springston Hall. During the year an online bookings and payments system has become fully operational.

Visitors to LEC, RCC and WMCRC over the year totalled 198,576 (LEC 65,708; RCC 79,517; WMCRC 53,351). Visitors to Tai Tapu totalled 8,887 and Dunsandel 4,836.

Fitness and well-being classes delivered by the Council at LEC, RCC and WMCRC totalled 46,507 (LEC 19,205; RCC 18,339; WMCRC 8,963). In the first two months of operation Selwyn Sports Centre had 9,353 participants in fitness and well-being classes.

In the customer experience survey of Council facilities in December 2020, 13 responses were received at LEC and 100% of respondents were satisfied or very satisfied overall with their experience; 38 responses were received at RCC with 97.3% of respondents satisfied or very satisfied overall. At WMCRC 9 responses were received with 100% of respondents satisfied or very satisfied.

## Cemeteries

The Council achieved its service target of 10 or fewer complaints relating to cemeteries, with a total of nine complaints received during the year which is similar to last year's performance. The residents satisfaction rating again decreased (down 6%) compared with the 2020 result of 53%. The underlying reasons for the continued decrease in satisfaction is unclear, as the level of complaints remains low. It may relate to the perception of cemetery provision as there is not a cemetery directly servicing the largest town in the district, Rolleston. It is noted that there was a neutral view from 52% of respondents suggesting that those who do not visit cemeteries have limited knowledge of the service standard. This premise is supported by the higher level of satisfaction recorded for users at 69%.

## Public toilets

The Council has continued to upgrade the public toilet network in response to demand and customer service standards, with new facilities installed this year at Lake Coleridge Village and Springston. Funding from the Government's Tourism Infrastructure Fund of \$313,400 supported these projects.

The level of satisfaction has marginally increased from 55% in 2020 to 57%. The Council has made significant investment in expanding and improving its network of public toilets over recent years, with 22 new or upgraded facilities in the last six years. There are now few toilets that do not meet grade standards. Additional funding from the Tourism Infrastructure Fund has been secured to enable three more facilities to be upgraded in 2021/22.

The target to achieve six or fewer failures via independent audit was achieved. The facilities are audited against a number of criteria including cleanliness, consumable supplies, litter, exterior maintenance and being fully operational. Failures are defined as less than 90% compliance with the audit criteria, and four of the 49 sites audited did not meet the target level. Compliance failures have reduced from the previous year as a result of working with the contractor to review servicing schedules.



## Libraries and service centres

Council's libraries and service centres recorded a total of 331,916 physical visits this year, an increase of 16.5% over the previous year.

A total of 442,431 physical items were issued in 2020/21 compared to 343,661 the previous year, a 29% increase.

The number of digital visits to libraries increased to 476,581 with digital issues, e-reading and e-listening recording 62,019 interactions, compared to 55,283 in 2019/20, an increase of 6,736 or 10.9%. Skinny Jump, a subsidised, low-cost broadband initiative which helps families access the internet at home, is available throughout the library network.

Active library membership increased to 21,699 in 2020/21, with an average of 388 new members added each month.

The number of programmes and events delivered by libraries increased by 25% to 2,060, with 19,692 people attending – an increase of 12%.

Regular programmes have increased. There has been an increased focus on programmes on sustainability as well as digital programmes and those for adult learners. Programmes across the year included basket weaving, spoon carving, seedling swaps, food preservation, performances by the Christchurch Symphony Orchestra, bonsai, sign language, Māori arts, kawakawa rongoā, printmaking, Drag Queen Quiz Night, craft beer, conservation sessions with live tuatara, herbal tea, fruit tree pruning, rocket making and launching, banking safely online, changing from cheques, virtual reality, robotics, and Code Club.

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

In the arts, staff have made significant headway in implementing digital technologies. Township Trails Selwyn is a downloadable heritage tour app, and Selwyn Stories is a powerful tool that enables us to digitally capture, describe and preserve a range of heritage materials, eliminating the need to physically store heritage items at any library/service centre.

Three of the four libraries, Darfield, Leeston and Lincoln, also deliver face to face Council services. Overall, 48% of transactions are delivered from library/service centres, such as water, rates and dog registration payments, along with rubbish bags, MetroCard sales and dog collars.

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

A customer experience survey across all library/service centres in December 2020 drew 335 responses, with respondents asked to indicate how satisfied they are with their overall experience at Selwyn Libraries over the last 12 months. 95.8% of library visitors are either satisfied or very satisfied with their experience in the last 12 months. Last year (114 responses) 88.9% were very satisfied, 11.1% were satisfied and 0% were dissatisfied or very dissatisfied.



## Service targets for community facilities

Objective	Performance measure	Service target	Achievement
<b>RECREATION RESERVES</b>			
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% (2020: Achieved 82%)
	Hectares per 1000 population is above the average for similar sized district authorities (Minimum 3 ha/1000).	≥3 ha	Achieved 3.28 ha (2020: Achieved 3.34%)
	Percentage of residents who have used or visited a public park or reserve in the past 12 months.	≥80%	Achieved 85% (2020: Achieved 89%)
<b>TOWNSHIPS RESERVES AND STREETSCAPES</b>			
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% (2020: Achieved 84%)
	The proportion of residents rating the performance of playgrounds in the Residents Survey as good or very good.	≥80%	Not achieved 77% (2020: Achieved 77%)
<b>COMMUNITY CENTRES AND HALLS</b>			
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%	Achieved 70% (2020: Achieved 63%)
	The percentage satisfaction from annual user surveys for: a) Lincoln Event Centre (LEC) b) Rolleston Community Centre (RCC) c) West Melton Community and Recreation Centre (WMCRC).	a) ≤90% b) ≥90% c) ≥90%	Achieved 100% = LEC 97.3% = RCC 100% = WMCRC 99.1% = overall average (2020: 98.3% = overall average)
	Number of visits per annum at LEC, RCC and WMCRC (combined)	≥150,000	Achieved 65,708 = LEC 79,517 = RCC 53,351 = WMCRC Total = 188,576 (2020: 276,575)
<b>SWIMMING POOLS</b>			
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%	Not achieved 88.9% satisfaction (2020: Achieved 97.8%)
	SAC achieves 100% compliance with New Zealand Recreation Association Pool Safe accreditation.	100%	Achieved 100% for SAC, Darfield and Southbridge Pools (2020: 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 6.06 SAC total swims divided by 68,200 (adjusted pop) (2020: Achieved 4.78)
	Number of visits per annum at the Selwyn Aquatic Centre.	≥300,000	Achieved 437,835 = Total 414,090 = SAC 9,425 = Southbridge 14,320 = Darfield (2020: Achieved 341,292)

Objective	Performance measure	Service target	Achievement
<b>PUBLIC TOILETS</b>			
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.	≥55%	Achieved 57% (2020: Achieved 55%)
	Number of facility compliance failures per annum identified by independent audit.	≤6	Achieved (4 compliance failures) (2020: Not achieved 9)
<b>CEMETERIES</b>			
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 47% (2020: Achieved 53%)
	Number of complaints received per annum related to cemetery service.	≤10	Achieved 9 complaints were received during the year. (2020: Achieved 7 complaints)
<b>LIBRARIES</b>			
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 88% (2020: 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 78% (Malvern 75%; Selwyn Central 66%; Springs 87%; Ellesmere 95%) (2020: 77% 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: 331,916 divided by 66,850 (adjusted pop) = 4.87 (2020: Not achieved 4.22)
	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 = 283,027 (in addition, Wi-Fi sessions = 76,724 and database accesses = 193,554) (2020: Achieved 160,989)
	The number of events/sessions per annum, delivered in libraries and/or by library staff.	≥1,500	Achieved 2,060 programmed sessions (2020: Not achieved 1,471)



# Community facilities funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	7,973	7,880*	8,929*	
Targeted rates	14,178	14,012	13,108	
Subsidies and grants for operating purposes	166	13	8	
Fees and charges	6,108	6,816	5,117	Note 1
Internal charges and overheads recovered	2,196	2,920*	3,669*	
Other operating funding	836	-	-	
Total operating funding (A)	31,457	31,641	30,831	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	17,053	17,058	16,435	
Finance costs	123	4,173	3,343	Note 2
Internal charges applied	6,186	4,625	4,410	Note 3
Other operating funding applications	64	197	185	
Total application of operating funding (B)	23,426	26,053	24,373	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>8,031</b>	<b>5,588</b>	<b>6,458</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	699	-	-	Note 4
Development and financial contributions	8,970	6,808	5,874	Note 5
Increase/(decrease) in debt	(356)	530	32,634	Note 6
Gross sales proceeds from sale of assets	1,939	3,120	2,260	Note 7
Total sources of capital funding (C)	11,252	10,458	40,768	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	39,632	5,255	47,427	Note 8
Capital expenditure to improve the level of service	11,115	11,655	9,717	
Capital expenditure to replace existing assets	2,858	1,109	1,856	Note 9
Increase/(decrease) in reserves	7,361	(5,184)	1,569	
Increase/(decrease) of investments	(41,683)	3,211	(13,343)	
Total applications of capital funding (D)	19,283	16,046	47,226	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(8,031)</b>	<b>(5,588)</b>	<b>(6,458)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

- Note 1** Fees and charges revenue is lower than the LTP due to the timing of construction of the extension to the Selwyn Aquatic Centre and a delay in the timing of leasing a new commercial property.
- Note 2** Finance costs are lower than the LTP due to lower borrowings than originally budgeted. The lower borrowing is due to the reduction in the requirement to borrow due to the timing of major capital projects and the Council's strong cash position.
- Note 3** 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 4** Subsidies and grants for capital expenditure is higher than the LTP due to funding being received from the Rata foundation for use towards the construction of indoor courts at the Selwyn Sports Centre, and tourism funding grants received from MBIE.
- Note 5** Development contributions revenue is higher than the LTP due to substantial growth in the district being higher than forecast.
- Note 6** Debt has not increased as planned due to the delayed completion of major capital projects, including the extension of the Selwyn Aquatic Centre, development of the Rolleston town centre.
- Note 7** Gross sale proceeds is lower than the LTP due to the timing of disposal of Council properties identified for disposal in the LTP.
- Note 8** Capital expenditure to meet additional demand is higher than the LTP largely due to the timing of completion of some major capital projects including Te Ara Ātea, Selwyn Sports Centre and the construction of a Health Hub in Rolleston. These projects were originally planned for completion in the 2019/20 financial year.
- Note 9** Capital expenditure to improve the level of service is higher than the due to changes in the timing of completion of some major capital projects including renewals at some community facilities such as libraries and the Selwyn Aquatic Centre.

\* The LTP comparatives for General Rates and internal charges have been reclassified to allow comparison to the 2020/21 Actuals.

# Community services

This year the Council provided...

**119** community events attended by **23,713** people

**82** initiatives funded through the Selwyn Community Fund

**17** initiatives promoting visitor attraction

## Key results

 **92%**

of residents think Selwyn is a great place to live

 **73%**

of residents feel a sense of community

 **1,058**

people attended community capacity-building initiatives

 **75%**

of residents participate in community groups







Teddy Bears' Picnic



# Community services

## Overview

The Council, through the Community Services and Facilities Group, plans, delivers and promotes a wide range of community services, activities, events and initiatives which make Selwyn a great place to live, work, play and visit. The objective is to improve community well-being, delivering and facilitating outstanding customer and community experiences. We deliver this vision through services and programmes that facilitate opportunities, and build the capability of the community to deliver their own activities to improve the health and well-being of individuals, their whānau 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)
- delivering outstanding customer services and programmes at times and locations that meet the needs of community
- delivering accurate, timely, accessible and relevant information about Council services and community programmes
- building the capacity of local community groups, businesses, 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
- fostering opportunities for people to get involved in volunteering and be 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
- promoting arts and culture and facilitating opportunities for involvement
- informing central government and non-government organisations of residents' well-being, health, and education needs and challenges and encouraging relevant service and funding responses
- supporting local businesses
- encouraging visitors.

## Why is the Council involved?

The Council's role in delivering the range of community services is to contribute to building strong, vibrant, connected communities and to grow the economic prosperity of the district. This is so that people live, work and play here long-term and visitors come for the experiences offered, and many stay and live here. The Council needs to meet current needs as well as plan and prepare for future expectations.

There is evidence of an association between strong, vibrant, connected communities and desirable social outcomes such as social cohesion, safety, improved health and 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. Strong communities are places where people can have fun, 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, libraries and service centres provide a focal point for townships and contribute to community identity. The benefits of physical activity and participation in recreation, sport and active leisure are widely accepted and recognised, including personal development, social cohesion, reduced health care and justice costs, reduced antisocial behaviour and enhanced quality of life. The Council promotes the natural and unique features and assets of the district for residents and visitors to experience. The Council also promotes economic well-being by supporting local businesses and working with government and regional economic development agencies to promote the district's economic interests.



## Working in collaboration with others

This year the Council has taken further steps to work with other agencies, which helps to lift the quality of our residents' experience, utilises local talent and knowledge and allows us to offer relevant and sustainable events and programmes. Partner agencies include:

- Ministry of Primary Industries (horticulture experience opportunity for young people)
- Chamber of Commerce and ChristchurchNZ
- Ashburton District Council (Mega meet)
- Christchurch Multicultural Council (citizenship ceremonies/CultureFest)
- Plains FM/MERH (Youth Well-being podcasts)
- Ministry of Youth Development (Youth engagement).

We have been pleased to work with Lincoln Community Committee and Tai Tapu Sculpture Garden (Llew Summers Sculpture Ariel), West Melton Resident's Association (public artwork), Rolleston Resident's Association (Rolleston town centre artwork) as well as SCAPE Public Art (Rolleston town centre artwork). Residents appreciate our collaboration with JP Association (clinics in libraries), Confucius Institute (CultureFest), Christchurch Symphony Orchestra (NZ Music Month) and the Air Force Museum of NZ (Peter Rule exhibition during PRIDE). As part of preparing the opening exhibition at Te Ara Ātea we have been working with a broad range of individual and group contributors as well as Canterbury Museum (travelling cases and objects).

## 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 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.

## 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

The Council delivered 119 events attended by 23,713 residents (compared to 66 events and 16,985 attendees last year, with 92.75% satisfaction). These included Summer in Selwyn, including the Teddy Bears' Picnic (1,741 attendees), guided walks, Picnic in the Park, Christmas Crafts, pool parties, outdoor movies. The KidsFest series included DiscoMania, MovieMania, High Ropes and children's shows. Two new events series have been developed, CultureFest and Matariki (celebrated in June 2020 and in July 2021 and therefore not included in this year's figures). The main CultureFest event drew 3,936 attendees, with around 10 other events delivered on different days, such as cooking and belly dancing classes.

The second Well-being Expo for older Selwyn residents (SWELL) was held over 10 days in October 2020. The event attracted 144 participants (2019: 500) to over 50 workshops and presentations with guest speakers, open days, exercise classes, walking groups, indoor bowls, local history and digital workshops, as well as craft and social opportunities. Attendances were affected by COVID-19 with people being cautious of attending meetings in public.

Six initiatives for newcomers were held, including two Putting Down Your Roots events where newcomers participated in community planting days. Dinners of Selwyn, first launched in 2020, continues to grow in popularity with two taking place this year. A Faces of Selwyn exhibition was presented around all four libraries. We hosted the first Welcoming Communities network in June at Lincoln University, connecting ethnic communities, organisations and community groups. The Christchurch Multi-Cultural Council regularly plays a role in Selwyn Citizenship Ceremonies. In February, Race Relations Commissioner Meng Foon, spoke to professionals working with children and young people in Selwyn. In collaboration with the Selwyn Youth Council, a series of Faces of Selwyn podcasts was broadcast through Plains FM.

Capacity-building initiatives involved 1,058 participants (target 500) including the Selwyn Wellbeing Forum, which focuses on sharing information, research and projects with other service providers. Guest speakers included Odyssey House, Problem Gambling Foundation and Age Concern. Free workshops were delivered on a range of topics such as governance, funding, getting organised, Kia Rite Hoēa – ideas for event organisers, and community-led change. A series of sponsorship, digital marketing and social media webinars were delivered as well as a building business resilience and continuity workshop.

The Accessibility Charter, signed in November 2019, outlines the Council's commitment to ensuring access to all residents. An annual report is provided to Council summarising actions taken under the four key areas of this Charter.

Six youth engagement activities were achieved in the 2020/21 year. Youth Council appointments follow the school year, with elections held in February. Activities included the Environment Canterbury Youth Rōpū Workshop, and contributing to LTP Consultation. There was an engagement with youth on how they would like to spend time in the Rolleston Community Centre, as it moves towards being more of a community arts space.



Work readiness activities, with a focus on young people, included CV writing workshops, Career Coach sessions, Employment Zone drop-in clinics, dressing for employment, a Southern Woods work experience for secondary students and an SRS New Zealand sawmill visit for secondary students, as well as a Careers Expo in March 2021.

Economic Development highlights included the 10-day Taste Selwyn food festival, with participating Selwyn cafés and restaurants. This year the Selwyn Tourism Summit was replaced by Let's Collaborate 2021, with over 75 business attendees and featuring a producer expo as well as speakers from Lincoln University and Tourism Industry Aotearoa. Work has started on developing a Selwyn Strategic Events Plan, identifying opportunities for different types of events which could contribute to Selwyn's economic growth. The Council supported six Selwyn producers and artisans to attend the Christchurch Food Show under the Selwyn – From the Land brand. The Mid-Canterbury and Selwyn Mega Meet event involved 38 businesses; a regional tourism event connecting various tourism operators, fostering collaborations and new business opportunities. The Selwyn Business Survey takes place quarterly with good input from local businesses, and the Selwyn Business Network continues to grow, with participants meeting for breakfast or after-work. Guest speakers included economist Benje Patterson, and Marianne Delaney-Hoshek, coach of the Canterbury Tactix, as well as Canterbury Employers Chamber of Commerce.

The Council's Selwyn – From the Land website is popular alongside seasonal visitor promotion initiatives. Overall 17 initiatives took place, exceeding the target. The Council continues to develop its Business Directory to increase its functionality and relevance and to encourage local businesses and residents to "think local" when buying goods or services.

Preparation for the Selwyn Awards took place in this financial year, with the event itself held in August 2021.

The Selwyn Community Grants Fund financially supports community-led initiatives across Selwyn. In 2021/22, 82 initiatives were funded, compared with 62 last year. The average allocation was \$1,838 with the largest being \$5,000. Over the four funding rounds 94 applications were received, requesting a total of \$426,748. The total funding allocated was \$150,714.

The Council continues to fund and administer a Tertiary Scholarships Fund. Seven Selwyn secondary school leavers received scholarships this year, helping them to pursue post-secondary training or tertiary education.

The Creative Communities Scheme continues to be administered by the Council on behalf of Creative New Zealand supporting local arts and cultural activities.

The Council encourages community-led Meet the Street opportunities and this year provided funding for 45 of these neighbourhood events.

## Service targets for community services

Objective	Performance measure	Service target	Achievement
Continue to provide community development services and advice to Selwyn residents.	Residents' sense of community with their local neighbourhood.	≥75%	Not achieved 73% (2020: Not achieved 74%)
A healthy community – Residents have opportunities to enjoy healthy, active lifestyles and have access to appropriate health, social and community opportunities and services.	Percentage of Selwyn residents who consider Selwyn a great place to live.	≥90%	Achieved 92% (2020: Achieved 92%)
	% of Selwyn residents a member of a community group (sports club, community or voluntary group, hobby or interest group).	≥85%	Not achieved 75% (2020: Not achieved 76%)
A safe place to live, work and play – We know our neighbours.	Percentage of Selwyn residents who are volunteers.	≥50%	Achieved 57% (2020: Achieved 48%)
A prosperous community – Selwyn has a strong economy which fits within and complements the environmental, social and cultural environment of the district.	Business excellence in Selwyn district celebrated through a bi-annual event.	1 event	Postponed Postponed to 2021/22 due to COVID-19. Scheduled for 31 July 2021. (2020: Event Postponed)

Objective	Performance measure	Service target	Achievement
	Selwyn From The Land website usage	≥10% increase p.a.	Achieved “Selwyn From The Land” website as from January 2020. Baseline of 36,004 users at 30 June 2020. Achieved 63,669 users to 30 June 2021, >76%. (2020: Not measured)
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 1,058 participants (2020: Achieved 763 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	Achieved 111 events 23,713 participants (2020: Not achieved 66)
	Initiatives targeted at newcomers take place annually.	≥12 initiatives	Not achieved 6 (2020: Not achieved 11)
	Arts, culture and heritage initiatives take place annually.	≥12 initiatives	Not achieved 16 (2020: Not achieved 11)
	Initiatives that foster neighbourliness take place annually.	≥12 initiatives	Achieved 45 Active promotion of the Meet Your Street initiative contributed (2020: Achieved 15)
	Visitor promotion initiatives take place annually.	≥12 initiatives	Achieved 17 (2020: Achieved 13)
	Visitor promotion campaigns per annum.	≥1 initiative	Achieved 1 (2020: Achieved 10)
	Youth consultation activities take place annually.	≥6 initiatives	Achieved 6 (2020: Achieved 9)
	Community capacity-building participants are satisfied/very satisfied with programmes or services delivered (participant surveys).	≥90%	Achieved 93% (webinar participants surveyed) (2020: Achieved 98%)
	Arts, Culture and Heritage programme/event participants are satisfied/very satisfied with programme/event delivered (participant surveys).	≥90%	Achieved 100% (2020: Not achieved)
	Participants in 25 community events are satisfied/very satisfied with event delivered (participant surveys).	≥90%	Achieved 93% (2020: Achieved 99%)
	Community grants funding will enable community based initiatives per annum.	≥40 community initiatives	Achieved 84 (2020: Achieved 67)



## Community services funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	2,325	2,165*	2,074*	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	197	60	59	
Fees and charges	2	-	-	
Internal charges and overheads recovered	640	802*	852*	
Other operating funding	203	-	-	Note 1
<b>Total operating funding (A)</b>	<b>3,367</b>	<b>3,027</b>	<b>2,985</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	2,337	2,554	2,509	Note 2
Finance costs	-	-	-	
Internal charges applied	664	364	352	
Other operating funding applications	88	60	59	
<b>Total application of operating funding (B)</b>	<b>3,089</b>	<b>2,978</b>	<b>2,920</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>278</b>	<b>49</b>	<b>65</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	22	21	20	
Capital expenditure to improve the level of service	23	26	46	
Capital expenditure to replace existing assets	-	-	-	
Increase (decrease) in reserves	5	(3)	4	
Increase/(decrease) of investments	228	5	(5)	
<b>Total applications of capital funding (D)</b>	<b>278</b>	<b>49</b>	<b>65</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(278)</b>	<b>(49)</b>	<b>(65)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**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 May 2021 flood events.

**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 May flood events.

\* The LTP comparatives for General Rates and internal charges have been reclassified to allow comparison to the 2020/21 Actuals.

# Democracy

## This year the Council...

Administered **\$413,768** in total grant funding

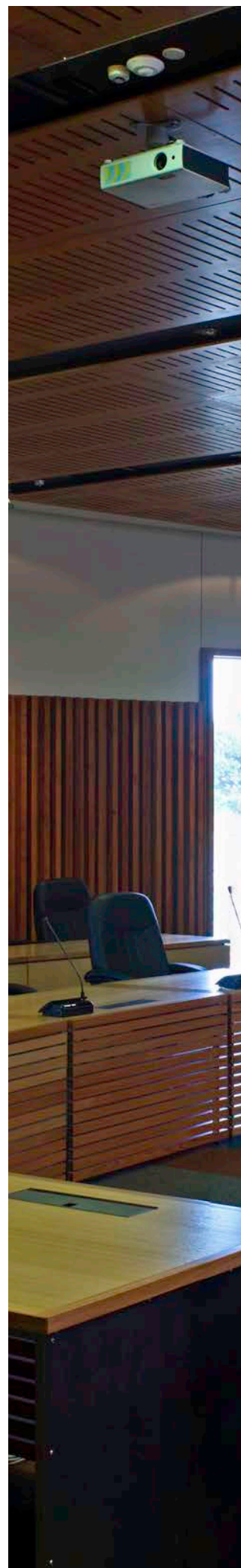
Received **3,180** submissions to  
consultation processes

Received **2,370** other contributions to  
consultation processes

## Key results

 **69%**

of residents are satisfied with  
Council's overall performance







Council Chamber

# 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?

As a statutory body, elected by its residents, the Council 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 a month 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.

Historically the Council has supported a range of community committees across the district. Some of these committees liaised with the Council and the Community Board over matters affecting particular townships or areas, while others operationally managed Council-owned reserves or community centres/halls. Over the past year the Council has been reviewing its committee structure with more than 70 committees. The Council is now in the process of discharging 46 committees of their legal status as committees of Council, while encouraging them to keep functioning as independent community groups if their communities would like them to continue. It is working with the remaining 24 committees on their future legal status. The Council is considering a range of ways for residents to access information about Council-owned reserves and facilities, as well as provide feedback and advice.

## Working in collaboration with others

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

## Activity goal

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

## Council contribution to community outcomes

For many of the community outcomes, the Council has an advocacy role with government departments and other organisations. The Council will ensure that it takes every practical opportunity to undertake this role to achieve the community outcomes whether 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.

	2020/21 Actual	2019/20 Actual
Community Environment Fund	15,557	17,782
Community Grant Fund	200,119	100,174
Discretionary fund – Wards	33,158	46,728
Discretionary fund – Councillors	14,522	16,910
Education bursaries	21,000	18,540
Ellesmere Heritage Park	20,000	20,000
Lincoln Envirotown Trust	34,886	34,000
Mayoral fund	1,864	2,668
Selwyn Sports Trust	25,000	25,000
Summit Road protection authority	5,725	113
Te Ara Kakariki	26,112	25,000
Waihora Ellesmere trust	15,826	22,300
<b>Total grant funding</b>	<b>413,768</b>	<b>329,216</b>

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 \$635,997 (2020: \$584,823).

## 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 2019/20 annual report is prepared within statutory timeframes and with an unmodified audit opinion.	Achieved The 2019/20 annual report was adopted on 28 October 2020 with an unmodified audit opinion. (2020: Achieved)
	The Annual Plan is prepared within statutory timeframes.	The 2021/31 long term plan is prepared within statutory timeframes and with an unmodified opinion.	Achieved The 21/31 long term plan was adopted on the 23 June 2021. (2020: Achieved)
	The proportion of residents rating the overall performance of Council in the Residents Survey as good or very good.	≥65%	Achieved 69% (2020: Achieved 63%)



# Democracy funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	2,009	3,307*	3,012*	Note 1
Targeted rates	912	893	858	
Subsidies and grants for operating purposes	1	52	-	
Fees and charges	4	4	106	
Internal charges and overheads recovered	553	1,225*	1,237*	
Other operating funding	6	-	-	
Total operating funding (A)	3,485	5,481	5,213	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	2,253	2,625	2,601	Note 2
Finance costs	-	-	-	
Internal charges applied	1,079	3,063	2,823	Note 3
Other operating funding applications	73	155	144	
Total application of operating funding (B)	3,405	5,843	5,568	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>80</b>	<b>(362)</b>	<b>(355)</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
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)	-	-	-	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
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	80	(362)	(355)	
Total applications of capital funding (D)	80	(362)	(355)	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(80)</b>	<b>362</b>	<b>355</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** General rates – there is a decrease in general rate requirement associated with reallocation of support charges to more accurately spread these costs across the different activity areas of Council.

**Note 2** 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.

**Note 3** 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 decrease in the democracy area is associated with an internal review of the Council's overhead allocation model to more accurately spread these costs across the different activity areas.

\* The LTP comparatives for General Rates and internal charges have been reclassified to allow comparison to the 2020/21 Actuals.

# Environmental and regulatory services

This year the Council...

Processed **846** resource consent applications

Issued **2,853** building consents

Issued **2,593** code compliance certificates

Registered **15,413** of the district's dogs

## Key results



**96%**

of resource consents  
issued on time



**56%**

of building consents  
issued on time



**100%**

of registered food premises  
assessed per schedule



**99.9%**

of known dogs registered







Lincoln township



# Environmental and regulatory services

The environmental and regulatory services group of activities contributes to the wellbeing of the residents of the district by protecting the community from a variety of risks and enhancing 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 areas being driven by State Highway 1 upgrade works 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 by 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 particularly relevant 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. It also includes responding to complaints and investigating infectious and notifiable diseases. Some Public Health issues are also covered under the environmental health portfolio such as investigations into hazardous substances.

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 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 a way that protects the environment. The Council also responds to complaints associated with breaches of District Plan rules to gain compliance and to promote our goal of providing residents with a great place to live, work and play.

Selwyn's continued development has also increased public expectation that the Council will take action on non-complying issues and activities that have not been permitted either through 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 its 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 ensuring 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 government requirements such as National Policy Statements and more recently developing a Strategic Spatial Plan for Greater Christchurch. Key projects in this space have also included the ongoing growth monitoring and the development of Housing and Business Capacity Assessments.

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 there will be a need for increased resource and time from the Strategy and Policy team to deliver these commitments. Government reforms to the Resource Management Act 1991 will also place pressure on future resourcing.

The Selwyn District Plan is a key document for the Strategy and Policy activity. 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 District Plan became fully operative in 2016. A full District Plan Review is currently under way to move to a second generation District Plan. This was publicly notified in October 2020 with hearings being undertaken from August 2021.

## Animal control

The main focus of this activity includes registration and keeping records of all dogs (over 3 months of age) in the district, responding to complaints and education on responsible dog ownership. This activity also has responsibility for administering and enforcing the Dog Control Act 1996 and the Council's Dog Control Bylaw, to provide a safe environment for all residents. Stock-related complaints are also handled under this activity. An important provision is to provide good exercise areas for dogs particularly in the larger settlements. Microchipping clinics are provided free of charge on a monthly basis for all 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 22 out of 24 performance measures in the 2020/21 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, demand has increased for all types of consent and licensing services, 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 a success rate of 99.9% of all known dogs registered by the end of June 2021. 100% of urgent callouts were attended to within four 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 2021, a total of 2,916 building consents were issued and 846 resource consent applications processed. Of these 96% of resource consent applications received were processed within statutory timeframes and 56% of building consents within statutory timeframes of 20 working days. The average time taken to process building consents was 23 working days and 19 working days for resource consents.



## Environmental health and sale of alcohol

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

Alcohol licences were all issued within the timeframes set out in our performance targets. This includes all On, Off, Club and Special Licences. All Manager Certificate applications were processed to a successful conclusion. The Sale and Supply of Alcohol Act 2012 (the Act) provides for Police and the Ministry of Health 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 Licensing Committee (DLC) can assume no opposition and issue the licence depending on all information received. The timing of the agencies' reports influences the ability of the Council to issue alcohol licences within our targeted timeframes. The Police, Ministry of Health and the Licensing Inspector make up the Tri Agency Group and continue to 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.

## Service targets for environmental services

Objective	Performance measure	Service target	Achievement
<b>STRATEGY AND POLICY</b>			
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 reviewing provisions every 10 years.	100%	Achieved 100% (2020: Achieved 100%)
	Plan Changes are completed and made operative within 2 years of notification. NCS database updated and closed out.	100%	Achieved 100% (2020: 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% (2020: 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 (2020: Achieved)
<b>RESOURCE CONSENTS AND COMPLIANCE</b>			
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 (2020: Achieved – There was one Environment Court Appeal)
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 measured* (2020: Not achieved)

\* The response rate wasn't large enough to provide a statistically representative sample.

Objective	Performance measure	Service target	Achievement
<b>BUILDING CONTROL</b>			
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 56% (2020: 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 95% (2020: Not achieved 98%)
	Proportion of building consent applicants satisfied or very satisfied.	90%	Not measured* (2020: Achieved)
<b>ANIMAL CONTROL</b>			
Registration of all known dogs.	Registration of all known dogs by 30 June each year.	100%	Achieved 99.9% (2020: 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% (2020: Achieved 100%)
	Percentage of non-urgent callouts attended to within 72 hours.	100%	Achieved 100% (2020: Achieved 100%)
<b>ENVIRONMENTAL HEALTH</b>			
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% 8 food complaints NB: All Food Act Enforcement is undertaken by the Council-employed Food Safety Officer (2020: Achieved 100%)
	Complaints received only in writing will be actioned within 3 working days depending on any human risk involved.	100%	Achieved 100% (2020: 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% (2020: Achieved 100%)

\* The response rate wasn't large enough to provide a statistically representative sample.



Objective	Performance measure	Service target	Achievement
All verbal and written complaints, enquiries 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% 260 nuisance complaints and 3 other health complaints were received). (2020: Achieved 100%)
	Complaints received in writing will be actioned within 3 working days depending on any human risk involved.	100%	Achieved 100% (2020: 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% (2020: Achieved 100%)
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). (2020: Achieved 100% – 116 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% (2020: 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% (2020: 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%	Achieved 100% (2020: Not achieved 97%)
	Proportion of all other uncontested licences issued within 20 working days of the closing day of submissions.	100%	Achieved 100% (2020: 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 98% (2020: Achieved 92.6%)
Complaint received regarding District Plan breaches:	All complaints are recorded and investigated to conclusion.	100%	Achieved 100% (2020: Achieved 100%)

# Statistics for resource and building consents

for year ended 30 June 2021

Indicator	Number processed	Working days target	Target % within working days	% achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	2	130	100%	100%	103
Subdivision consents – notified (no hearing)	1	50	100%	100%	50
Subdivision consents – limited notification (with hearing)	0	100	100%	80%	-
Subdivision consents – limited notification (no hearing)	5	65	100%	100%	62
Subdivision consents – non-notified (no hearing)	142	20	100%	96%	23
Land use consents – notified (with hearing)	1	130	100%	100%	130
Land use consent – notified (no hearing)	2	50	100%	100%	50
Land use consent – limited notification (with hearing)	6	100	100%	83%	101
Land use consent – limited notification (no hearing)	7	65	100%	71%	62
Land use consent – non-notified (no hearing)	618	20	100%	97%	14.86
Building consents	2,853	20	100%	45%	25.43
Full code of compliance certificates	2,593	20	100%	95%	4

for year ended 30 June 2020

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



# Environmental services funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	6,598	7,018*	5,207*	Note 1
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	120	70	99	
Fees and charges	8,885	5,314	5,407	Note 2
Internal charges and overheads recovered	1,818	2,600*	2,140*	
Other operating funding	9	-	-	
Total operating funding (A)	17,430	15,002	12,853	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	12,420	13,083	11,014	Note 3
Finance costs	-	-	-	
Internal charges applied	3,490	1,827	1,764	Note 4
Other operating funding applications	7	5	5	
Total application of operating funding (B)	15,917	14,915	12,783	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,513</b>	<b>87</b>	<b>70</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	21	-	-	
Total sources of capital funding (C)	21	-	-	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	-	42	41	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	(146)	34	34	
Increase/(decrease) of investments	1,680	11	(5)	
Total applications of capital funding (D)	1,534	87	70	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,513)</b>	<b>(87)</b>	<b>(70)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** General rates – there was a decreased general rate requirement due to the timing of some work associated with the District Plan review.

**Note 2** 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 \$6.1 million compared with the LTP \$3.9 million.

**Note 3** Payments to staff and suppliers is lower than the LTP largely due to projects related to be the District Plan review being brought forward and completed in 2019/20 financial year, offset by the level of building activity in the district.

**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.

\* The LTP comparatives for General Rates and internal charges have been reclassified to allow comparison to the 2020/21 Actuals.

# Transportation

This year the Council...

Repaired **3,823** potholes

Sealed **44 km** of road

Completed **9,087 km** of grading on unsealed roads

Constructed **3.2 km** of footpath extensions

## Key results

 **44%**

of residents satisfied with urban roads (32% neutral)



**24%**

of residents satisfied with rural roads (34% neutral)



**50%**

of residents satisfied with cycleways (35% neutral)



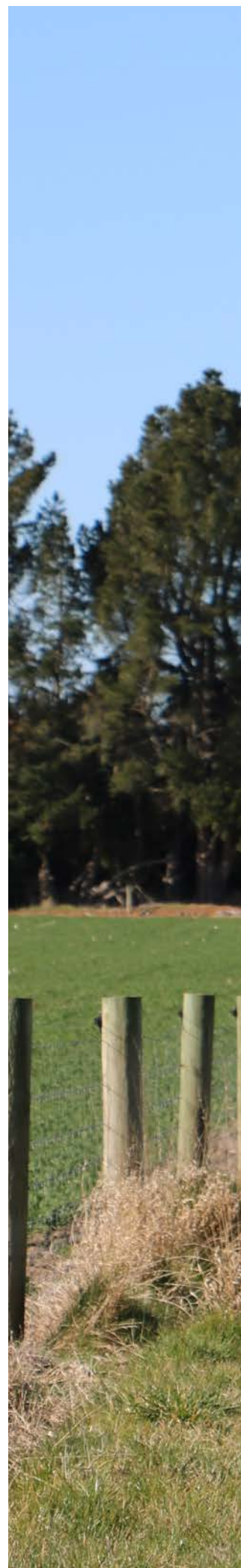
**85%**

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 further expansion of our townships in Greater Christchurch ranging from new housing to large industrial developments, but also across the wider area of Selwyn, supporting the district's farming, quarrying and forestry activities. The COVID-19 environment has further accelerated the demand for residential property.

The Council maintains and operates a 2,677 kilometre network of sealed and unsealed roads across the district, and this is added to annually from new roads being constructed through growth-led development. It also maintains and operates related transport infrastructure such as bridges, culverts, footpaths and street lighting. This includes planning to renew or replace these at a time that is affordable and sustainable for ratepayers. Transport projects are also undertaken to provide new infrastructure to meet traffic and transport needs across the district.

Core transport activity is centred on road maintenance and renewal programmes which are supported by additional funding through Waka Kotahi NZ Transport Agency from the National Land Transport Programme, but there is always pressure in keeping up with the demands placed on our roading networks from the traffic growth across the district. The Council's pathway extension programme extends walking and cycling connections within and between townships. A recent example was the completion of a road pathway for pedestrians and cyclists connecting the Leeston and Doyleston townships.

Larger roading projects are also undertaken. In 2020/21 these have included the construction of two large dual-lane roundabouts at Prebbleton on the main arterial roading links to the Southern Motorway and Christchurch. This is the first stage of a programme to improve safety on this part of the network which is heavily used by commuters. These roundabouts were expected to be mostly complete by mid-2021, but delays from lockdowns, weather events and materials shortages have slowed progress.

Work has continued on the Rolleston town centre development includes major roading works. The upgrade of Tennyson Street through the new town centre area was completed after delays from the 2020 lockdown. In 2020/21 construction of first two major public carparks, other street upgrades, and improved pedestrian connections were completed. Work continues on new roads and integrated public car parks within the new town square and retail area.

Traffic signal works at the Lowes Road/Goulds Road/Springston Rolleston Road/Tennyson Street intersection was scheduled for completion in 2019/20 but was delayed due to lockdown. The Council also completed the realignment of the Rolleston Drive/Norman Kirk Drive/Dryden Avenue intersection, which also included signalisation.

Some projects like the Weedons Ross seal widening project between Rolleston and West Melton did not proceed after funding was declined by the Transport Agency in the 2018–21 National Land Transport Programme. This has been reapplied for 2021/22.

Conversion of some 3,300 inefficient old street lights with new LED versions has been completed. A further 1,600 decorative lights in some residential areas will be replaced when suitable replacements have been found and can be funded. The conversion to LED decreases power consumption and routine maintenance requirements while also significantly reducing light pollution.



## 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 goal for its land transport activity as noted below.

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 transport network, the mobility of people, goods and services is put at risk, adversely affecting 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 that have the potential to cut lifelines to food supplies and other essential services.

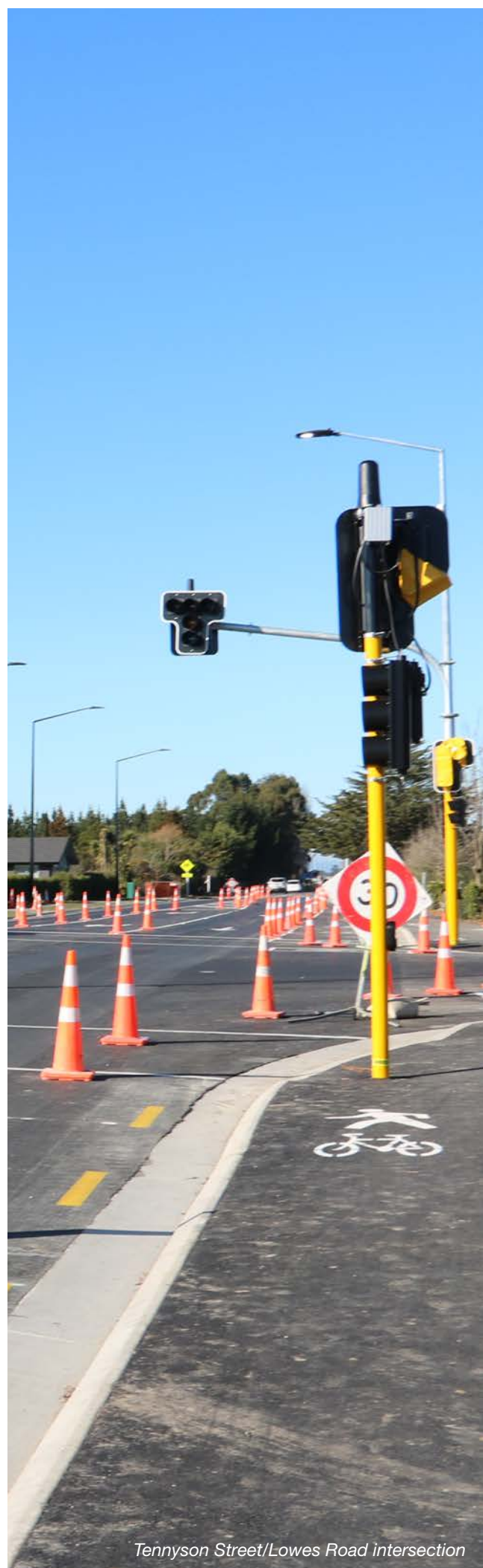
Rough roads and congestion can increase travel times and costs to operate vehicles and deliver freight. Safety is a fundamental objective across all transport activities and while there is always some risk attached to using roads, this needs to be mitigated in a practical way through measures such as engineering improvements, education, and enforcement. A safe system approach recognises that even with the best of intentions road users will still make mistakes that need to be accommodated as safely as possible through planned measures and interventions.

It is important the Council is involved in all these facets to provide a co-ordinated and measured response over the combined transport activity.

The effects of high growth and increasing traffic volumes in eastern Selwyn are reflected in the Council's future road upgrade programmes, which include local road and intersection projects to connect to the Southern Motorway Extension in the Rolleston and Prebbleton areas. At Prebbleton plans centre on five key intersections that join to the new motorway. At Rolleston some improvements have already occurred, improving access from the motorway to the Rolleston industrial zone.

Further improvements to SH1 to improve safety and access through Rolleston are in the planning stages with the Transport Agency. This opportunity is part of the NZ Upgrade Programme which allocated \$125 million to improve connectivity from Rolleston's town centre and residential area, across the State Highway and main rail line, to the industrial zone. A new two-lane overbridge is planned to connect the two areas and provide improved walking and cycling facilities. The funding also provides for upgrading rail infrastructure at Rolleston including the two inland ports, with the aim of redirecting more freight onto rail.

Intersections along SH1 between north and south Rolleston will be upgraded, along with a range of safety improvements to reduce harm and better manage the forecast future growth in traffic volumes. Outcomes from this planning will shape how the Transport Agency and the Council will coordinate on upgrades for Rolleston's transport network, and the funding needed in future plans and programmes.



*Tennyson Street/Lowes Road intersection*



## 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 with Waka Kotahi 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 responsibility for producing the Regional Land Transport Plan which coordinates the region's transport programmes, and seeks to obtain funding. The Regional Council also plans public transport services in partnership with the Council, which provides the supporting infrastructure.

Other organisations and advocacy groups have an active interest in transport, including freight, walking and cycling, public health, disability and mobility, and road safety. Their involvement enhances transport planning and decision-making processes and outcomes.

The Council needs to plan and deliver its transport activities in accordance with the Government Policy Statement for Transport (GPS), which is updated every three years by the government of the day. Funding is prioritised and distributed by the Transport Agency in support of national objectives and the region's own requirements. The objectives of the GPS also need to be balanced against the local requirements of Selwyn ratepayers who may have other priorities that Council needs to take into account. The Council is required to develop business cases for its transport activities that align to GPS outcomes, to enable the Transport Agency to consider providing 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 and adjoining areas of Selwyn and Waimakariri districts. This includes how roading, cycling, walking and public transport can be coordinated to the best effect. Work to date has included the completion of a Mode Shift Plan, Travel Demand Management and Public Transport Business Cases. Further work over 2020/21 has focused on developing an initial Business Case on a Mass Rapid Transport (MRT) system for Greater Christchurch.

The partnership has also started work on a Greater Christchurch Spatial Plan to 2050 which will guide how growth can be sustainably accommodated through this period and beyond, and how land use and transport systems can be successfully integrated.

## 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 seven out of 15 performance measures in the 2020/21 year for the transportation activity.

A total of 3,010 service requests were lodged and of these 2,336 (77%) were completed in the required time. The Council encourages residents to report issues on the road network which are then progressed by roading staff and contractors. Service requests are received through the customer service centres and contact centre, website, social media and the app Snap Send Solve.

The performance rating for urban roads in the residents survey was 44% good or very good, which was below the target of 50%. This is a small increase from last year's rating but may reflect ongoing dissatisfaction with traffic disruptions from road works in high growth townships and elsewhere on the network, such as construction of the Southern Motorway (a Transport Agency project), roading works at Rolleston and Prebbleton, ongoing land development which requires existing roads to be upgraded and services installed, and the related temporary traffic control measures to accommodate all these works. These situations were likely to be further aggravated due to COVID-19 restrictions that halted or delayed work on projects over lockdown periods.

The Council resurfaced 44 km of existing sealed roads during the year, below the target of 75 km or above. The extra cost to repair pavement structures before sealing continues to place major funding pressure on this activity. Increased use accelerates a decline in standards and performance, which takes more time and resources to rectify. Extra funding has been sought to address this issue in conjunction with the Transport Agency.

Residents' satisfaction with rural roads remained low with a rating of 24% good or very good, compared with our target of 30% or above. Further work to understand and monitor the condition of unsealed roads continues. Visual condition rating of unsealed roads is undertaken on a six-monthly basis. Those with a poor rating undergo a more detailed inspection with further work programmed as funding allows.

The residents' survey provided an acceptable result for cycleways with 50% of residents rating this as good or very good, reaching the target required. Achieving even higher satisfaction levels may reflect the challenges faced in planning larger cycleway projects and the longer negotiations needed to achieve these. Footpath satisfaction has increased to 61% compared to the target of 55% or above. The Council has been progressively improving and extending walking and cycling networks as part of the 2018 Walking and Cycling Strategy and Action Plan.

Work also continues to improve road safety in the district. The Council actively promotes driver awareness and safety through road safety campaigns, highlighting the key risks to drivers and encouraging positive behaviour change. There were three deaths and 16 serious injuries in the 2020/21 year compared to the previous year's four and 14 respectively. The main factors leading to these crashes were failing to stop or give way, distraction, alcohol, and fatigue. The Council employs two Road Safety Coordinators, with one dedicated to supporting schools and student safety in the district. In conjunction with the Transport Agency the Council has developed a programme to improve roads and intersections and review speed limits as part of the national Road to Zero initiative which seeks a 40% reduction in death and serious injuries in the next 10 years.

Council staff attended three of the four relevant meetings held by the Regional Transport Committee and all Regional Transport Officers Group meetings during the year. A number had to be undertaken remotely due to COVID-19 restrictions. Other regular meetings include the quarterly Regional Road Safety Working Group, monthly Greater Christchurch Partnership Transport Managers, Greater Christchurch PT Futures and Steering Group meetings, and Greater Christchurch Spatial Planning coordination meetings, however these have also been impacted at times by COVID-19 restrictions. This demonstrates the Council's commitment to coordination on a regional and Greater Christchurch basis.

## 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 77% of service requests were responded to within the timeframe specified in the long term plan. (2020: Achieved 85%)
	The proportion of residents rating the performance in the Residents Survey as good or very good.	Urban roads ≥50%	Not achieved 44% (2020: Not achieved 42%)
		Rural roads ≥30%	Not achieved 24% (2020: Not achieved 28%)
		Footpaths ≥55%	Achieved 61% (2020: Not achieved 52%)
		Cycleways ≥50%	Achieved 50% (2020: Achieved 50%)
	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.)  The last roughness count was completed in August 2019.	Urban roads ≥90%	Not achieved 89% (2020: Achieved 89%)
		Rural roads ≥95%	Achieved 98% (2020: Achieved 98%)
		All roads ≥95%	Achieved 96% (2020: 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 44.3km (2020: Not achieved 66.2km)



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 85% (2020: 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 7 (57%) planned projects* were completed during the year. (2020: Not achieved 4 of 8 (50%) 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 3 fatality and 16 serious injury crashes Compared to the 2019/20 financial year, the 2020/21 financial year has seen a decrease of 1 death and increase of 2 serious injury crashes on our local roads (2020: Not achieved 4 deaths and 14 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 45% (2020: Not achieved 47%)
	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 38% (2020: Not achieved 39%)
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 6 out of 7 (86%) (2020: Achieved 7 out of 8 (88%))

\* Large capital projects include capital projects listed in the corresponding years' Annual Plan.

# Transportation funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	4,910	3,534*	2,657*	Note 1
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	5,482	7,048	7,097	Note 2
Fees and charges	-	-	-	
Internal charges and overheads recovered	1,353	1,309*	1,091*	
Other operating funding	559	282	276	
Total operating funding (A)	12,304	12,173	11,121	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	9,793	7,972	7,781	Note 3
Finance costs	499	896	382	Note 4
Internal charges applied	2,226	1,880	1,826	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	12,518	10,748	9,989	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(214)</b>	<b>1,425</b>	<b>1,132</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	7,653	3,363	3,823	Note 2
Development and financial contributions	4,793	1,808	2,274	Note 5
Increase/(decrease) in debt	14,014	11,428	9,137	Note 6
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	26,460	16,599	15,234	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	13,474	10,192	12,716	Note 7
Capital expenditure to improve the level of service	2,711	1,181	1,227	Note 8
Capital expenditure to replace existing assets	4,986	6,632	6,508	Note 9
Increase/(decrease) in reserves	2,474	(459)	(988)	
Increase/(decrease) of investments	2,601	478	(3,097)	
Total applications of capital funding (D)	26,246	18,024	16,366	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>214</b>	<b>(1,425)</b>	<b>(1,132)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** General rates – the increase in the general rate requirement is associated with the timing of the capital expenditure programme.

**Note 2** Subsidies and grants for operating and capital expenditure is higher than the LTP due to higher levels of subsidies received from NZTA than originally budgeted, reflecting subsidised expenditure being slightly above budget.

**Note 3** Payments to staff and suppliers is higher than the LTP due to subsidised maintenance and operational expenditure being higher than originally budgeted.

**Note 4** Finance costs – the decrease in finance costs is due to the revised timing of capital projects and lower interest rates than originally planned.

**Note 5** Development contributions revenue is higher than the LTP due to substantial growth in the district being higher than forecast.

**Note 6** Debt has increased due to the timing of completion of major capital projects.

**Note 7** Capital expenditure to meet additional demand is higher 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. These projects include Shands and Marshs roundabout \$13.2 million.

**Note 8** 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.

**Note 9** Capital expenditure to replace existing assets are lower than the LTP due to timing of undertaking sealed road resurfacing.

\* The LTP comparatives for General Rates and internal charges have been reclassified to allow comparison to the 2020/21 Actuals.





# Solid waste management

This year the Council...

Collected from over **24,300** households

Collected from  
kerbsides

**10,700**

tonnes of rubbish

**4,800**

tonnes of recycling

**6,200**

tonnes of organics

**31,000** tonnes of material processed through  
the Pines Resource Recovery Park

## Key results



**93%**

of residents satisfied  
with rubbish collection



**85%**

of residents satisfied  
with recycling collection



**84%**

of residents satisfied with  
organics collection



**53%**

of residents have used Pines  
Resource Recovery Park



**6%**

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, areas over which the Council has limited influence.

COVID-19 continues to have an impact through increased contamination levels in kerbside recycling collections as a result of residents' reduced adherence with recycling guidelines, combined with more stringent checking and rejection of recycling loads at the recycling sorting facility. This led to 159 tonnes of recycling being rejected and sent to landfill between July 2020 and December 2020. On-street auditing of recycling bins was successful in reducing contamination to below the threshold levels, with the result that all recycling loads between January and July 2021 were accepted for processing.

## 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 takes responsibility for fulfilling legal and statutory obligations, waste minimisation, policy, strategic direction, educational programmes and providing clean fill sites, as well as 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 on an optional basis in nine of the district's medium to larger townships.

## 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 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, situated within the Hurunui district, 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 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 achieved two out of three of its performance measures in the solid waste activity. There was a 7% increase in the total amount of residual waste per head of population, compared with the previous financial year. This is due to an increase in building, commercial and public waste tonnes received at Pines Resource Recovery Park over the year. Kerbside waste tonnes from households decreased by 6% (on a per capita basis) compared to the previous year.

In Selwyn, residents can use the kerbside collection service, a private waste 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 generally among the highest-rated services and activities provided by the Council. The drop in satisfaction rating for recycling services is attributed to international restrictions in recycling markets and low tolerance for contaminated material potentially leading to the perception that this is able to be controlled at a local council level.



## 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 Survey.	Rubbish collection $\geq 90\%$	Achieved 93% (2020: Achieved 94%)
		Recycling $\geq 90\%$	Not achieved 85% (2020: Achieved 90%)
		Organic waste collection $\geq 85\%$	Achieved 88% (2020: Achieved 91%)
		Pines Resource Recovery Park $\geq 75\%$	Not achieved 53% (2020: Achieved 82%)
The Council protects the environment from illegal dumping.	The proportion of households using the Pines Resource Recovery Park.	$\geq 40\%$	Achieved 52% (2020: Achieved 50%)
The solid waste service is effective and efficient.	Number of substantiated formal complaints received per annum related to the solid waste service.	$\leq 15$	Achieved 1 substantiated formal complaint was received during the year. (2020: Achieved – 2 substantiated formal complaints were 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.	No increase in kg per capita compared with the previous year	Not achieved 7% increase in kg per capita (2020: Achieved 7% 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).	2% decrease in kg per capita compared with the previous year	Achieved 6% decrease in kg per capita (2020: Achieved 0% decrease in kg per capita)



## Solid waste management funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	8,855	8,791	8,232	
Subsidies and grants for operating purposes	117	71	69	
Fees and charges	3,527	3,805	3,464	Note 1
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	12,499	12,667	11,765	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	10,267	11,018	10,352	Note 2
Finance costs	-	148	34	
Internal charges applied	567	565	551	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	10,834	11,731	10,937	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,665</b>	<b>936</b>	<b>828</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	3,204	1,366	Note 3
Gross sales proceeds from sale of assets	145	-	-	
Total sources of capital funding (C)	145	3,204	1,366	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	2,138	3,371	3,626	Note 4
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	96	-	511	
Increase/(decrease) in reserves	(1,366)	-	-	
Increase/(decrease) of investments	942	769	(1,943)	
Total applications of capital funding (D)	1,810	4,140	2,194	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,665)</b>	<b>(936)</b>	<b>(828)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Fees and charges revenue is lower than the LTP due predominantly to lower than forecast organic tonnes received at the Pines Resource Recovery Park as a result of a dry spring.

Revenue from the Reuse shop allowed for in the LTP was also not realised during the year due to project delays.

**Note 2** Payments to staff and suppliers is lower than the LTP due in the most part to lower organics processing costs than originally forecast.

**Note 3** Movement in debt – the amount of borrowing required to fund this activity is lower than the LTP due to timing of completion of enhancements at the Pines Resource Recovery Park.

**Note 4** Capital expenditure to meet additional demand is lower than the LTP due to the timing of completion of enhancements at the Pines Resource Recovery Park.

# 5 waters services

## This year the Council...

Provided drinking water to **77%** of the population

Supplied **8.8** million cubic metres of water to households

Treated **3.4** million cubic metres of wastewater

Maintained **1,356** km of water mains

Maintained **573** km of wastewater mains

## Key results

 **73%**

of users satisfied with water supplies

 **88%**

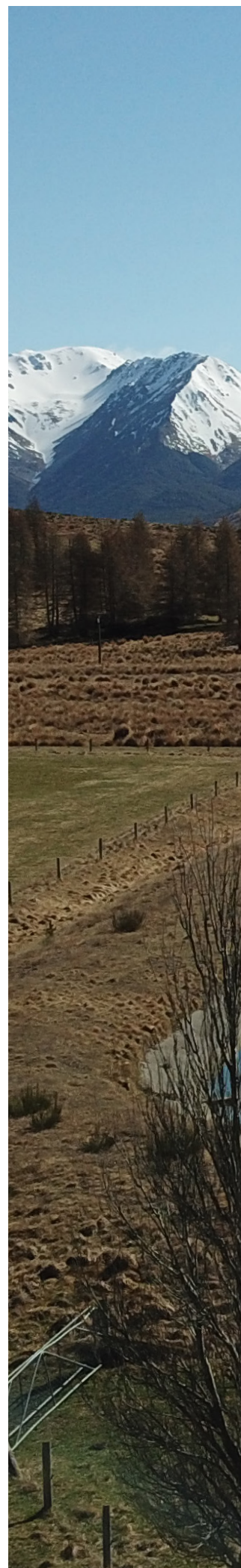
of users satisfied with sewerage and wastewater

 **59%**

of residents satisfied with urban stormwater

 **99.93%**

compliance with drinking water standards for treatment







Castle Hill Oxidation Pond



# 5 waters services

## Activities covered

<b>Community water supplies</b>	27 schemes
<b>Land drainage</b>	10 schemes
<b>Stormwater urban</b>	21 schemes
<b>Water races</b>	3 schemes
<b>Community wastewater schemes</b>	15 schemes plus ESSS and Ellesmere WWTP

## Overview

The availability of clean, safe drinking water and the safe disposal of waste water are fundamental to the health and welfare of the Selwyn community. The 5 Waters service provides clean, safe drinking 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 76 water schemes across the district. The 5 Waters assets carrying value is \$713 million with water supplies valued at \$184 million, sewerage schemes \$320 million, stormwater \$81 million, land drainage \$49 million and water races \$79 million.

Drinking water is provided by the Council to over 77% of the district's population. Wastewater services are provided to approximately 66% 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.

The Council's approach is to manage the 5 Waters activities in a coordinated way. There is a strong connection between these services and it is essential that they are looked after in a way that reflects the unique geographical 'mountains to sea' landscape of the Selwyn district.

## 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 2021–2031 for the reason that failure of these services would have a potentially devastating and far-reaching effect on the district. The Council is well positioned to take a 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.

The Council also needs to comply with a raft of legislative and statutory processes, which it 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 Canterbury Regional Council's Land and Water Regional Plan rules.



## Activity goal

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

## Council contribution to community outcomes

This activity contributes the following outcomes:

- A clean environment
- A 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 99.93% and 99.85% compliance respectively for E-Coli in water leaving the treatment plant, and water in the distribution systems. This positive 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 0.425m<sup>3</sup> of water per person a day in the 2020/21 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

77% of residential properties in Selwyn are serviced with water and 66% of residential properties are serviced by the Council's waste water systems.

### Compliance with resource consents

During the 2020/21 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 five dry weather sewage overflows in 2020/21. The target was less than one overflow per 1000 properties, which was met. The final result was 0.32 overflows per 1000 rated properties.

## Water sustainability and availability

Sustainable water management continues to be a focus for Selwyn District Council. We are 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 that climatic cycles and trends have on its five waters and is actively monitoring and planning for this.



Pines Wastewater Treatment Plant

## Service targets for 5 waters activities

Objective	Performance measure	Service target	Achievement
<b>LAND DRAINAGE</b>			
Nuisance effects from water services are minimised.	Proportion of residents rating the land drainage system good or very good.	≥40%	Not achieved 39% (56% of users) (2020: Not achieved 35%)
	The number of complaints received about the performance of the Land Drainage system, expressed per 1000 rated properties.	Less than 6	Achieved 2.27 (2020: Not achieved 8.19)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for Land Drainage.	≤\$100	Not achieved \$131.57 (2020: Not achieved \$122.48)
<b>STORMWATER</b>			
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) (2020: Achieved Nil for all)
Nuisance effects of water services are minimised.	Proportion of residents rating the stormwater system good or very good.	≥45%	Achieved 46% (59% of users) (2020: Not achieved 42%)
	The number of complaints received about the performance of the stormwater system, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 6	Achieved 5.75 (2020: Not achieved 10.13)
	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 Note that, while not directly relevant to this KPI, in May 2021 Selwyn district experienced a significant rainfall event. A team of council staff and volunteers conducted 588 needs assessments and evacuated 200 households. 32 houses were damaged by water inundation. (2020: 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 Note: in the May 2021 storm event (estimated to be more than a 1 in 100 year recurrence interval storm), 32 houses were damaged by flooding. (2020: 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 Refer note above (2020: Achieved Nil)



Objective	Performance measure	Service target	Achievement
Nuisance effects of water services are minimised.	Total average operating cost per serviced property for stormwater.	≤\$85	Achieved \$81.56 (2020: Achieved \$63.20)

## 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) (2020: Achieved Nil for all)
Nuisance effects of water services are minimised.	Proportion of residents rating the wastewater system good or very good.	≥65%	Achieved 69% (88% of users) (2020: Not achieved 63%)
	The total number of complaints received about sewage odour, blockages and system faults, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 6	Achieved 1.55 (2020: Achieved 2.18)
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 43 minutes (2020: Achieved 50 minutes)  b) Achieved 2 hours 10 minutes (2020: Achieved 21 hours 51 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 66% (2020: Achieved 62%)
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 0.32 (2020: Achieved 0.4)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for wastewater.	≤\$360	Not achieved \$424.19 (2020: Not achieved \$383.46)

## 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) (2020: Achieved Nil for all)
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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 63% (73% of users) (2020: Achieved 64%)
	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	Achieved 9.68 (2020: Not achieved 16.96)
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 52 minutes (2020: Achieved 1 hour 26 minutes)  b) Achieved 24 hours 13 minutes (2020: Achieved 3 hours 30 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 36 minutes (2020: Achieved 46 minutes)  b) Achieved 5 hours 10 minutes (2020: Achieved 2 hours 2 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 77% (2020: Not achieved 78%)
	The percentage of real water loss from the water reticulation system in urban schemes. A water balance calculation methodology is used. To assess real water loss from the network Council uses the Water Balance Software developed by Water New Zealand. This inputs the measured volume of water supplied from the treatment plant, the measured volume delivered to customers via their individual water meters, the measured or assessed volumes used by contractors and the fire service from hydrants, and the volumes of water assessed as lost from the network as a result of breaks, repairs and maintenance activities. After making allowance for meter reading inaccuracy, the difference in volume between the supply from the water treatment plant and the volume that can be accounted for is considered to be the real water loss. (Mandatory Performance Measure)	≤20%	Achieved 17.2% (2020: 17.1%)
	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 77.3% (2020: Achieved 76.7%)
	The average consumption of drinking water per day per resident. (Mandatory Performance Measure)	Less than 0.5m <sup>3</sup> per person per day within urban schemes	Achieved 0.425 m <sup>3</sup> per person per day (2020: Achieved 0.498m <sup>3</sup> 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)	≥99.5% of monitoring samples comply, at both the treatment plant and within the reticulation, across the district.	Achieved Treatment: 99.93% Achieved The current results are provisional and the final drinking water report is yet to be received. Reticulation: 99.85% <i>Self-administered properties not monitored by Council.</i> (2020: Achieved Treatment: 99.96% Reticulation: 99.72%)
	The extent to which the drinking water supplies comply with the drinking water standards for protozoal compliance. (Mandatory Performance Measure)	≥90% of the treatment plant sites are compliant across the district.	Not achieved 73% The current results are provisional and the final drinking water report is yet to be received. (2020: Not achieved 72.92%)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for water supply.	≤\$330	Achieved \$344.65 (2020: Achieved \$328.60)

## WATER RACES

Nuisance effects of water services are minimised.	Proportion of residents rating the water race system good or very good.	≥35%	Achieved 36% (48% of users) (2020 Achieved 38%)
	The total number of complaints received about continuity of supply, expressed per 1000 rated properties.	Less than 50	Achieved 12.52 (2020: Achieved 14.77)
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 1 hour 1 minute (2020: Achieved 33 minutes)  b) Achieved 2 hours 43 minutes (2020: 2 hours 43 minutes)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for water races.	≤\$200	Achieved \$103.70 (2020: Achieved \$96.87)
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) (2020: Achieved Nil for all)

# Community water supplies funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	8,136	7,097	6,548	Note 1
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	120	129	124	
Internal charges and overheads recovered	-	1,379	1,340	Note 2
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>8,256</b>	<b>8,605</b>	<b>8,012</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	5,133	3,749	3,604	Note 3
Finance costs	-	-	-	
Internal charges applied	1,807	2,758	2,680	Note 2
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>6,940</b>	<b>6,507</b>	<b>6,284</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,316</b>	<b>2,098</b>	<b>1,728</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	3,420	2,197	2,158	Note 4
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>3,420</b>	<b>2,197</b>	<b>2,158</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	5,451	920	5,845	Note 5
Capital expenditure to improve the level of service	2,252	1,614	2,859	Note 6
Capital expenditure to replace existing assets	3,597	2,024	1,397	Note 7
Increase/(decrease) in reserves	(2,472)	843	(3,511)	
Increase/(decrease) of investments	(4,092)	(1,106)	(2,704)	
<b>Total applications of capital funding (D)</b>	<b>4,736</b>	<b>4,295</b>	<b>3,886</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,316)</b>	<b>(2,098)</b>	<b>(1,728)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**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** Internal charges– 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 in the water area 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 3** 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 2019/20 year for completion in the current financial year.

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

**Note 5** Capital expenditure to meet additional demand is higher than the LTP due to the timing of completion of water supply upgrades.

**Note 6** Capital expenditure to improve the level of service is higher than the LTP due to projects being carried forward from the 2019/20 year for completion in the 2020/21 financial year. Projects undertaken during the year include source upgrades to UV treatment and storage.

**Note 7** Capital expenditure to replace existing assets is higher than the LTP due to work on water treatment upgrades being carried forward from the 2019/20 year for completion in the 2020/21 financial year. This includes the Malvern Hills scheme renewal and Arthur's Pass water supply renewal.



# Community wastewater funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	7,621	6,868	6,542	Note 1
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	869	669	654	
Internal charges and overheads recovered	-	856	831	Note 2
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>8,490</b>	<b>8,393</b>	<b>8,027</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	5,364	3,696	3,714	Note 3
Finance costs	297	117	94	
Internal charges applied	1,189	1,712	1,663	Note 2
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>6,850</b>	<b>5,525</b>	<b>5,471</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,640</b>	<b>2,868</b>	<b>2,556</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	599	-	-	Note 4
Development and financial contributions	7,315	5,064	5,015	Note 5
Increase/(decrease) in debt	(266)	2,349	(1,436)	Note 6
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>7,648</b>	<b>7,413</b>	<b>3,579</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	7,918	6,162	2,351	Note 7
Capital expenditure to improve the level of service	2,716	85	1,520	Note 8
Capital expenditure to replace existing assets	1,980	1,157	435	Note 9
Increase/(decrease) in reserves	400	287	472	
Increase/(decrease) of investments	(3,726)	2,590	1,357	
<b>Total applications of capital funding (D)</b>	<b>9,288</b>	<b>10,281</b>	<b>6,135</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,640)</b>	<b>(2,868)</b>	<b>(2,556)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

- 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** Internal charges— 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 in the wastewater area 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 3** 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 4** Subsidies and grants for capital expenditure is higher than the LTP due to funding received from DIA for three waters stimulus funding for infrastructural development.
- Note 5** Development contributions revenue is higher than the LTP due to the higher than forecast substantial growth in the district.
- Note 6** Debt has decreased as the requirement to borrow is lower due to higher Council revenue than originally budgeted.
- Note 7** Capital expenditure to meet additional demand is higher than the LTP due to the timing of completion of work on Darfield, Leeston, Eastern Selwyn sewerage and Doyleston sewerage schemes.
- Note 8** Capital expenditure to improve the level of service is higher than the LTP largely due to the timing of completion of capital projects at Castle Hill.
- Note 9** 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 Doyleston Sewerage system.

## Community stormwater funding impact statement

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	1,386	1,365	1,238	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	-	-	-	
Internal charges and overheads recovered	-	178	173	
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>1,386</b>	<b>1,543</b>	<b>1,411</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	1,062	814	780	
Finance costs	52	82	100	
Internal charges applied	184	357	346	
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>1,298</b>	<b>1,253</b>	<b>1,226</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>88</b>	<b>290</b>	<b>185</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	241	364	358	
Increase/(decrease) in debt	(189)	(364)	(358)	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>52</b>	<b>-</b>	<b>-</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	1,167	734	1,077	Note 1
Capital expenditure to replace existing assets	40	79	118	
Increase/(decrease) in reserves	185	144	159	
Increase/(decrease) of investments	(1,252)	(667)	(1,169)	
<b>Total applications of capital funding (D)</b>	<b>140</b>	<b>290</b>	<b>185</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(88)</b>	<b>(290)</b>	<b>(185)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Capital expenditure to improve the level of service is higher than the LTP due to the timing of work originally planned for completion in the 2019/20 financial year. This includes work undertaken to improve township flood protection.



## Water rates and land drainage funding impact statement

	2020/21	2020/21	2019/20
	Actual	LTP	LTP
	\$'000	\$'000	\$'000
<b>SOURCES OF OPERATING FUNDING</b>			
General rates	33	31*	29*
Targeted rates	2,820	2,878	2,724
Subsidies and grants for operating purposes	-	-	-
Fees and charges	511	427	404
Internal charges and overheads recovered	173	419*	408*
Other operating funding	-	-	-
<b>Total operating funding (A)</b>	<b>3,537</b>	<b>3,755</b>	<b>3,565</b>
<b>APPLICATION OF OPERATING FUNDING</b>			
Payments to staff and suppliers	2,848	2,649	2,651
Finance costs	-	-	-
Internal charges applied	571	816	792
Other operating funding applications	-	-	-
<b>Total application of operating funding (B)</b>	<b>3,419</b>	<b>3,465</b>	<b>3,443</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>118</b>	<b>290</b>	<b>122</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross sales proceeds from sale of assets	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure to meet additional demand	31	-	-
Capital expenditure to improve the level of service	84	-	41
Capital expenditure to replace existing assets	279	-	2,538
Increase/(decrease) in reserves	(49)	366	(2,173)
Increase/(decrease) of investments	(227)	(76)	(284)
<b>Total applications of capital funding (D)</b>	<b>118</b>	<b>290</b>	<b>122</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(118)</b>	<b>(290)</b>	<b>(122)</b>
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

There are no significant variances to explain between the 2020/21 actual and the Long-Term Plan.

\* The LTP comparatives for General Rates and internal charges have been reclassified to allow comparison to the 2020/21 Actuals.

# Izone Southern Business Hub

## Overview

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

The development began in 2001 and 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.
- There was a lack of industrial land in the district. The Council found there was no private sector interest in developing more industrial land. The Council identified the opportunity to address the lack of industrial land by purchasing the land known as Izone.

## Activity goal

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

## Council contribution to community outcomes

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

## 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

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	41	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	41	-	-	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	137	333	323	Note 1
Finance costs	-	-	-	
Internal charges applied	-	-	-	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	137	333	323	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(96)</b>	<b>(333)</b>	<b>(323)</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	444	-	-	Note 2
Total sources of capital funding (C)	444	-	-	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
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	348	(333)	(323)	
Total applications of capital funding (D)	348	(333)	(323)	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>96</b>	<b>333</b>	<b>323</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

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; Chief Executive's department, Finance, 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

We collect rates on behalf of the Canterbury Regional Council (Environment Canterbury) which in turn pays us a fee and a portion of the rating valuation cost. The revenue received is used to offset the cost of running our rates department.

## Internal Council Services funding impact statement

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.

	2020/21	2020/21	2019/20	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	

#### SOURCES OF OPERATING FUNDING

General rates	665	676*	610*	
Targeted rates	318	330	390	
Subsidies and grants for operating purposes	153	83	81	
Fees and charges	1,114	2,140	2,069	Note 1
Internal charges and overheads recovered	22,135	17,168	16,416	Note 2
Other operating funding	6,737	6,912	7,466	
<b>Total operating funding (A)</b>	<b>31,122</b>	<b>27,309</b>	<b>27,032</b>	

#### APPLICATION OF OPERATING FUNDING

Payments to staff and suppliers	18,231	15,721	14,980	Note 3
Finance costs	25	64	78	
Internal charges applied	10,904	10,889*	10,951*	Note 2
Other operating funding applications	78	147	143	
<b>Total application of operating funding (B)</b>	<b>29,238</b>	<b>26,821</b>	<b>26,152</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,884</b>	<b>488</b>	<b>880</b>	

#### SOURCES OF CAPITAL FUNDING

Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	11,797	(289)	(267)	Note 4
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>11,797</b>	<b>(289)</b>	<b>(267)</b>	

#### APPLICATIONS OF CAPITAL FUNDING

Capital expenditure to meet additional demand	537	522	511	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	112	-	-	
Increase/(decrease) in reserves	37	56	55	
Increase/(decrease) of investments	12,995	(379)	47	
<b>Total applications of capital funding (D)</b>	<b>13,681</b>	<b>199</b>	<b>613</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,884)</b>	<b>(488)</b>	<b>(880)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Fees and charges – the decrease is largely associated with commercial property lease revenue being transferred to the Community Facilities activity.

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

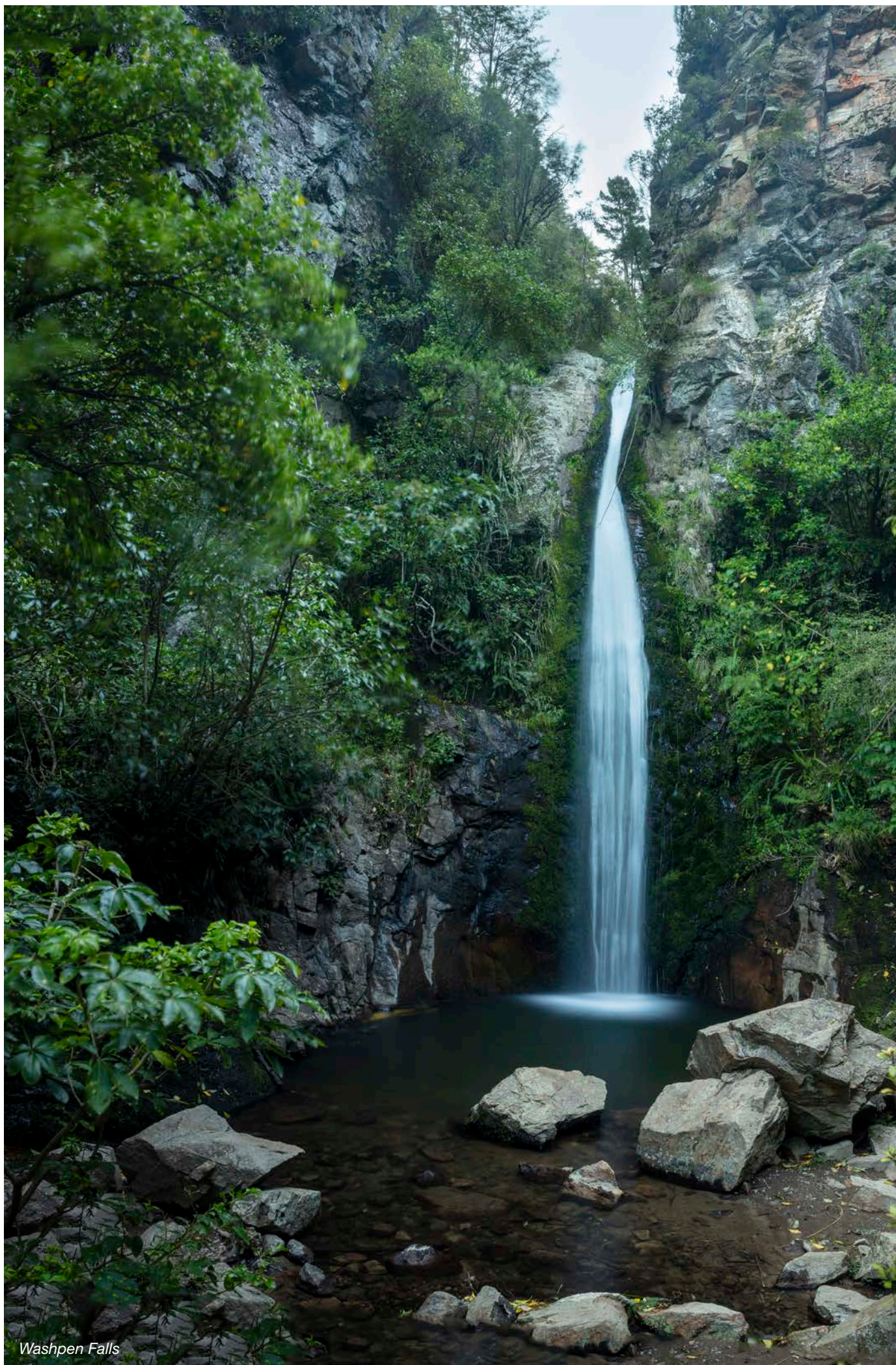
**Note 3** Payments to staff and suppliers is higher than the LTP due to the increased costs required to cope with the demands of rapidly developing district, including specialist project management resources in the property and commercial and water service delivery area to oversee and coordinate capital projects, increased IT costs including computer licencing and cloud storage costs.

**Note 4** The movement in debt represents the net transfer of loans between internal and external borrowing.

\* The LTP comparatives for General Rates and internal charges have been reclassified to allow comparison to the 2020/21 Actuals.



# Financial reporting



Washpen Falls





# 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 2021 fairly reflect the financial position and operations of the Selwyn District Council.

Sam Broughton  
Mayor of Selwyn District

Murray Washington  
Acting Chief Executive

Kelvin Mason  
Group Manager Organisational Performance

22 December 2021





## 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.

	2020/21	2020/21	2019/20	2019/20
	Actual	Annual Plan	Actual	Annual Plan
	\$'000	\$'000	\$'000	\$'000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charge, rate penalties	24,512	24,555	23,421	22,806
Targeted rates	44,226	43,321	41,203	40,752
Subsidies and grants for operating purposes	6,236	4,398	6,185	6,688
Fees and charges	21,179	17,149	18,992	17,864
Interest and dividends from investments	6,570	7,288	6,875	7,345
Other operating funding	1,781	282	499	516
Total operating funding (A)	104,504	96,993	97,175	95,971
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	86,899	83,669	82,038	80,445
Finance costs	996	1,787	979	2,864
Other operating funding applications	310	343	148	616
Total application of operating funding (B)	88,205	85,799	83,165	83,925
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>16,299</b>	<b>11,194</b>	<b>14,010</b>	<b>12,046</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies for capital expenditure	8,951	12,615	5,370	4,861
Development and financial contributions	24,739	16,216	26,264	15,655
Increase/(decrease) in debt	25,000	70,707	20,000	84,316
Gross sales proceeds from sale of assets	2,549	4,509	3,751	3,649
Total sources of capital funding (C)	61,239	104,047	55,385	108,481
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	69,203	109,555	46,528	119,663
Capital expenditure to improve the level of service	20,068	33,284	17,384	35,240
Capital expenditure to replace existing assets	13,948	13,545	13,415	18,315
Increase/(decrease) in reserves	6,429	(7,437)	(1,481)	(25,930)
Increase/(decrease) of investments	(32,110)	(33,706)	(6,451)	(26,761)
Total applications of capital funding (D)	77,538	115,241	69,395	120,527
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(16,299)</b>	<b>(11,194)</b>	<b>(14,010)</b>	<b>(12,046)</b>
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Financials – financial highlights

The Selwyn District has performed well in the financial year ending 30 June 2021 despite the impacts of the COVID-19 pandemic. There had been an anticipated material slowing of the economy when the Council's Annual Plan was prepared early in the 2020 calendar year. However, despite the headwinds of COVID-19 the Selwyn economy performed better than expected and saw a continuation of high levels of population and economic growth. The number of rating units grew by 2,998 (10.4%) to 31,766, making Selwyn one of the fastest growing districts in New Zealand. The successes of the district combined with the strength of the Council investments and quality of Council operations are reflected positively in this year's performance.

### Group Performance

The Selwyn District Council Group reported an after-tax surplus of \$52.4 million in the financial year ended 30 June 2021 an decrease of \$26.6 million on the previous year. The Council's 100% owned subsidiary Sicon Limited performed strongly during the year reporting an after-tax surplus of \$4.6 million. The Group's net assets at 30 June 2021 are \$2.0 billion.

### Council Operating Expenditure

The Council's core operating expenditure in the year was \$120.6 million. This compares favourably with the budget of \$120.8 million. The main variances compared with budget were:

- Lower levels of borrowing as a result of higher cash in-flows and the delayed start of some capital projects has resulted in financing expenses being \$1.5 million lower than budget.
- The delay in completing some large capital projects has led to depreciation and amortisation expenditure being \$2.1 million below budget.
- Subsidised maintenance and operational expenditure \$2.7 million higher than budget due to additional work required to maintain our roading network.
- Expenditure associated with the May flood event \$1.9 million, of this amount \$1.4 million relates to subsidised road maintenance as noted above.
- The Council's increased focus on the provision of high-quality water supply resulted additional costs to deliver this service \$1.0 million.

### Council Revenue

The Council's core revenue in the year was \$171.2 million. This strong performance was \$12.6 million higher than the budget of \$158.6 million. The 2021 financial year budget had been established in the shadows of the COVID-19 pandemic where many economists and other experts were predicting a significant slowing of the economy and housing markets. While the economy did slow it was not as pronounced as forecast. The robust nature of the Selwyn economy and continued population growth have been a significant factor behind the positive revenues. The main variances compared with budget were:

- Higher than anticipated population growth in the district resulted in rates revenue being \$0.9 million above budget.
- Housing development to support population growth has led to development and financial contribution revenue being \$8.5 million above budget. Development contributions are collected from developers to fund the building of infrastructure assets to service the additional demand created from this housing growth.
- Also linked to the housing growth in the district is the collection of fees and charges for the provision of building and resource consents and land information memorandum (LIM) reports. The revenue generated from fees and charges was \$4.0 million higher than budget.
- Vested asset revenue is \$0.5 million higher than budget due to the higher than expected level of housing development activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.

- The Council's equity investments performed in-line with expectation. Dividend revenue was \$0.3 million below budget this was largely a consequence of Orion New Zealand Limited delaying the declaration of their 2021 financial year interim dividend until September. This will be received during the 2022 financial year. The reduction in the dividend revenue received from Orion was partially offset by higher dividend revenue received from Sicon Limited.
- Land sales revenue was higher than budget by \$0.2 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 \$1.6 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 \$60.1 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.

## Balance sheet

The value of Council's net assets at 30 June 2021 is \$1.95 billion, this is an increase of \$0.13 billion from \$1.82 billion at the close of the prior year.

## Assets

- **Cash** and cash equivalents held at year end are higher than budgeted by \$16.1 million.
- **Receivables** are higher than budget by \$5 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 \$1.4 million due to the timing of sale of land at Izone.
- **Property, plant and equipment** is higher than budget by \$64.4 million due to the timing of completion of some large capital projects and the waters valuation movements being \$78 million as waters moved to an annual revaluation cycle.
- **Investment in council controlled organisations** is higher than budget by \$14.2 million due to valuation movements in the Council's investments in Orion New Zealand Limited and Sicon Limited above budget.
- **Investment Property** is higher than budget by \$12.6 million due to the completion of the health hub building in Rolleston.

## Liabilities

- **Borrowings** are lower than budget by \$45.7 million because the budget included higher borrowing levels in the current year to fund capital projects which have been funded using existing cash reserves or have been carried forward for completion in future periods.
- **Payables and deferred revenue** is higher than budget by \$6.5 million largely due to revenue received in advance of \$4.7 million from the Department of Internal Affairs in relation to the proposed 3 waters reform. This funding has been allocated to the construction of a wastewater conveyance pipeline from the townships of Darfield and Kirwee to the Pines water treatment plant.

## Financials – annual report disclosure statement for year ending 30 June 2021

### 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.

For 2020/21 council is reporting against its limits as outlined in the 2018-28 LTP

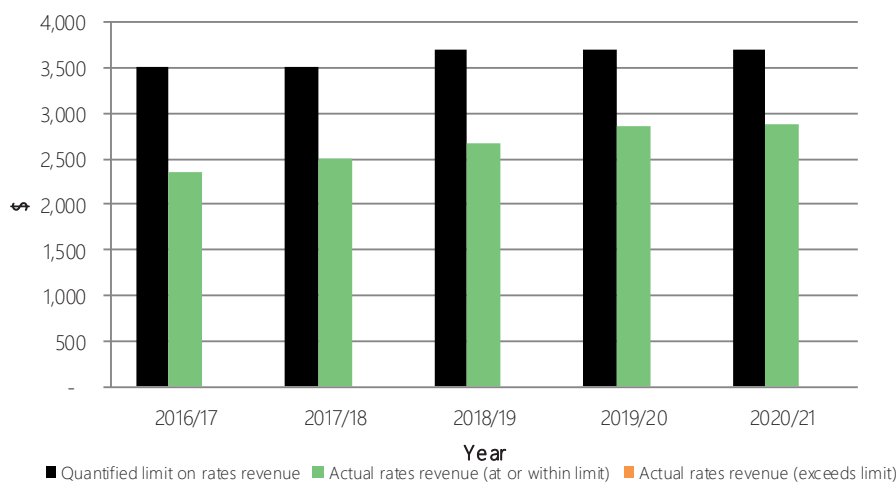
### Rates affordability benchmark

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

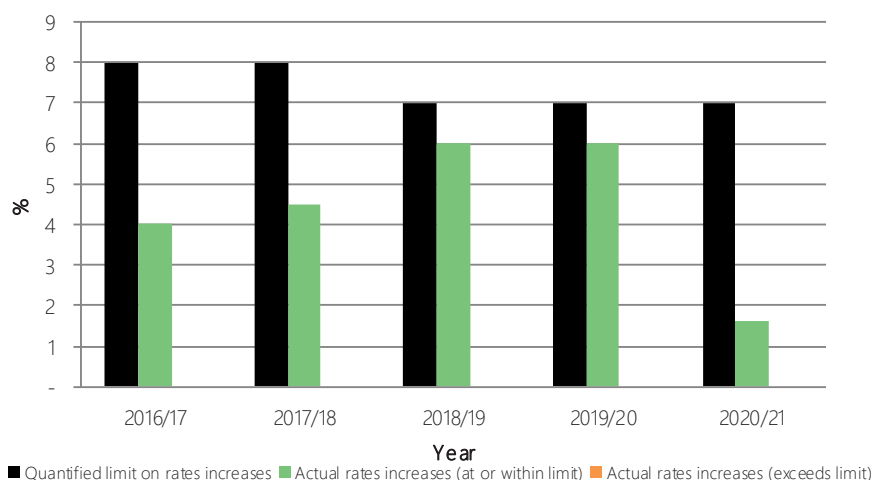
The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is actual rates revenue (including GST) will not exceed \$3,700 per ratepayer.



■ Quantified limit on rates revenue ■ Actual rates revenue (at or within limit) ■ Actual rates revenue (exceeds limit)

#### 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.



■ Quantified limit on rates increases ■ Actual rates increases (at or within limit) ■ Actual rates increases (exceeds limit)

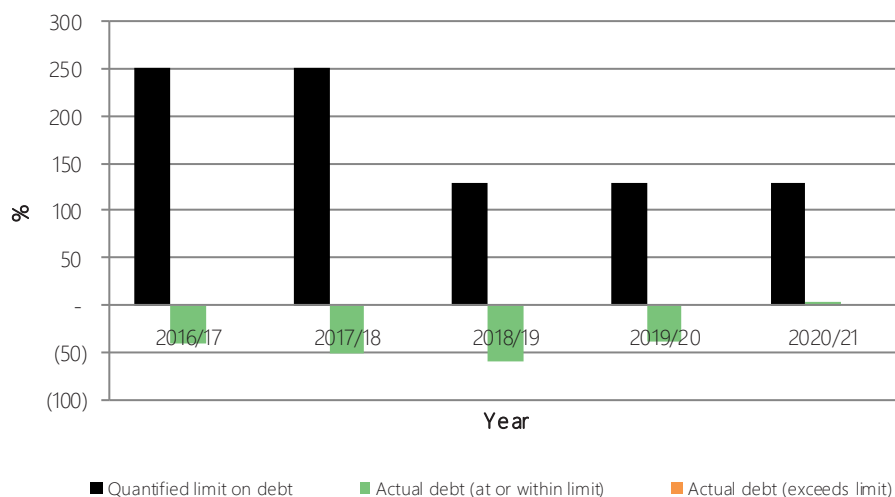


### Debt affordability benchmark

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

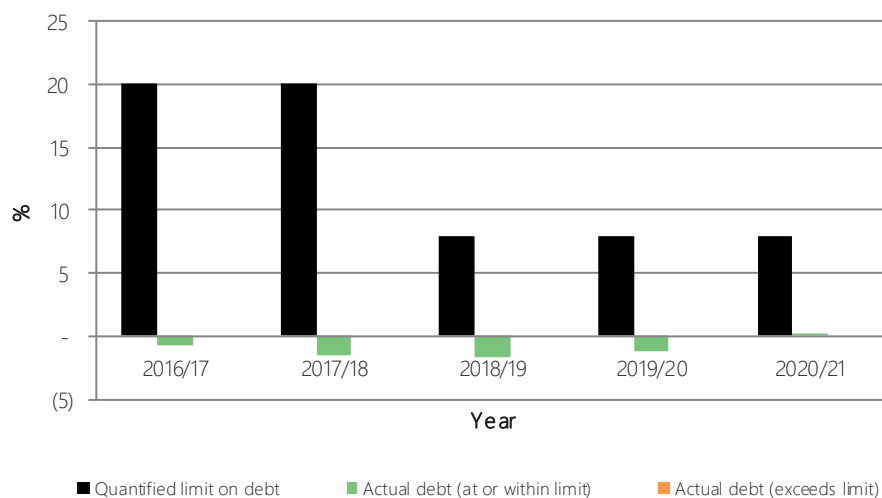
#### *Net borrowing as percentage of revenue*

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%.



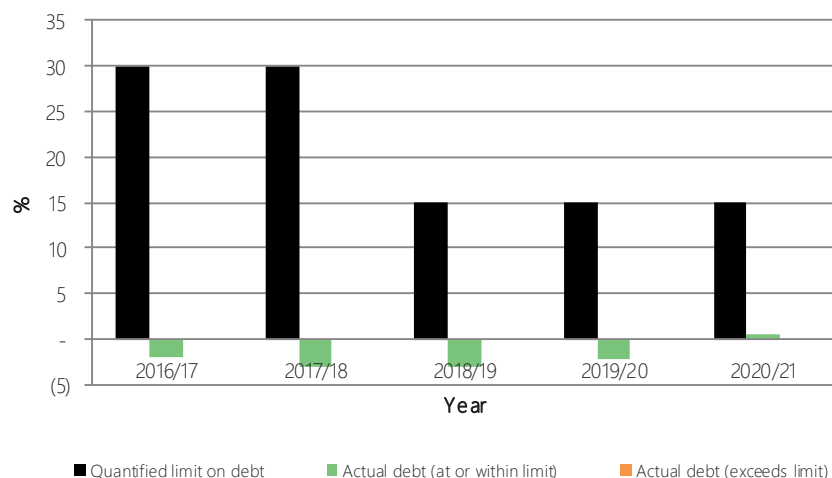
#### *Net interest as percentage of revenue*

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

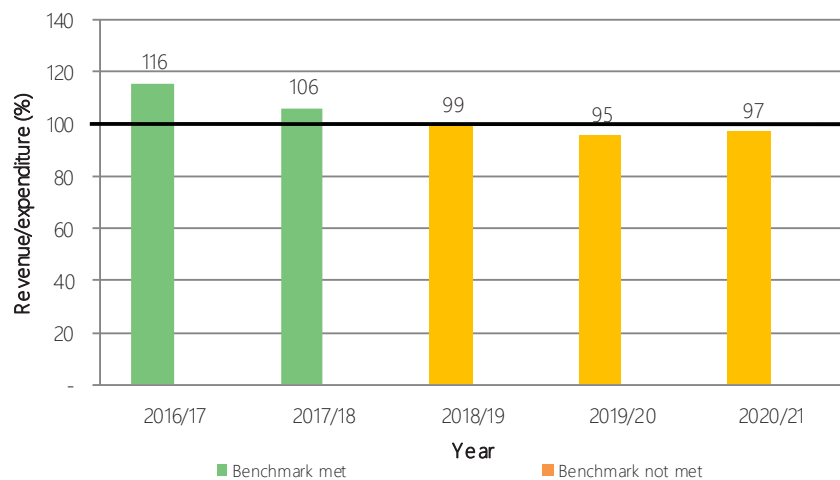
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest as a percentage of rates revenue will be less than 15%.



### 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.

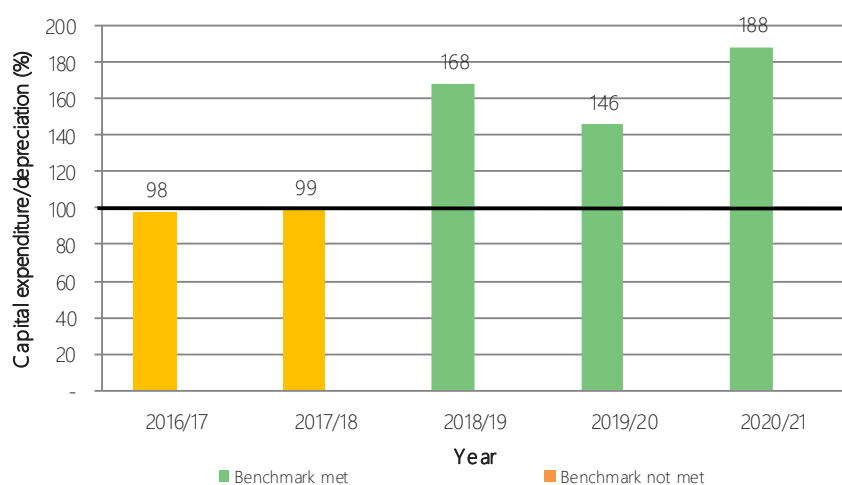


2018/19, 2019/20 and 2020/21 –The Council did not meet the balanced budget benchmark largely due to the Council's decision to not fully fund depreciation (the Council generally funds renewals rather than depreciation).

### Essential services benchmark

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

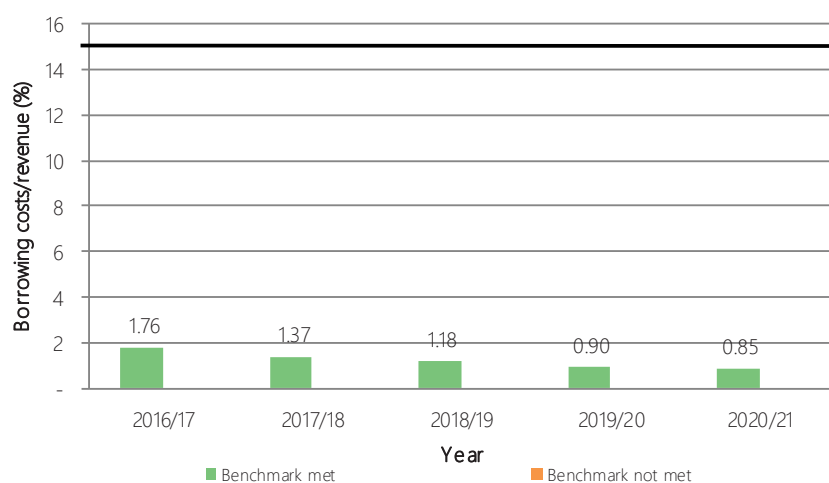
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



### 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.

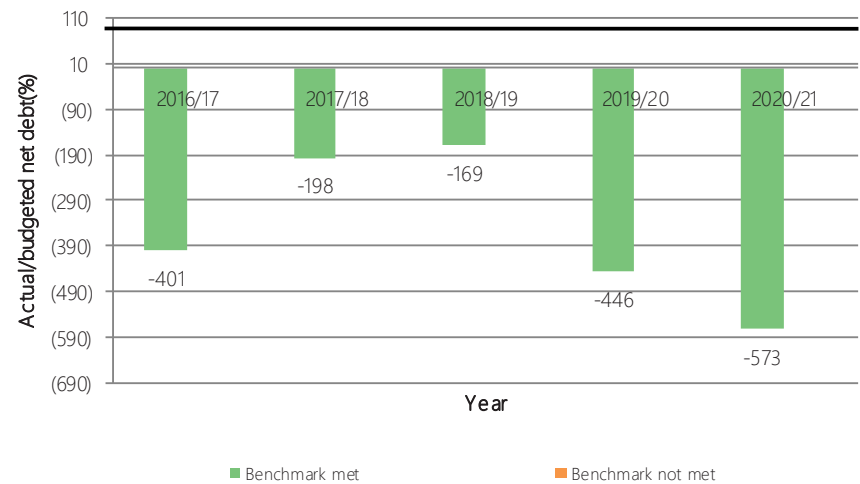




Debt control benchmark

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).

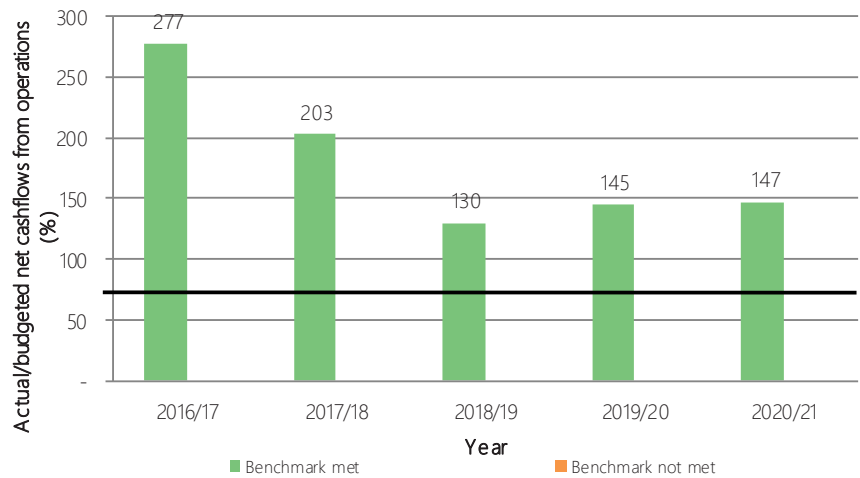
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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: 30,500
- The total capital value of rating units within the district at the end of the preceding financial year: \$25.5 billion
- The total land value of rating units at the end of the preceding financial year: \$13.2 billion

## Insurance of assets

- The total value of all assets that are covered by insurance contracts: \$1,107 million
- The maximum amount to which assets are insured: \$480 million.
- The maximum amount to which assets are covered by financial risk sharing arrangements: \$627 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 \$1,107 million. \$627 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 2021 \$11.8 million.
- General insurance reserve as at 30 June 2021: \$0.7 million.

## Financials – statement of comprehensive revenue and expense for the year ended 30 June 2021

### Statement of Comprehensive Revenue and Expense

	Note	Council 2020/21 \$000	Council Budget \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<b>Revenue</b>						
Rates	2	68,738	67,876	64,624	68,731	64,618
Fees and charges	3	21,179	17,149	18,992	20,617	18,369
Development and financial contributions		24,739	16,216	26,264	24,739	26,264
Subsidies and grants		15,187	17,012	11,555	15,211	11,555
Other revenue	4	37,800	37,996	67,039	69,757	97,157
Gains	5	3,552	2,350	2,145	2,898	2,249
<b>Total revenue</b>	<b>1</b>	<b>171,195</b>	<b>158,599</b>	<b>190,619</b>	<b>201,953</b>	<b>220,212</b>
<b>Expenditure</b>						
Employee benefit expenses	6	25,329	25,796	24,999	44,648	42,366
Depreciation and amortisation expense	7	32,893	35,025	28,717	35,336	31,659
Other expenses	8	62,073	58,216	58,897	67,346	64,519
Finance costs		330	1,787	920	333	972
<b>Total operating expenditure</b>	<b>1</b>	<b>120,625</b>	<b>120,824</b>	<b>113,533</b>	<b>147,663</b>	<b>139,516</b>
<b>Surplus / (deficit) before taxation</b>		<b>50,570</b>	<b>37,775</b>	<b>77,086</b>	<b>54,290</b>	<b>80,696</b>
Income taxation expense / (benefit)	9	45	-	(70)	1,931	1,683
<b>Surplus / (deficit) after taxation</b>		<b>50,525</b>	<b>37,775</b>	<b>77,156</b>	<b>52,359</b>	<b>79,013</b>
<i>Surplus / (deficit) attributable to:</i>						
Selwyn District Council		50,525	37,775	77,156	52,359	79,013
<b>Other comprehensive revenue and expense</b>						
<i>Items that will be reclassified to surplus / (deficit)</i>						
Financial assets at fair value	21	-	-	20,821	-	18,971
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Gain / (loss) on infrastructure assets revaluation	15	78,141	-	93,869	78,141	93,869
Gain / (loss) on land and building revaluation	15	-	-	-	765	123
<b>Total other comprehensive revenue and expense</b>		<b>78,141</b>	<b>-</b>	<b>114,690</b>	<b>78,906</b>	<b>112,963</b>
<b>Total comprehensive revenue and expense</b>		<b>128,666</b>	<b>37,775</b>	<b>191,846</b>	<b>131,265</b>	<b>191,976</b>
<i>Total comprehensive revenue and expense attributable to:</i>						
Selwyn District Council		128,666	37,775	191,846	131,265	191,976
<b>Total comprehensive revenue and expense</b>		<b>128,666</b>	<b>37,775</b>	<b>191,846</b>	<b>131,265</b>	<b>191,976</b>

The accompanying notes form part of these financial statements.



## Financials – statement of changes in equity for the year ended 30 June 2021

	Note	Council 2020/21 \$000	Council Budget \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Balance at 1 July		1,819,342	1,762,067	1,627,496	1,815,048	1,623,072
Total comprehensive revenue and expense for the year		128,666	37,775	191,846	131,265	191,976
Balance at 30 June	20-23	1,948,008	1,799,842	1,819,342	1,946,313	1,815,048
<i>Total comprehensive revenue and expense for the year is attributable to:</i>						
Selwyn District Council		128,666	37,775	191,846	131,265	191,976
Total comprehensive revenue and expense		128,666	37,775	191,846	131,265	191,976

The accompanying notes form part of these financial statements.

## Financials – statement of financial position as at 30 June 2021

	Note	Council Actual 2020/21 \$000	Council Budget 2020/21 \$000	Council Restated 2019/20 \$000	Group Actual 2020/21 \$000	Group Restated 2019/20 \$000
<b>Current assets</b>						
Cash and cash equivalents		28,256	12,412	16,909	35,717	24,686
Receivables	10	13,068	8,000	14,952	14,915	15,008
Derivative financial instruments	11	105	-	-	105	-
Inventory	12	1,460	30	1,562	5,651	4,749
Other financial assets	13	28,313	28,752	60,289	28,313	60,289
Income taxation receivable	9	8	-	-	-	-
Property held for sale		-	-	-	109	575
<b>Total current assets</b>		<b>71,210</b>	<b>49,194</b>	<b>93,712</b>	<b>84,810</b>	<b>105,307</b>
<b>Non-current assets</b>						
Receivables	10	29	300	125	29	125
Derivative financial instruments	11	1,635	-	-	1,635	-
Other financial assets	13	519	1,089	833	519	833
Investment in council controlled organisations	13	133,472	119,244	132,847	109,372	108,747
Investment property	14,35	41,460	29,161	29,180	33,610	22,095
Forestry assets		393	247	213	393	213
Property, plant and equipment	15,35	1,793,238	1,728,591	1,626,765	1,814,624	1,646,311
Deferred tax	9	-	-	-	438	516
Intangible assets	15	195	489	346	1,555	1,818
<b>Total non-current assets</b>		<b>1,970,941</b>	<b>1,879,121</b>	<b>1,790,309</b>	<b>1,962,175</b>	<b>1,780,658</b>
<b>Total assets</b>		<b>2,042,151</b>	<b>1,928,315</b>	<b>1,884,021</b>	<b>2,046,985</b>	<b>1,885,965</b>
<b>Current liabilities</b>						
Payables and deferred revenue	16	27,545	21,000	23,965	29,312	25,899
Employee benefit liabilities	17	3,098	-	3,419	4,794	5,067
Other provisions	18	360	-	210	711	588
Income taxation payable	9	-	-	27	1,309	1,356
Derivative financial instruments	11	347	-	383	347	383
Borrowings	19	5,000	-	-	5,000	-
<b>Total current liabilities</b>		<b>36,350</b>	<b>21,000</b>	<b>28,004</b>	<b>41,473</b>	<b>33,293</b>
<b>Non-current liabilities</b>						
Employee benefit liabilities	17	112	-	113	126	126
Other provisions	18	1,043	1,043	1,043	1,043	1,043
Deferred tax	9	10	-	-	1,402	936
Derivative financial instruments	11	1,428	524	319	1,428	319
Borrowings	19	55,200	105,907	35,200	55,200	35,200
<b>Total non-current liabilities</b>		<b>57,793</b>	<b>107,474</b>	<b>36,675</b>	<b>59,199</b>	<b>37,624</b>
<b>Equity</b>						
General funds	20	1,084,650	1,074,487	1,037,237	1,094,777	1,045,530
Fair value through other comprehensive revenue	21	86,398	37,913	86,398	71,297	71,297
Special funds	22	72,438	73,195	66,009	72,438	66,009
Asset revaluation reserve	23	704,522	614,247	629,698	707,801	632,212
<b>Total equity</b>		<b>1,948,008</b>	<b>1,799,842</b>	<b>1,819,342</b>	<b>1,946,313</b>	<b>1,815,048</b>
<b>Total liabilities and equity</b>		<b>2,042,151</b>	<b>1,928,315</b>	<b>1,884,021</b>	<b>2,046,985</b>	<b>1,885,965</b>

The accompanying notes form part of these financial statements.

## Financials – statement of cash flows for the year ended 30 June 2021

	Note	Council Actual 2020/21 \$000	Council Budget 2020/21 \$000	Council Actual 2019/20 \$000	Group Actual 2020/21 \$000	Group Actual 2019/20 \$000
<b>Operating activities</b>						
<i>Cash was provided from:</i>						
Receipts from customers		136,330	119,855	124,686	166,500	155,872
Agency receipts		2,392	1,155	2,323	2,392	2,323
Interest received		1,323	1,052	2,479	1,327	2,490
Dividends received		5,388	6,236	3,899	3,888	3,099
Income taxation received		-	-	33	-	207
Goods and services taxation (net)		2,245	-	(1,460)	1,903	(735)
		147,678	128,298	131,960	176,010	163,256
<i>Cash was applied to:</i>						
Payments to suppliers and employees		83,452	83,977	82,078	107,889	102,178
Agency payments		2,392	1,155	2,323	2,392	2,323
Income taxation		70	-	-	1,434	-
Interest paid		990	1,787	978	993	1,030
		86,904	86,919	85,379	112,708	105,531
Net cash flow from operating activities	24	60,774	41,379	46,581	63,302	57,725
<b>Investment activities</b>						
<i>Cash was provided from:</i>						
Sale of property, plant & equipment		2,210	3,120	1,230	2,799	2,025
Proceeds from investments		59,665	43,248	71,503	59,665	71,500
		61,875	46,368	72,733	62,464	73,525
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		98,016	156,385	70,889	101,449	73,331
Purchase of intangible assets		7	-	22	7	22
Purchase of investments		28,000	-	60,000	28,000	60,000
Purchase of investment property		10,279	-	158	10,279	-
		136,302	156,385	131,069	139,735	133,353
Net cash flow from investing activities		(74,427)	(110,017)	(58,336)	(77,271)	(59,828)



**Financials – statement of cash flows for the year ended 30 June 2021 (continued)**

	Note	Council Actual 2020/21 \$000	Council Budget 2020/21 \$000	Council Actual 2019/20 \$000	Group Actual 2020/21 \$000	Group Actual 2019/20 \$000
<b>Financing activities</b>						
<i>Cash was provided from:</i>						
Loans raised		25,000	70,707	25,000	25,000	25,000
		25,000	70,707	25,000	25,000	25,000
<i>Cash was applied to:</i>						
Settlement of loans		-	-	5,000	-	5,000
		-	-	5,000	-	5,000
Net cash flow from financing activities		25,000	70,707	20,000	25,000	20,000
Net increase / (decrease) in cash and cash equivalents		11,347	2,069	8,245	11,031	17,897
Plus: opening cash and cash equivalents		16,909	10,343	8,664	24,686	6,789
Cash, cash equivalents at the end of the year		28,256	12,412	16,909	35,717	24,686
<i>Summary of cash resources:</i>						
Cash and bank		28,248	12,404	16,901	35,709	24,678
Short term deposits maturing w ithin 3 months		8	8	8	8	8
Bank overdrafts		-	-	-	-	(3,000)
Cash, cash equivalents at the end of the year		28,256	12,412	16,909	35,717	21,686

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 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 2021. The financial statements were authorised for issue by Council on 22 December 2021.

### 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.

#### *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 2021 (2020: 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	10 – 119 years	0.84% - 10%
Surface (sealed roads)	1 – 30 years	3.33% - 100%
Surface (unsealed roads)	10 years	10%
Kerb & channelling	50 – 80 years	1.25% - 2%
Footpaths base and surface	10 – 80 years	1.25% – 2%
Culverts	20 – 100 years	1% - 2%
Traffic signs	10 years	10%
Street lights	20 years	5%
Street light poles	40 years	2.5%
Bridges	50 – 150 years	0.7% - 2%
Railings	20 – 40 years	2.5% to 5%

### Water races

Water races (structure)	10 – 140 years	0.7% - 10%
Water races (race)	10 – 140 years	0.7% - 10%

### Land drainage and Stormwater

Land drainage (structure)	5 – 110 years	0.9% - 20%
Land drainage (drain)	5 – 110 years	0.95% - 20%

### Water supplies

Wells	3 – 110 years	0.9% - 33.33%
Pump Stations	5 – 125 years	0.8% - 20%
Reservoirs	39 – 50 years	2% - 2.5%
Valves Service Connections	5 – 101 years	1% - 20%
Pipes & Fire Hydrants	3 – 103 years	1% - 33.33%

**Sewerage systems**

Manholes	11 – 100 years	1% - 9%
Pipes	4 – 100 years	1% - 25%
Pump stations	20 – 60 years	1.6% - 5%
Sewerage treatment stations	5 – 150 years	0.5% - 20%
Service connection	10 – 100 years	1% - 10%

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 2020 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 2021, 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 2021 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 2021.

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 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, 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 2021. 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 33 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.

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.

Experienced independent valuers perform Selwyn District Council's infrastructural asset revaluations. Note 15 provides further detail on estimates and assumptions associated with asset valuations.

### **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 2020/21 \$000	Council Budget \$000	Council 2019/20 \$000
<b>Revenue</b>			
Democracy	924	966	1,008
Community facilities	34,513	29,801	29,608
Community services	401	60	231
Environmental services	8,914	5,983	8,600
Transportation	18,488	18,601	13,509
Solid waste management	12,532	11,805	10,879
Community water supplies	11,686	9,834	11,013
Community waste water supplies	16,698	13,550	17,532
Stormwater	1,627	1,749	1,573
Water races and land drainage	3,331	3,311	3,189
Izone southern business hub	485	1,156	3,349
<b>Total activity revenue</b>	<b>109,599</b>	<b>96,816</b>	<b>100,491</b>
General rates	24,323	24,405	22,775
Rates penalties	189	150	646
Other corporate revenue	7,983	8,581	10,529
Vested assets	29,101	28,647	56,178
<b>Total revenue</b>	<b>171,195</b>	<b>158,599</b>	<b>190,619</b>
<b>Expenditure</b>			
Democracy	3,413	3,535	5,098
Community facilities	28,463	32,809	25,806
Community services	3,121	3,521	2,786
Environmental services	15,963	15,192	14,648
Transportation	28,023	24,809	25,523
Solid waste management	10,992	11,501	9,894
Community water supplies	11,689	10,409	10,280
Community waste water supplies	12,013	10,955	10,831
Stormwater	2,340	2,137	1,894
Water races and land drainage	3,836	4,047	3,595
Izone southern business hub	266	217	1,339
Other corporate expenditure	506	1,692	1,839
<b>Total activity expenditure</b>	<b>120,625</b>	<b>120,824</b>	<b>113,533</b>
<b>Total operating expenditure</b>	<b>120,625</b>	<b>120,824</b>	<b>113,533</b>

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 2020/21 \$000	Council Actual 2019/20 \$000	Group Actual 2020/21 \$000	Group Actual 2019/20 \$000
General rates	24,323	22,775	24,316	22,769
Rates penalties	189	646	189	646
<i>Targeted rates attributable to activities:</i>				
Metered water supply	2,454	2,114	2,454	2,114
Community facilities	14,192	13,502	14,192	13,502
Democracy	912	865	912	865
Solid waste management	8,855	8,092	8,855	8,092
Community waste water supplies	7,632	7,050	7,632	7,050
Community water supplies	5,975	5,461	5,975	5,461
Stormwater	1,386	1,309	1,386	1,309
Water races and land drainage	2,820	2,810	2,820	2,810
<b>Total rates</b>	<b>68,738</b>	<b>64,624</b>	<b>68,731</b>	<b>64,618</b>

**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' can be found on the Council's website.

	Council Actual 2020/21 \$000	Council Actual 2019/20 \$000	Group Actual 2020/21 \$000	Group Actual 2019/20 \$000
Total gross rates	68,806	64,688	68,799	64,682
<i>Rates remissions:</i>				
Sports bodies	26	22	26	22
Churches	24	25	24	25
Other social and cultural organisations	18	17	18	17
<b>Total remissions</b>	<b>68</b>	<b>64</b>	<b>68</b>	<b>64</b>
<b>Rates (net of remissions)</b>	<b>68,738</b>	<b>64,624</b>	<b>68,731</b>	<b>64,618</b>

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 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Building consents	6,421	5,845	6,421	5,845
Connection and irrigation fees	285	251	285	251
Dog registration	566	485	566	485
Gravel royalties	14	9	14	9
Leases - property	935	780	925	729
Land information memorandum fees	511	317	511	317
Facility rental and hire charges	761	677	761	677
Rental income from investment properties	1,721	1,580	1,169	1,008
Resource consent fees	1,369	1,608	1,369	1,608
Selwyn Aquatic Centre	1,749	1,500	1,749	1,500
Solid waste fees and charges	3,527	2,723	3,527	2,723
Other fees and charges	3,320	3,217	3,320	3,217
<b>Total fees and charges</b>	<b>21,179</b>	<b>18,992</b>	<b>20,617</b>	<b>18,369</b>

## Note 4: Other revenue

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Dividend revenue	5,888	4,536	3,888	3,036
Interest revenue	682	2,339	686	2,350
Land sales	444	3,309	444	3,309
Petroleum tax	267	287	267	287
Provisions reversed during the year	2	23	2	86
Flood event recovery	158	-	158	-
Vested land and infrastructure from property development	29,101	56,178	29,101	56,178
Other income - Council	1,258	367	1,258	367
Other trading income - Sicon Group	-	-	33,953	29,890
Other income - COVID-19 Wage Subsidy	-	-	-	1,654
<b>Total other revenue</b>	<b>37,800</b>	<b>67,039</b>	<b>69,757</b>	<b>97,157</b>

## Note 5: Other gains

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Gain on changes in fair value of forestry	180	-	180	-
Gain on disposal of property, plant and equipment	1,080	382	1,191	609
Gain on changes in fair value of investment property (Note 14)	2,292	1,763	1,527	1,640
<b>Total gains</b>	<b>3,552</b>	<b>2,145</b>	<b>2,898</b>	<b>2,249</b>

## Note 6: Employee benefit expenses

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Salaries and wages	24,968	23,280	43,779	39,949
Employer contributions to superannuation plans	683	587	1,136	978
Employer contributions to other plans & benefits	-	-	6	5
Increase / (decrease) in employee liabilities	(322)	1,132	(273)	1,434
<b>Total employee benefit expenses</b>	<b>25,329</b>	<b>24,999</b>	<b>44,648</b>	<b>42,366</b>

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

**Council employee numbers and remuneration**

	Council 30 June 2021
Number of employees employed by Selwyn District Council	495
Number of full-time employees at Selwyn District Council	240
Full-time equivalent number of all other employees	94
<b>Total full-time equivalent</b>	<b>334</b>

*Number of employees receiving total annual remuneration:*

Less than \$60,000	308
\$60,001 - \$80,000	78
\$80,001 - \$100,000	62
\$100,001 - \$120,000	28
\$120,001 - \$140,000	8
\$140,001 - \$200,000	6
\$220,001 - \$360,000	5

<b>Number of employees employed by Selwyn District Council</b>	<b>495</b>
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	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
<b>Total full-time equivalent</b>	<b>300</b>

*Number of employees receiving total annual remuneration:*

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

<b>Number of employees employed by Selwyn District Council</b>	<b>447</b>
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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
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	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Operational assets (Note 15a and 15b)	5,634	5,344	7,965	7,743
Infrastructural assets (Note 15c)	27,101	23,208	27,101	23,208
Intangible assets	158	165	270	708
<b>Total depreciation and amortisation</b>	<b>32,893</b>	<b>28,717</b>	<b>35,336</b>	<b>31,659</b>

**Depreciation and amortisation by group of activity**

	Council 2020/21 \$000	Council Budget \$000	Council 2019/20 \$000
<i>Directly attributable depreciation and amortisation expense by group of activity:</i>			
Community facilities	5,017	7,932	4,704
Community services	32	23	52
Democracy	8	8	8
Environmental services	146	151	138
Internal Council services	566	741	579
Izone southern business hub	24	34	28
Solid waste management	158	339	151
Stormwater	1,048	960	895
Transportation	15,366	14,591	13,115
Wastewater	5,198	5,024	4,412
Water races and land drainage	580	764	585
Water supply	4,750	4,458	4,050
<b>Total depreciation and amortisation</b>	<b>32,893</b>	<b>35,025</b>	<b>28,717</b>

## Note 8: Other expenses

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<i>Fees to auditors:</i>				
- fees to Audit New Zealand for audit of the financial statements	157	139	254	246
- fees to Audit New Zealand for the assurance of the debenture trust	7	5	7	5
- fees to Audit New Zealand for audit of the 2021 - 2031 LTP	91	-	91	-
Bad debts written off	23	12	23	12
Cost of sales	104	852	104	852
Directors' and elected members' remuneration	716	673	872	848
Grants	402	328	402	328
Impairment of property, plant and equipment	-	-	-	192
Loss on changes in fair value of investment property (Note 14)	-	156	-	156
Loss on disposal of assets	146	597	160	655
Operating lease payments	187	163	303	298
Refuse	10,540	9,194	10,540	9,194
Roading	14,439	14,410	14,439	14,410
Valuation services	260	252	260	252
Other operating expenses	35,001	32,116	39,891	37,071
<b>Total other expenses</b>	<b>62,073</b>	<b>58,897</b>	<b>67,346</b>	<b>64,519</b>

## Note 9: Income taxation

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<b>Relationship between taxation expense and accounting profit</b>				
Surplus / (deficit) before tax continuing activities	50,570	77,086	54,290	80,696
Taxation at 28%	14,160	21,584	15,201	22,595
<i>Plus / (less) tax effect of:</i>				
Permanent adjustments (non-taxable revenue)	(14,105)	(21,624)	(13,219)	(20,882)
Prior year adjustment	(10)	(30)	(18)	(30)
Taxation expense	45	(70)	1,964	1,683
<b>Components of tax expense</b>				
Current taxation expense	45	52	1,444	1,460
Prior year adjustments	(10)	(46)	(18)	(46)
Deferred taxation expense	10	(76)	505	269
Taxation expense	45	(70)	1,931	1,683
<b>Taxation expense attributable to:</b>				
Continuing operations	45	(70)	1,931	1,683
Total taxation expense / (benefit)	45	(70)	1,931	1,683
<b>Taxation receivable / (provision)</b>				
Opening balance 1 July	(27)	28	(1,356)	99
Less: current taxation expense	(45)	(52)	(1,444)	(1,460)
Less: taxation refund	(11)	(59)	1,353	(305)
Prior period adjustments	10	31	57	285
Plus: taxation paid	81	25	81	25
Taxation receivable / (provision)	8	(27)	(1,309)	(1,356)



**Deferred taxation assets / (liabilities)**

	Opening Balance 1 July 2020 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Closing Balance 30 June 2021 \$000
<b>Parent</b>				
<b>Deferred tax liabilities</b>				
Investment property	-	(10)	-	(10)
Property, plant & equipment	-	-	-	-
Deferred taxation liabilities	-	(10)	-	(10)
<b>Deferred tax assets</b>				
Trade and other payables	-	-	-	-
Employee benefits and other accruals	-	-	-	-
Deferred taxation assets	-	-	-	-
Net deferred taxation balance	-	(10)	-	(10)

	Opening Balance 1 July 2019 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Closing Balance 30 June 2020 \$000
<b>Parent</b>				
<b>Deferred taxation liabilities</b>				
Investment property	(80)	80	-	-
Property, plant & equipment	(13)	13	-	-
Deferred taxation liabilities	(93)	93	-	-
<b>Deferred taxation assets</b>				
Trade and other payables	-	-	-	-
Employee benefits and other accruals	-	-	-	-
Deferred taxation assets	-	-	-	-
Net deferred taxation balance	(93)	93	-	-

	Opening Balance 1 July 2020	Charged to Surplus	Charged to other comp- rehensive income	Closing Balance 30 June 2021
	\$000	\$000	\$000	\$000
<b>Group</b>				
<b>Deferred tax liabilities</b>				
Property, plant & equipment	(54)	(47)	(60)	(161)
Trade and other receivables	(665)	-	-	(665)
Accrued revenue	-	(338)	-	(338)
Retentions	(217)	(21)	-	(238)
Deferred taxation liabilities	(936)	(406)	(60)	(1,402)
<b>Deferred tax assets</b>				
Property, plant & equipment	84	(47)	-	37
Trade and other payables	171	(57)	-	114
Employee benefits and other accruals	261	26	-	287
Deferred taxation assets	516	(76)	-	438
Net deferred taxation	(420)	(482)	(60)	(964)
	Opening Balance 1 July 2019	Charged to Surplus	Charged to other comp- rehensive income	Closing Balance 30 June 2020
	\$000	\$000	\$000	\$000
<b>Group</b>				
<b>Deferred taxation liabilities</b>				
Property, plant & equipment	(139)	85	-	(54)
Trade and other receivables	-	(665)	-	(665)
Retentions	(171)	(46)	-	(217)
Deferred taxation liabilities	(310)	(626)	-	(936)
<b>Deferred tax assets</b>				
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)

## Note 10: Receivables

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Rates receivables	1,948	3,457	1,948	3,457
<i>Other receivables:</i>				
- Other	4,774	3,710	8,275	5,204
- Related party receivables (Note 27)	124	211	66	146
Community loans	29	125	29	125
Dividend receivable	2,000	1,500	-	-
Flood event insurance receivable	158	-	158	-
Sundry receivables & prepayments	4,081	6,116	4,485	6,243
<b>Gross receivables</b>	<b>13,114</b>	<b>15,119</b>	<b>14,961</b>	<b>15,175</b>
Less: provision for impairment	(17)	(42)	(17)	(42)
<b>Total receivables</b>	<b>13,097</b>	<b>15,077</b>	<b>14,944</b>	<b>15,133</b>
Less: non - current community loans	(29)	(125)	(29)	(125)
<b>Current portion</b>	<b>13,068</b>	<b>14,952</b>	<b>14,915</b>	<b>15,008</b>
<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>	3,514	7,999	1,456	6,434
Receivables from exchange transactions <i>(this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)</i>	9,600	7,120	13,505	8,741

Community loans have been valued at amortised cost, which approximates the loan's fair value. The face value of community loans is \$55,000 (2020: \$151,000).

**Fair value**

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

**Impairment***Rates receivable*

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.

*Other receivables*

The carrying amount of receivables that would otherwise be past due or impaired and whose terms have been renegotiated is \$nil (2020 \$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 2020/21 \$000	Impairment 2020/21 \$000	Council Net 2020/21 \$000	Gross 2019/20 \$000	Impairment 2019/20 \$000	Council Net 2019/20 \$000
Not past due	3,756	-	3,756	1,694	-	1,694
Past due 1 - 30 days	257	-	257	775	-	775
Past due 31 - 60 days	280	-	280	404	-	404
Past due > 61 days	2,429	(17)	2,412	4,294	(42)	4,252
<b>Total</b>	<b>6,722</b>	<b>(17)</b>	<b>6,705</b>	<b>7,167</b>	<b>(42)</b>	<b>7,125</b>

	Gross 2020/21 \$000	Impairment 2020/21 \$000	Group Net 2020/21 \$000	Gross 2019/20 \$000	Impairment 2019/20 \$000	Group Net 2019/20 \$000
Not past due	5,822	-	5,822	3,018	-	3,018
Past due 1 - 30 days	1,643	-	1,643	843	-	843
Past due 31 - 60 days	288	-	288	427	-	427
Past due > 61 days	2,470	(17)	2,453	4,373	(42)	4,331
<b>Total</b>	<b>10,223</b>	<b>(17)</b>	<b>10,206</b>	<b>8,661</b>	<b>(42)</b>	<b>8,619</b>

As of 30 June 2021 and 2020, 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 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Opening balance 1 July	(42)	(77)	(42)	(77)
Provisions reversed during the year	2	23	2	23
Receivables written-off during the period	23	12	23	12
<b>Closing balance 30 June</b>	<b>(17)</b>	<b>(42)</b>	<b>(17)</b>	<b>(42)</b>

## Note 11: Derivative financial instruments

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<b>Current asset portion</b>				
Interest rate sw aps - cash flow hedges	105	-	105	-
<b>Total current asset portion</b>	<b>105</b>	<b>-</b>	<b>105</b>	<b>-</b>
<b>Non-current asset portion</b>				
Interest rate sw aps - cash flow hedges	1,635	-	1,635	-
<b>Total non-current asset portion</b>	<b>1,635</b>	<b>-</b>	<b>1,635</b>	<b>-</b>
<b>Total derivative financial instrument assets</b>	<b>1,740</b>	<b>-</b>	<b>1,740</b>	<b>-</b>
<b>Current liability portion</b>				
Interest rate sw aps - cash flow hedges	347	383	347	383
<b>Total current liability portion</b>	<b>347</b>	<b>383</b>	<b>347</b>	<b>383</b>
<b>Non-current liability portion</b>				
Interest rate sw aps - cash flow hedges	1,428	319	1,428	319
<b>Total non-current liability portion</b>	<b>1,428</b>	<b>319</b>	<b>1,428</b>	<b>319</b>
<b>Total derivative financial instrument liabilities</b>	<b>1,775</b>	<b>702</b>	<b>1,775</b>	<b>702</b>

**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 \$38 million (2020: \$25 million) and for the group \$38 million (2020: \$25 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% (2020: 0.80% to 5.43%) and the group rates varied from 0.80% to 5.43% (2020: 0.8% to 5.43%).

## Note 12: Inventory and work in progress

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<b>Current</b>				
Gravel stocks	-	-	190	262
Izone Southern Business Hub - land held for sale	1,441	1,545	1,441	1,545
Other direct materials	-	-	335	549
Selwyn Aquatic Centre & Selwyn Sports Centre	19	17	19	17
Work in progress	-	-	3,666	2,376
<b>Total current inventory</b>	<b>1,460</b>	<b>1,562</b>	<b>5,651</b>	<b>4,749</b>

There is no inventory pledged as security for liabilities (2020: \$nil), there is no inventory subject to retention of title clauses (2020:\$nil), nor has there been any write-down of inventory (2020: \$nil).

## Note 13: Other financial assets

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<b>Current portion</b>				
<i>Loans and receivables</i>				
Term deposits with maturities of 4-12 months*	28,000	60,000	28,000	60,000
Finance lease receivable **	313	289	313	289
<b>Total loans and receivables</b>	<b>28,313</b>	<b>60,289</b>	<b>28,313</b>	<b>60,289</b>
<b>Total current portion</b>	<b>28,313</b>	<b>60,289</b>	<b>28,313</b>	<b>60,289</b>
<b>Non - current portion</b>				
<i>Loans and receivables</i>				
Finance lease receivable **	82	396	82	396
<b>Total loans and receivables</b>	<b>82</b>	<b>396</b>	<b>82</b>	<b>396</b>
<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	106,500	106,500	106,500
Sicon Limited ***	24,100	24,100	-	-
Local Government Funding Agency ***	1,372	747	1,372	747
Central Plains Water Limited ***	437	437	437	437
<b>Total fair value through other comprehensive revenue and expense</b>	<b>133,909</b>	<b>133,284</b>	<b>109,809</b>	<b>109,184</b>
<b>Total non - current portion</b>	<b>133,991</b>	<b>133,680</b>	<b>109,891</b>	<b>109,580</b>

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 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Balance at 1 July	133,284	112,063	109,184	89,813
Purchase of new assets	625	400	625	400
Realisation of assets	-	-	-	-
Gains / (losses) in other comprehensive revenue and expense	-	20,821	-	18,971
Balance at 30 June	133,909	133,284	109,809	109,184

### 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.

### Note 14: Investment property

	Council 2020/21 \$000	Restated Council 2019/20 \$000	Group 2020/21 \$000	Restated Group 2019/20 \$000
Opening balance 1 July	29,180	24,487	22,095	17,603
Additions	9,988	2,721	9,988	2,643
Transfer from (to) property, plant and equipment	-	365	-	365
Net fair value gains / (losses) on valuation (Note 5 & Note 8)	2,292	1,607	1,527	1,484
Closing balance 30 June	41,460	29,180	33,610	22,095

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 2020/21 \$000	Restated Council 2019/20 \$000	Group 2020/21 \$000	Restated Group 2019/20 \$000
Operational assets (Note 15 a & b)	405,220	363,381	426,606	382,927
Infrastructural assets (Note 15 c)	1,388,018	1,263,384	1,388,018	1,263,384
<b>Total property, plant and equipment</b>	<b>1,793,238</b>	<b>1,626,765</b>	<b>1,814,624</b>	<b>1,646,311</b>

**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 2020 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: \$34,510,000 (2020: \$25,094,000)

Value of assets constructed by Selwyn District Council: \$8,975,000 (2020: \$7,329,000)

Value of assets transferred to Selwyn District Council: \$nil (2020: \$nil)

Estimate of replacement cost: \$51,005,000 (2020: \$37,406,000)

### Water supply (other assets)

Closing book value: \$149,378,000 (2020: \$117,830,000)

Value of assets constructed by Selwyn District Council: \$3,977,000 (2020: \$6,088,000)

Value of assets transferred to Selwyn District Council: \$2,839,000 (2020: \$4,740,000)

Estimate of replacement cost: \$205,863,000 (2020: \$164,977,000)

### Sewerage treatment plants and facilities

Closing book value: 64,971,000 (2020: \$58,404,000)

Value of assets constructed by Selwyn District Council: \$10,140,000 (2020: \$4,606,000)

Value of assets transferred to Selwyn District Council: \$nil (2020: \$1,250,000)

Estimate of replacement cost: \$91,507,000 (2020: \$75,746,000)

### Sewerage (other assets)

Closing book value: \$254,551,000 (2020: \$214,374,000)

Value of assets constructed by Selwyn District Council: \$3,613,000 (2020: \$4,310,000)

Value of assets transferred to Selwyn District Council: \$5,448,000 (2020: \$8,169,000)

Estimate of replacement cost: \$299,636,000 (2020: \$254,058,000)

### Stormwater drainage

Closing book value: \$81,299,000 (2020: \$69,633,000)

Value of assets constructed by Selwyn District Council: \$2,270,000 (2020: \$70,000)

Value of assets transferred to Selwyn District Council: \$4,877,000 (2020: \$8,117,000)

Estimate of replacement cost: \$92,300,000 (2020: \$78,394,000)

### Roads and footpaths

Closing book value: \$661,401,000 (2020: \$644,139,000)

Value of assets constructed by Selwyn District Council: \$21,365,000 (2020: \$9,927,000)

Value of assets transferred to Selwyn District Council: \$11,372,000 (2020: \$18,173,000)

Estimate of replacement cost: \$861,878,000 (2020: \$829,141,000).



**a. Operational Assets - Parent**

	Restated Land \$000	Farm land \$000	Buildings \$000	Heritage Assets \$000	Plant and Machinery \$000	Library Books \$000	Restated Work in Progress \$000	Total \$000
<b>Gross carrying amount:</b>								
Balance at 1 July 2019 ( <i>restated</i> )	203,595	6,760	97,011	70	26,081	4,321	6,006	343,844
Additions ( <i>restated</i> )	17,700	21	7,131	-	1,283	544	19,979	46,658
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 ( <i>restated</i> )	221,092	6,781	104,547	70	27,057	4,865	24,555	388,967
Additions	7,912	13	24,094	-	1,804	823	13,842	48,488
Disposals	(794)	-	(135)	-	(358)	-	-	(1,287)
Transfers	292	-	14,828	-	29	-	(15,149)	-
Balance at 30 June 2021	228,502	6,794	143,334	70	28,532	5,688	23,248	436,168
<b>Accumulated depreciation:</b>								
Balance at 1 July 2019	-	-	-	-	(17,446)	(3,060)	-	(20,506)
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)	-	(25,586)
Disposals	-	-	-	-	272	-	-	272
Depreciation expense	-	-	(3,467)	(3)	(1,851)	(313)	-	(5,634)
Balance at 30 June 2021	-	-	(6,698)	(6)	(20,635)	(3,609)	-	(30,948)
Net carrying amount at 30 June 2020	221,092	6,781	101,316	67	8,001	1,569	24,555	363,381
Net carrying amount at 30 June 2021	228,502	6,794	136,636	64	7,897	2,079	23,248	405,220

**b. Operational Assets - Group**

	Restated Land \$000	Farm land \$000	Buildings \$000	Heritage Assets \$000	Plant and Machinery \$000	Library Books \$000	Restated Work in Progress \$000	Total \$000
<b>Gross carrying amount:</b>								
Balance at 1 July 2019 ( <i>restated</i> )	204,370	6,760	104,129	70	56,608	4,319	6,006	382,262
Additions ( <i>restated</i> )	17,700	21	7,209	-	3,735	544	19,979	49,188
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 ( <i>restated</i> )	221,867	6,781	111,866	70	57,649	4,863	24,555	427,651
<b>Accumulated depreciation:</b>								
Balance at 1 July 2019	7,912	13	24,094	-	5,238	823	13,842	51,922
Disposals	(794)	-	(135)	-	(982)	-	-	(1,911)
Net revaluation increase / (decrease)	-	-	765	-	-	-	-	765
Transfers	292	-	14,828	-	29	-	(15,149)	-
Transfers (to) / from assets held for sale	-	-	-	-	109	-	-	109
Balance at 30 June 2021	229,277	6,794	151,418	70	62,043	5,686	23,248	478,536
<b>Accumulated depreciation:</b>								
Balance at 1 July 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)
Disposals	-	-	-	-	817	-	-	817
Transfers to / (from) assets held for sale	-	-	-	-	(58)	-	-	(58)
Depreciation expense	-	-	(3,469)	(3)	(4,180)	(313)	-	(7,965)
Balance at 30 June 2020	-	-	(7,674)	(6)	(40,643)	(3,607)	-	(51,930)
Net carrying amount at 30 June 2020	221,867	6,781	107,661	67	20,427	1,569	24,555	382,927
Net carrying amount at 30 June 2021	229,277	6,794	143,744	64	21,400	2,079	23,248	426,606

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## 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 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)
Opening balance at 1 July 2020	346	403	545	-	-	870	1,818
Additions	7	7	-	-	-	-	7
Amortisation charge	(158)	(187)	(83)	-	-	-	(270)
Closing balance at 30 June 2021	195	223	462	-	-	870	1,555
Closing cost at 30 June 2021	1,921	2,080	1,357	1,234	-	3,266	7,937
Accumulated amortisation / impairment	(1,726)	(1,857)	(895)	(1,234)	-	(2,396)	(6,382)
Closing balance at 30 June 2021	195	223	462	-	-	870	1,555

	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

## Note 16: Payables and deferred revenue

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<i>Payables and deferred revenue under exchange transactions</i>				
Trade payables	10,406	13,301	15,475	18,348
Deposits, retentions and accrued expenses	6,060	5,579	8,262	6,922
Amounts due to subsidiaries and associates	5,504	4,456	-	-
<i>Payables and deferred revenue under non-exchange transactions</i>				
Revenue received in advance	4,731	-	4,731	-
Rates revenue received in advance	844	629	844	629
<b>Total payables and deferred revenue</b>	<b>27,545</b>	<b>23,965</b>	<b>29,312</b>	<b>25,899</b>

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.

Revenue received in advance is associated with the \$4.7 million in grant revenue received from the Department of Internal Affairs in relation to the proposed 3 Waters Reform. The Council received \$5.3 million in November 2020, being 50% of the total \$10.6 million in funding allocated to the construction of a wastewater conveyance pipeline from the townships of Darfield and Kirwee to the Pines wastewater treatment plant, located near the township of Rolleston (a 26km pipeline). Refer to Note 30 for further information on the 3 water reform.

## Note 17: Employee entitlements

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Accrued pay	965	1,417	1,482	1,999
Annual leave	2,121	1,990	3,212	2,982
Long service leave	112	113	118	118
Retirement gratuities	-	-	9	8
Sick leave	12	12	99	86
<b>Total employee entitlements</b>	<b>3,210</b>	<b>3,532</b>	<b>4,920</b>	<b>5,193</b>
<i>Comprising:</i>				
Current	3,098	3,419	4,794	5,067
Non - current	112	113	126	126
<b>Total employee entitlements</b>	<b>3,210</b>	<b>3,532</b>	<b>4,920</b>	<b>5,193</b>

## Note 18: Other provisions

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<b>Current portion</b>				
Contractual rework	-	-	46	53
Infringement provision	-	-	305	305
COVID-19 Wage Subsidy Repayment Provision	-	-	-	20
Weather-tightness	360	210	360	210
<b>Total current provisions</b>	<b>360</b>	<b>210</b>	<b>711</b>	<b>588</b>
<b>Non-current portion</b>				
Landfill provision	1,043	1,043	1,043	1,043
<b>Total non-current provisions</b>	<b>1,043</b>	<b>1,043</b>	<b>1,043</b>	<b>1,043</b>

<b>Council and group</b>	Contractual rework \$000	Weather- tightness \$000	Landfill \$000	Infringement provision \$000
<b>2020/21</b>				
Opening balance 1 July	53	210	1,043	305
Additional provisions made (reversed) during the year	31	165	-	-
Amounts used during the year	(38)	(15)	-	-
<b>Closing balance 30 June</b>	<b>46</b>	<b>360</b>	<b>1,043</b>	<b>305</b>
<b>2019/20</b>				
Opening balance 1 July	254	-	1,043	-
Additional provisions made during the year	(80)	210	-	305
Amounts used during the year	(121)	-	-	-
<b>Closing balance 30 June</b>	<b>53</b>	<b>210</b>	<b>1,043</b>	<b>305</b>

**Council***Weather tightness*

The Council is aware of two potential claims in relation to the weather-tightness of homes in the area at year end (2020: three 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 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<b>Current</b>				
Secured loans	5,000	-	5,000	-
<b>Total current borrowings</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>-</b>
<b>Non-current</b>				
Secured loans	55,200	35,200	55,200	35,200
<b>Total non - current borrowings</b>	<b>55,200</b>	<b>35,200</b>	<b>55,200</b>	<b>35,200</b>
<b>Total borrowings</b>	<b>60,200</b>	<b>35,200</b>	<b>60,200</b>	<b>35,200</b>

*Secured loans*

The Council's secured borrowings of \$60.2 million (2020: \$35.2 million) include floating rate borrowings of \$50.0 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 targeted 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 (2020 - \$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 (2020 - \$3.0 million). There are 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 borrow ings \$000	New borrow ings \$000	Closing balance \$000	Interest on borrow ings \$000
<b>2020/21</b>					
<b>Community facilities</b>					
Broadfield Loan Reserve	28	(7)	-	21	-
Dunsandel Community Centre Loan	715	(41)	-	674	-
Halkett Community Centre 25 Year Loan Reserve	23	(5)	-	18	-
Kirw ee Pavillion/Hall Reserve Loan Reserve	29	(14)	-	15	-
Leeston Community Centre Loan Reserve	-	-	761	761	-
Lincoln Library Loan	4,021	(163)	-	3,858	-
McHughs Plantation Loan Reserve	1,161	(77)	-	1,084	-
Rhodes Park Community Centre Loan	1,138	(51)	-	1,087	-
Selw yn District Park Loan	2,482	(119)	-	2,363	-
	9,597	(477)	761	9,881	-

	Opening balance \$000	Repayment of borrow ings \$000	New borrow ings \$000	Closing balance \$000	Interest on borrow ings \$000
<b>2019/20</b>					
<b>Community facilities</b>					
Broadfield Loan Reserve	34	(6)	-	28	-
Dunsandel Community Centre Loan	732	(17)	-	715	-
Halkett Community Centre 25 Year Loan Reserve	29	(6)	-	23	-
Kirw ee 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	-
Selw yn District Park Loan	2,574	(92)	-	2,482	-
	10,026	(429)	-	9,597	-

## Note 20: General funds

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Opening balance 1 July	1,037,237	957,632	1,045,530	964,068
<i>Transfers to:</i>				
Special funds	(28,224)	(24,662)	(28,224)	(24,662)
<i>Transfers from:</i>				
Revaluation reserve on disposal of property, plant and equipment	3,317	1,030	3,317	1,030
Revaluation reserve on impairment of property, plant and equipment	-	-	-	-
Special funds	21,795	26,081	21,795	26,081
Surplus for the year attributable to parent	50,525	77,156	52,359	79,013
Closing balance 30 June	1,084,650	1,037,237	1,094,777	1,045,530

## Note 21: Fair value through other comprehensive revenue reserve

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Opening balance 1 July	86,398	65,577	71,297	52,326
Valuation gains to other comprehensive revenue and expense	-	20,821	-	18,971
Closing balance 30 June	86,398	86,398	71,297	71,297
<i>Represented by:</i>				
Orion New Zealand Limited	70,277	70,277	70,277	70,277
Sicon Limited	15,101	15,101	-	-
Transwaste (Canterbury) Limited	1,020	1,020	1,020	1,020
Closing balance 30 June	86,398	86,398	71,297	71,297

## Note 22: Special funds

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Opening balance 1 July	66,009	67,428	66,009	67,428
Transfers to general funds	(21,795)	(26,081)	(21,795)	(26,081)
Transfers from general funds	28,224	24,662	28,224	24,662
Closing balance 30 June	72,438	66,009	72,438	66,009

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 2020 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2021 \$'000
<b>5 Waters</b>					
Armack Drive Water Supply Special Fund	D	10	-	-	10
Arthurs Pass Water Supply Holding Capacity	D	(16)	-	-	(16)
Bealey River River Protection Reserve	D	26	-	-	26
Branthwaite Drive Water Supply Reserve	A	31	-	-	31
Burnham Water Supply Reserve	A	29	-	-	29
Castle Hill Water Supply Reserve	A	3	-	-	3
Darfield Wastewater Grant Existing Reserve Fund	A	-	2,191	-	2,191
Darfield Wastewater Capital Reserve Fund	A	-	(249)	-	(249)
Darfield Water Supply Capital Rate Reserve	A	(1,281)	-	-	(1,281)
Darfield Water Supply Water Quality Upgrade	C	883	689	(215)	1,357
District Holding Capacity	D	(83)	-	-	(83)
Doyleston Water Supply Capital Contribution Reserve	A	165	1	-	166
Dunsandel Water Supply Reserve	A	82	-	-	82
Edendale Water Supply Reserve	A	107	1	-	108
Ellesmere Sewerage Renewal Reserve	B	624	26	(950)	(300)
Greenpark Land Drainage Reserve	A	24	-	-	24
Hororata River Land Drainage Reserve	A	18	1	-	19
Irwell Land Drainage Reserve	A	1	-	-	1
Johnson Road Capital Injection Special Fund	C	7	-	-	7
Johnson Road Water Supply Reserve	A	30	-	-	30
Jowers Road Water Supply Equipment Reserve	A	7	1	-	8
Kirwee Water Supply Equipment Reserve	A	397	19	(53)	363
L2 River Land Drainage Reserve	A	(12)	63	-	51
L2 River Land Drainage De-silting Reserve from Surpluses	C	119	1	-	120
L2 River Land Drainage Machinery Reserve from Surpluses	C	314	2	(131)	185
Lake Coleridge Quality Upgrade Special Reserve	C	133	1	-	134

	Purpose of reserve fund	Opening 1 July 2020 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2021 \$'000
Lake Coleridge Sew erage Electricorp Payment Reserve	C	62	-	-	62
Leeston Land Drainage Reserve	C	44	-	-	44
Leeston Sew erage to Record Surpluses	C	12	-	-	12
Leeston Stormw ater Reserve	A	169	1	-	170
Leeston Water Supply Reserve	A	51	1	(542)	(490)
Lincoln Sew erage Reserve	A	9	-	-	9
Lincoln Water Supply Reserve	A	258	903	(2,607)	(1,446)
Malvern Hills Rural Water Supply Reserve	A	620	6	-	626
Osbourne Land Drainage Renew al Reserve	B	(429)	17	-	(412)
Prebbleton Sew erage Reserve	A	466	4	-	470
Prebbleton Water Supply Reserve	A	1,421	684	(303)	1,802
Rakaia Huts Water Supply Reserve	A	38	-	-	38
Rolleston Water Supply Reserve	A	441	1,510	(614)	1,337
Selw yn Rural Water Supply Capital Rate Reserve	A	303	3	-	306
Sheffield Water Supply Reserve	A	258	2	-	260
Sew erage Renew al Reserve	B	4,634	1,325	(1,980)	3,979
Southbridge Water Supply Reserve	A	(23)	2	(2)	(23)
Springfield Water Supply Capital Reserve	A	5	-	-	5
Springfield Water Supply Reserve	A	82	1	-	83
Springston Special Reserve	D	10	-	-	10
Springston/Aberdeen Subdivision Special Fund Reserve	D	75	1	-	76
Springston Water Supply Reserve	A	244	3	-	247
Stormw ater District Renew al Reserve	A	653	184	-	837
Tai Tapu Sew erage Holding Capacity Reserve	D	174	32	-	206
Tai Tapu Sew erage Reserve	A	10	-	-	10
Tai Tapu Water Supply Reserve	A	422	4	-	426
Tai Tapu/Otahuna Water Supply Reserve	A	125	2	-	127
Taumutu Culverts Land Drainage Reserve	A	53	1	-	54
Templeton/Claremont Capital Reserve	A	7	-	-	7
Templeton/Claremont Water Supply Reserve Surpluses	C	41	-	-	41
Wairiri Valley Land Drainage Reserve	A	5	-	-	5
West Melton Sew erage Reserve	A	(109)	-	-	(109)
Water Race Renew al Reserve	A	1,246	60	-	1,306
Water Supplies Renew al Reserves	A	4,464	1,553	(3,597)	2,420
West Melton Water Supply Reserve	A	(35)	12	-	(23)
		17,424	9,058	(10,994)	15,488



	Purpose of reserve fund	Opening 1 July 2020 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2021 \$'000
<b>Community facilities</b>					
Albert Anderson Fund	D	7	-	-	7
Art Acquisition Reserve	D	58	5	-	63
Broadfield Loan Loan Reserve	E	(28)	7	-	(21)
Darfield Domain Reserve	A	53	-	(33)	20
Darfield Tow nship Reserve	A	1,273	12	-	1,285
District Community Centre Reserve	A	-	92	-	92
District Reserve Contributions Reserve	A	63	100	(63)	100
District Tow nship Reseve	A	-	78	-	78
Doyleston Contributions Reserve	A	1	-	-	1
Dunsandel Community Centre Loan	E	(715)	41	-	(674)
Ellesmere Reserve Board Reserve	A	204	26	-	230
Glentunnel Community Centre Reserve	A	61	-	(61)	-
Glentunnel/Coalgate Capital Equipment Reserve	A	41	1	(20)	22
Halkett Community Centre 25 Year Loan Reserve	E	(23)	5	-	(18)
Halkett Community Centre Ex Land Subdivision Reserve	C	15	-	(15)	-
Hororata Cross Country Course Reserve	D	19	-	(19)	-
Hororata Reserve CPW Shares Hororata Reserve	D	(121)	-	-	(121)
Kimberley Reserve Timber Sales Reserve	C	20	-	(20)	-
Kirw ee Operational Reserve	A	44	-	(44)	-
Kirw ee Pavillion/Hall Reserve Loan Reserve	E	(29)	14	-	(15)
Ladbrooks Community Centre Investment Reserve	C	6	-	(6)	-
Lake Coleridge Tow nship	A	1	-	(1)	-
Lakeside Community Centre Reserve	A	4	-	(4)	-
Lakeside Community Centre Loan Repayment Fund	A	(198)	6	-	(192)
Leeston Community Centre Loan Repayment Fund	A	-	(761)	-	(761)
Leeston Park Special Fund Reserve	A	24	-	-	24
Leeston Tow nship Est NA Osbourne Reserve	D	77	-	-	77
Lincoln Library Loan	E	(4,021)	163	-	(3,858)
McHughs Plantation Loan Reserve	E	(1,161)	77	-	(1,084)
Metal Pits Reserve	D	834	7	(255)	586
Plant Depreciation Replacement Reserve	B	16	-	(16)	-
Prebbleton Cell Tow er Special Fund Reserve	D	73	-	(73)	-
Rolleston Com Centre Capital Fund	A	171	1	-	172
Rolleston Community Fund	D	220	2	-	222
Rolleston Headquarters Building Renew al Reserve	C	2,886	627	-	3,513
Reserve Contrib.Malvern Ward	A	1,641	548	(618)	1,571
Reserve Contrib.Springs Ward	A	15,238	4,279	(542)	18,975
Reserve Contrib.Ellesmere Ward	A	696	816	(898)	614
Reserve Contrib.Selw yn Central Ward	A	16,571	6,694	(2,945)	20,320
Rhodes Park Community Centre Loan	E	(1,138)	51	-	(1,087)
Selw yn District Park Loan	E	(2,482)	119	-	(2,363)
Sheffield Hall Refurbishment Fund	A	8	-	(8)	-
Sheffield Reserve Special Funds Reserve	A	1	-	(1)	-
Southbridge Advisory Committee Reserve	A	29	1	-	30

	Purpose of reserve fund	Opening 1 July 2020 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2021 \$'000
Springston Ex Ellesmere Reserve	A	6	-	(6)	-
Springston Townshp	A	4	-	(4)	-
Tai Tapu ex Paparua Library Reserve	D	16	-	(1)	15
Weedons Reserve Ex Paparua Investment Reserve	A	1	-	(1)	-
Weedons Reserve Loan Repayment Reserve	A	(113)	5	-	(108)
West Melton Community Centre Ex Paparua Reserve	A	2	-	-	2
West Melton Community Centre Scholarship Fund Reserve	C	47	1	(2)	46
		30,402	13,017	(5,656)	37,763
<b>Community services</b>					
Ex Ellesmere - Ellesmere Clay Loan Reserve	A	10	1	(3)	8
Insurance Reserve Fund Reserve	A	698	6	-	704
Selwyn District Education Fund Reserve	D	145	1	-	146
		853	8	(3)	858
<b>Environmental services</b>					
Dog Pound Loan	E	(363)	19	-	(344)
Weather Tightness Insurance Reserve	D	(59)	-	(165)	(224)
		(422)	19	(165)	(568)
<b>Internal council services</b>					
MAB Discretionary Fund Reserve	D	11	-	-	11
Earthquake Self Insurance Reserve	D	11,768	17	-	11,785
Pre 1989 Contributions Reserve	D	72	1	-	73
Zone 5 Special Fund	D	-	27	(8)	19
		11,851	45	(8)	11,888
<b>Transportation</b>					
Roading Contributions Reserve	A	6,817	5,176	(2,735)	9,258
Undergrounding Reserve	A	3,462	33	-	3,495
		10,279	5,209	(2,735)	12,753
<b>Solid waste</b>					
Operational Assets Replacement Fund Reserve	B	(4,379)	157	(2,234)	(6,456)
Waste Minimisation Fund Reserve	B	-	711	-	711
		(4,379)	868	(2,234)	(5,745)
Closing balance 30 June		66,009	28,224	(21,795)	72,438

Note 23: Asset revaluation reserves
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	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Opening balance 1 July	629,698	536,859	632,212	539,250
Net revaluation gains / (losses)	78,141	93,869	78,906	93,992
Impairment of revalued property, plant and equipment	-	-	-	-
Transfer to general reserves on disposal	(3,317)	(1,030)	(3,317)	(1,030)
Closing balance 30 June	704,522	629,698	707,801	632,212

*Property revaluation reserves for each asset class consist of:*

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Land and buildings	115,720	118,559	118,999	121,073
Farm land	4,036	4,036	4,036	4,036
Roading	244,860	245,338	244,860	245,338
Water supplies	86,030	56,144	86,030	56,144
Stormwater	18,821	13,254	18,821	13,254
Sewerage	145,380	112,649	145,380	112,649
Land drainage	28,362	23,553	28,362	23,553
Water races	61,313	56,165	61,313	56,165
Closing balance 30 June	704,522	629,698	707,801	632,212

Note 24: Reconciliation of net surplus / (deficit) after tax to net cash flow from operating activities
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	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Surplus after taxation	50,525	77,156	52,359	79,013
<i>Add / (less) non-cash items:</i>				
Vested assets revenue	(29,101)	(56,178)	(29,101)	(56,178)
(Gains) / losses on fair value of investment property	(2,292)	(1,607)	(1,527)	(1,484)
(Gains) / losses on fair value of forestry assets	(180)	34	(180)	34
Impairment of property, plant & equipment	-	597	-	597
Depreciation and amortisation	32,893	28,717	35,336	31,660
Non - current employee benefits	(1)	20	(1)	20
Movement in provision for doubtful debts	(25)	(35)	(25)	(35)
Interest rate swap	(667)	(59)	(667)	(59)
Movement in deferred taxation	10	(92)	464	416
Share of joint venture (surplus) / deficit	-	-	-	1
	51,162	48,553	56,658	53,985
<i>Add / (less) movements in working capital items:</i>				
Trade and other receivables	2,005	(4,332)	(2,292)	(5,698)
Income tax	(35)	55	(47)	1,456
Inventory & work in progress	102	760	(902)	172
Trade and other payables	8,795	815	11,188	6,947
Employee benefit liabilities	(321)	1,112	(272)	1,414
	61,708	46,963	64,333	58,276
<i>Add / (less) items classified as investing or financing activities:</i>				
Net (gain)/loss on sale of property, plant and equipment	(934)	(382)	(1,031)	(551)
Net cash inflow / (outflow) from operating activities	60,774	46,581	63,302	57,725



## Note 25: Capital commitments and operating leases

**Capital commitments**

	Council 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Community facilities	3,385	31,540	3,385	31,540
Investment Property	574	8,957	574	8,957
Property, plant & equipment	-	-	818	13
Refuse	282	1,410	282	1,410
Transportation	3,354	1,151	3,354	1,151
Wastewater	-	4,857	-	4,857
Water supply	-	1,431	-	1,431
<b>Total capital commitments</b>	<b>7,595</b>	<b>49,346</b>	<b>8,413</b>	<b>49,359</b>

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 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Not later than one year	-	-	97	97
Later than one year and not later than five years	-	-	14	14
Later than five years	-	-	-	-
<b>Total non-cancellable operating leases</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>111</b>

*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 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Not later than one year	848	848	296	296
Later than one year and not later than five years	1,678	2,229	590	589
Later than five years	1,535	1,683	1,535	1,683
<b>Total non-cancellable operating leases</b>	<b>4,061</b>	<b>4,760</b>	<b>2,421</b>	<b>2,568</b>

## 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 two 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 2020/21 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 (2020: \$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 2021, NZLGFA had borrowings totalling \$13.6 billion (2020: \$11.9 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.

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 \$786,520 (2020 - \$500,000) are committed as at 30 June 2021.

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 2021 (2020 - \$nil).

**Contingent assets**

Council

The Council has a contingent asset for revenue arising from the May flood event that has not been recognised at balance date. This includes possible additional insurance proceeds and subsidy from Waka Kotahi NZ Transport Agency. It is estimated additional insurance proceeds will be in the vicinity of \$1.1 million and additional funding from Waka Kotahi NZ Transport Agency will be \$1.7 million. Other than this, the Council has no contingent assets at 30 June 2021. (2020: \$nil).

Group

*Sicon Group (SL)*

SL has no contingent assets at 30 June 2021 (2020: nil).

## Note 27: Related party transactions

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

### *Related party transactions with subsidiaries and associates*

#### **Selwyn District Charitable Trust**

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

	2021 \$000	2020 \$000
Donations received from the Trust	-	16
Accounts receivable	-	1

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 \$5,717 (2020: \$5,496) and meet other operating costs of the trust totalling \$50 (2020: \$50)

There were no commitments with Selwyn District Charitable Trust as at 30 June 2021 (2020: \$nil).

#### **Orion New Zealand Limited**

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

	2021 \$000	2020 \$000
Dividend revenue	3,218	2520
Rates revenue received	286	279
Accounts receivable	-	-

There were no commitments with Orion New Zealand Limited as at 30 June 2021 (2020: \$nil).

#### **Sicon Limited**

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

	2021 \$000	2020 \$000
Rates, royalties, interest and lease revenue received	554	615
Dividend revenue	2,000	1,500
Contract services received from Sicon Group	32,627	30,203
Accounts receivable	62	64
Accounts payable	5,504	4,456

There were no commitments with Sicon Group as at 30 June 2021 (2020: \$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.

	2021 \$000	2020 \$000
Payments to suppliers on behalf of the Trust	267	186
Accounts receivable	58	146

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 2021 (2020: \$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.

	2021 \$000	2020 \$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 \$nil (2020: \$1,800).

There were no commitments with the Tramway Reserve Trust as at 30 June 2021 (2020: \$nil).

*Transactions with key management personnel***Key Management Personnel Compensation**

	2021	2020
<i>Councillors</i>		
Remuneration	\$618,000	\$601,000
Full-time equivalent members	12	12
<i>Senior Management Team, including the Chief Executive and Independent Audit &amp; Risk Sub-Committee Member</i>		
Remuneration	\$1,761,000	\$1,780,000
Full-time equivalent members	8	8
<b>Total key management personnel remuneration</b>	<b>\$2,379,000</b>	<b>\$2,381,000</b>
<b>Total full-time equivalent personnel</b>	<b>20</b>	<b>20</b>

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 (2020: \$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:*

	2021 Base salary \$	2021 Hearing fees \$	2021 Total remuneration \$	2020 Base salary \$	2020 Hearing fees \$	2020 Total remuneration \$
<i>Council</i>						
Mayor Sam Broughton	136,500	-	136,500	130,184	-	130,184
Councillor Malcolm Lyall	51,342	100	51,442	49,440	300	49,740
Councillor Debra Hasson	42,789	600	43,389	41,791	400	42,191
Councillor Mark Alexander	42,789	600	43,389	41,791	400	42,191
Councillor Jeff Bland	42,789	100	42,889	41,791	200	41,991
Councillor Grant Miller	42,789	100	42,889	41,791	400	42,191
Councillor Bob Mugford	42,789	100	42,889	41,791	400	42,191
Councillor Nicole Reid	42,789	100	42,889	41,791	300	42,091
Councillor Murray Lemon	42,789	100	42,889	41,791	300	42,091
Councillor Jenny Gallagher	42,789	100	42,889	30,021	300	30,321
Councillor Shane Epiha	42,789	100	42,889	30,021	300	30,321
Councillor Sophie McInnes	42,789	100	42,889	30,021	300	30,321
Councillor John Morten (till Oct '19)	-	-	-	11,664	100	11,764
Councillor Pat McEvedy (till Oct '19)	-	-	-	11,664	100	11,764
Councillor Craig Watson (till Oct '19)	-	-	-	11,664	100	11,764
<i>Malvern Community Board</i>						
John Morton (Chairperson)	17,720	-	17,720	12,480	-	12,480
Judith Pascoe	8,860	-	8,860	8,860	-	8,860
Karen Meares	8,860	-	8,860	8,860	-	8,860
Bill Woods	8,860	-	8,860	6,240	-	6,240
Ken May	8,860	-	8,860	6,240	-	6,240
Jenny Gallagher (Chairperson) (till Oct '19)	-	-	-	5,240	-	5,240
Kerry Pauling (till Oct '19)	-	-	-	2,620	-	2,620
Megan Hands (till Oct '19)	-	-	-	2,620	-	2,620

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.

	2021	2020
<i>Sicon Limited</i>		
Councillor John Morten (till Oct '19)		9,333
Councillor Pat McEvedy (till Oct '19)		32,917
<i>Transwaste (Canterbury) Limited</i>		
Councillor Grant Miller	37,107	-
<i>Selwyn Waihora Zone Committee</i>		
Megan Hands	-	3,208

**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 \$333,237 (2020: \$329,115). This included a non-taxable allowance of \$nil (2020:\$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 2021, the Council made no severance payments to Council employees. (2020: three severance payments).

The value of each of the severance payments was \$nil. (2020: \$1,000, \$5,000 and \$41,890).

**Note 29: Construction contracts – Group**

	Group 2020/21 \$000	Group 2019/20 \$000
<i>For contracts in progress as at 30 June:</i>		
Contract costs incurred	9,832	4,672
Recognised profits	1,546	702
Progress billings	11,378	5,373
Gross amount due from customers	1,162	94
Accrued Revenue	2,331	766
Retentions receivable	303	272
Retentions payable	(31)	(13)
Construction Contract Revenue	29,497	24,112

**Note 30: Events after balance date****Council****COVID-19**

On the 17<sup>th</sup> August 2021 one new case of COVID-19 was identified in the Coromandel Peninsula. From midnight on 17 August 2021 all of New Zealand including the Selwyn District went into a Level 4 lockdown. On Tuesday 31 August 2021 all of New Zealand excluding Auckland moved to level 3. The impact of this lockdown on the Council was minimal.

**Three Water Reforms**

On the 27<sup>th</sup> October 2021, the New Zealand Government announced its intention that it will establish four publicly owned water entities that will manage the provision of three-water (water supply, wastewater and storm water) services across New Zealand.

The Government has announced that it intends to mandate the transfer of all Council owned three-water assets to one of the four proposed new water entities on 1 July 2024. As of that date the Selwyn District Council will no longer be responsible for the provision of three-water services.

The Government has established a working group of local government, iwi and water industry experts to work through elements of entities design. The group will work through the enhancements to entity design and look at the governance and accountability arrangements of the entities.

The proposed legislation has not yet been introduced to Parliament; therefore, specific details are not known and unable to be quantified.

**Storm Event July 2021**

A significant storm event occurred at the end of July 2021. The storm caused damage in the Selwyn District that affected some of the Council's roading infrastructure assets. Waka Kotahi NZ Transport have since approved \$1.7 million in funding of a total estimated damage of \$3.2 million.

(2020: 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.).

## Group

### *Sicon Limited*

New Zealand entered Level 4 restrictions on 18 August 2021 due to COVID-19 and SL had all its work sites closed. The financial impact for SL is currently uncertain and will continue to be monitored.

On 1 September 2021, the Alert Level was reduced to Level 3 for all of New Zealand south of Auckland, and then reduced to Level 3 for Northland on 3 September 2021. On 8 September 2020, New Zealand – except Auckland - moved to Level 2. Auckland remains at Level 4.

There will continue to be uncertainty in what impact the COVID-19 pandemic will have on SL subsequent to balance data.

Under Alert Level 4 our business activities for our Maintenance Contracts were restricted to emergency works and essential services, with routine maintenance suspended. All work was caught up subsequently and there was no impact on timelines related to these Maintenance contracts.

All Construction work activity had to be suspended, impacting timelines related to the completion of the contracts. At Level 3 all contracts were able to fully re-commence, following the COVID-19 protocols as prescribed by Civil Contractors NZ. Construction contracts were delayed by the lockdown, resulting in reduced profitability for some contracts. COVID-19 significantly impacted the operational result of the Construction Contracts during August and September 2021.

All of our non-operational staff worked from home during Level 4, returning to their usual place of work in Level 2 or Level 3, depending on operational support requirements. During Level 2 and 3, the business activities resumed with the required health and safety protocols in place at all work offices and sites.

There have been no other significant events subsequent to 30 June 2021.



## 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 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
Cash and cash equivalents	28,256	16,909	35,717	24,686
Receivables	12,319	12,428	14,166	12,484
Term deposits	28,000	60,000	28,000	60,000
<b>Total credit risk</b>	<b>68,575</b>	<b>89,337</b>	<b>77,883</b>	<b>97,170</b>

*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 2020/21 \$000	Council 2019/20 \$000	Group 2020/21 \$000	Group 2019/20 \$000
<b>Counterparties with credit ratings</b>				
<i>Cash at bank and term deposits</i>				
Continuing operations AA-	56,256	76,909	63,717	84,686
<b>Total cash at bank and term deposits</b>	<b>56,256</b>	<b>76,909</b>	<b>63,717</b>	<b>84,686</b>
<b>Counterparties without credit ratings</b>				
<i>Community and related party loans</i>				
Existing counterparty with no defaults in the past	29	125	29	125
<b>Total loans to related parties</b>	<b>29</b>	<b>125</b>	<b>29</b>	<b>125</b>

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 2021, the Council has a multi-option credit facility of \$10 million (2020: \$10 million) against which it had drawn \$nil (2020: \$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 flow s \$000	Less than 1 year \$000	1 - 5 years \$000	More than 5 years \$000
<b>Council 2021</b>					
Payables	21,970	21,970	21,970	-	-
Secured loans	60,200	62,544	5,576	41,780	15,188
Net settled derivatives (interest rate sw ap)	35	35	243	(114)	(94)
<b>Group 2021</b>					
Payables	23,737	23,737	23,737	-	-
Secured loans	60,200	62,544	5,576	41,780	15,188
Net settled derivatives (interest rate sw ap)	35	35	243	(114)	(94)
<b>Council 2020</b>					
Payables	23,336	23,336	23,336	-	-
Secured loans	35,200	37,749	490	26,918	10,341
Net settled derivatives (interest rate sw ap)	702	725	380	341	4
<b>Group 2020</b>					
Payables	25,270	25,720	25,270	-	-
Bank overdraft and flexible credit facilities	-	-	-	-	-
Secured loans	35,200	37,749	490	26,918	10,341
Net settled derivatives (interest rate sw ap)	702	725	380	341	4

*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 Flow s \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2021</b>					
Cash and cash equivalents	28,256	28,256	28,256	-	-
Receivables	12,319	12,357	12,245	112	-
Term deposits	28,000	28,128	28,128	-	-
<b>Group 2021</b>					
Cash and cash equivalents	35,717	35,717	35,717	-	-
Receivables	14,166	14,508	14,396	112	-
Term deposits	28,000	28,128	28,128	-	-
<b>Council 2020</b>					
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	-	-
<b>Group 2020</b>					
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	-	-

*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
<b>Council 2021</b>				
<b>Interest rate risk</b>				
<i>Financial assets</i>				
Cash and cash equivalents	(283)	-	283	-
Term deposits	(280)	-	280	-
<i>Financial liabilities</i>				
Interest rate sw aps	(1,261)	-	1,114	-
Secured loans	500	-	(500)	-
Total sensitivity	(1,324)	-	1,177	-
<b>Council 2020</b>				
<b>Interest rate risk</b>				
<i>Financial assets</i>				
Cash and cash equivalents	(169)	-	169	-
Term deposits	(600)	-	600	-
<i>Financial liabilities</i>				
Interest rate sw aps	(478)	-	457	-
Secured loans	250	-	(250)	-
Total sensitivity	(997)	-	976	-
	Surplus \$000	-100bps Other equity \$000	Surplus \$000	+100bps Other equity \$000
<b>Group 2021</b>				
<b>Interest rate risk</b>				
<i>Financial assets</i>				
Cash and cash equivalents	(357)	-	357	-
Term deposits	(280)	-	280	-
<i>Financial liabilities</i>				
Interest rate sw ap	(1,261)	-	1,114	-
Secured loans	500	-	(500)	-
Total sensitivity	(1,398)	-	1,251	-
<b>Group 2020</b>				
<b>Interest rate risk</b>				
<i>Financial assets</i>				
Cash and cash equivalents	(247)	-	247	-
Term deposits	(600)	-	-	-
<i>Financial liabilities</i>				
Interest rate sw ap	(478)	-	457	-
Secured loans	250	-	(250)	-
Total sensitivity	(1,075)	-	454	-



## 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: 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.

During Level 4 and Level 3 alert levels around 90% of our staff are able to work from home in a business as usual mode. During Level 2, most of our business activity resumes with the required health and safety protocols in place and our staff return to their usual place of work. Level 1 predominantly sees a return to pre COVID-19 activity.

The Selwyn District was in Level 2 during August and September 2020 and February and March 2021.

During the 2021 financial year there was 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 2021. The valuer has highlighted there is currently valuation uncertainty caused by the COVID-19 pandemic. Refer Note 14 of this report.

**Sicon Limited (Group)**

The effect on the revenue and expenses in 2021 was not material to Sicon Limited (SL).

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. The Company made a repayment of the wages.

**Note 34: Flood Event May 2021**

*The purpose of this note is to disclose the:*

- *Impact of the flood event on the Council's financial statements*
- *Contingent assets that exist at balance date*
- *Significant areas of estimation and assumption*

A storm event occurred at the end of May 2021. The storm caused widespread flooding in the Selwyn District that affected some of the Council's assets including reserves, roading, and water infrastructure. The Council has assessed the damage caused by the storm to its assets and has estimated that the cost to remedy the damage may be in the region of \$8.3 million. A proportion of the repair costs is likely be recovered through the Council's insurance policies, Waka Kotahi NZ Transport Agency and support and from the Government. The Council does not foresee the event having a significant impact on the deliverability of its ten-year programme.

By the end of the 2021 financial year, \$1.6 million has been spent on repairing damaged assets and the Council estimates that the total cost to repair its assets is \$8.3 million.

*The main areas of damage are:*

	Council total cost estimate \$000
<b>Areas of damage</b>	
Glentunnel Holiday Park	56
Reserves	365
Water races	204
Water supply	519
Transportation other	6,571
Transportation bridge repairs	536
<b>Total estimated damage</b>	<b>8,251</b>

In addition, the Council incurred costs of \$207,000 in responding to the flood event, including the cost of running the response operation and associated welfare costs.

The Council is able to recover a portion of its costs from a number of sources, including insurance, Waka Kotahi NZ Transport Agency (roading) and Central Government (welfare and recovery). Based on its best estimates at 30 June 2021, the Council has recognised revenue from insurance and other sources totalling \$158,000. It also has a contingent asset for further revenue that has not been recognised at balance date. This includes possible additional insurance proceeds of \$1.1 million less the excess and funding from Waka Kotahi NZ Transport Agency of \$1.7 million.

*The impact of the flood on the Council's financial statements is summarised below:*

	Council 2020/21 \$000
<b>Impact on revenue</b>	
Civil Defence Flood Claim	97
Material Damage Insurance Claim	100
New Zealand Transport Agency roading subsidies	822
<b>Total revenue impact</b>	<b>1,019</b>
<b>Impact on expenditure</b>	
Flood repairs	1,588
Write off of bridges	109
Civil Defence COVID-19 Emergency and Welfare Costs	207
<b>Total expenditure impact</b>	<b>1,904</b>
<b>Total impact on operating surplus / (deficit) before taxation</b>	<b>(885)</b>

The \$109,000 write-off of bridges relates to the book value of the Whitecliffs, Harper diversion and Court Road bridges.

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

*The key estimates are:*

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

*The key assumptions are that:*

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

### Note 35: Correction of Error

During the past year, it was noted that there had been an error in the classification of land and work in progress balances at 30 June 2020 that relate to the recently constructed Selwyn Health Hub.

At 30 June 2020 Property, Plant and Equipment incorrectly included costs associated with the construction of the Selwyn Health Hub:

Land \$2,458,000

Construction work in progress \$3,267,000

These amounts should have been classified and included in Investment Property at 30 June 2020. The classification error has been corrected by restating each of the affected financial line items in the prior year.

The adjustments relate to the Council so are identical for both the Council and Group.

<b>Council Statement of Financial Position</b>	As previously reported	Error Adjustment	As restated
30 June 2020	\$000	\$000	\$000
Investment property	23,455	5,725	29,180
Property, plant and equipment	1,632,490	(5,725)	1,626,765
Other assets	228,076	-	228,076
<b>Total assets</b>	<b>1,884,021</b>	<b>-</b>	<b>1,884,021</b>
<b>Group Statement of Financial Position</b>	As previously reported	Error Adjustment	As restated
30 June 2020	\$000	\$000	\$000
Investment property	16,370	5,725	22,095
Property, plant and equipment	1,652,036	(5,725)	1,646,311
Other assets	217,559	-	217,559
<b>Total assets</b>	<b>1,885,965</b>	<b>-</b>	<b>1,885,965</b>

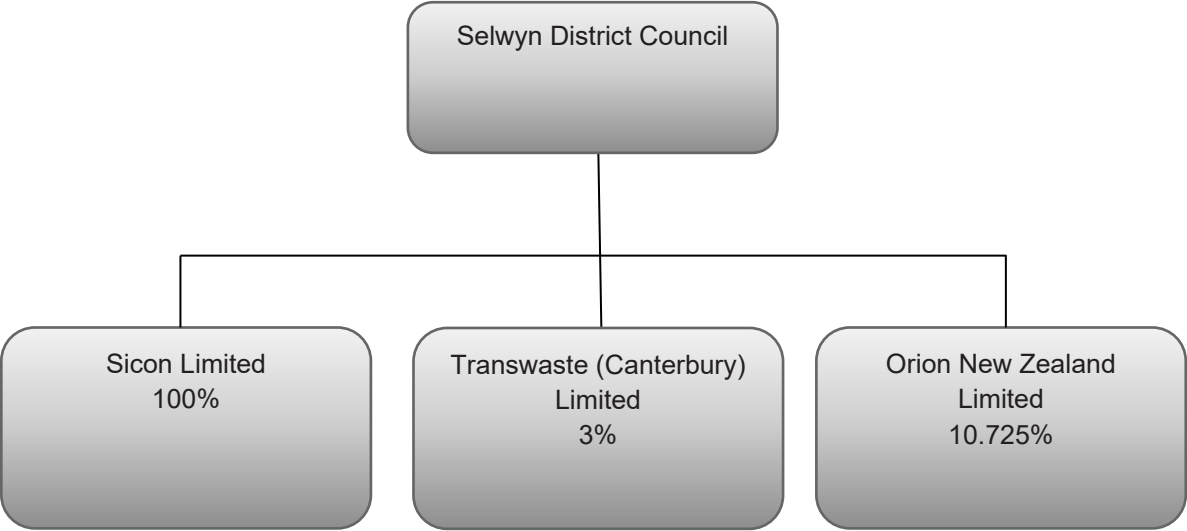
The following is the amount of the correction at the beginning of the earliest prior period presented:

<b>Council Statement of Financial Position</b>	As previously reported	Error Adjustment	As restated
1 July 2019	\$000	\$000	\$000
Investment property	21,325	3,162	24,487
Property, plant and equipment	1,435,061	(3,162)	1,431,899
Other assets	207,728	-	207,728
<b>Total assets</b>	<b>1,664,114</b>	<b>-</b>	<b>1,664,114</b>
<b>Group Statement of Financial Position</b>	As previously reported	Error Adjustment	As restated
1 July 2019	\$000	\$000	\$000
Investment property	14,441	3,162	17,603
Property, plant and equipment	1,455,188	(3,162)	1,452,026
Other assets	196,269	-	196,269
<b>Total assets</b>	<b>1,665,898</b>	<b>-</b>	<b>1,665,898</b>

There is no impact on the Council and Group Statement of comprehensive revenues and expenses or on the Council and Group total operating, investing or financing cash flows.



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 2021 is set out below:

	Status	Actual 2021	Target 2021
Dividend paid	Achieved	\$2,000,000	≥\$800,000
Return after tax to opening equity (excluding amortisation)	Achieved	23.5%	≥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	Achieved November 2020	Achieve ISO 45001 by end of 2020
Staff Retention	Achieved	78.3%	70%
Training & development as a % of payroll costs	Achieved	2.9%	≥1.5%
To achieve ISO 14001 by the end of the 2021 financial year.	Not Achieved	Achieved November 2020	Achieve ISO 14001 by end of FY 2021

### Summary of financial performance

	Actual 2021 \$000	Actual 2020 \$000
Revenue	67,438	62,664
Expenditure	61,074	57,560
Surplus / (deficit) before taxation	6,364	5,104
Surplus / (deficit) after taxation	4,558	3,441
Dividend	2,000	1,500

## 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 2021 is set out below:

#### Financial performance targets:

	Actual 2021	Target 2021	Actual 2020	Note
Network delivery revenue (\$m)	230	226	242	1,2
Profit after tax (\$m)	33	27	48	1,2
Profit after tax to average equity (%)	4.9	4.1	7.2	1,2
Debt to debt plus equity (%)	35	34	33	3
Equity to total assets (%)	53	54	54	3
Fully imputed dividends (\$m)	30	30	47	

Note 1 – the group's net profit for the year ended 31 March 2021 was \$6.2 million above its SOI target due, primarily to the following favourable variances:

	\$m Post tax
Above-budget distribution revenue	2.5
Favourable change in fair value of interest rate swaps	1.2
Above-budget Connetics profit	1.2
Below-budget depreciation	1.2
Below-budget interest expense	0.6
Other	(0.5)
	6.2

Note 2 – the group's net profit for the year ended 31 March 2021 was \$15.1 million below last year's net profit due, primarily to the following variances:

	\$m Post tax
Favourable change in fair value interest rate swaps	2.0
Higher Connetics Profit	2.0
Lower interest expense	0.7
Higher sundry revenues	0.6
Higher depreciation	(0.4)
Higher expenses	(3.2)
Deferred tax adjustment due to reinstatement of depreciation on commercial buildings in FY20	(5.0)
Lower delivery revenue gross margin*	(11.9)
Other	(0.1)
	(15.1)

\*Delivery revenue is significantly below the prior year due to the commerce commission's price reset effective April 2020

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 2021	Actual 2021*	Target 2021	Actual 2020*	Industry Weighted Average 2020*
Duration of supply interruptions in minutes per year per connected customer (SAIDI)					
- Planned		28	40	22	
- Unplanned		30	85	46	
- Total SAIDI	211,600	57	125	68	196

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

- Planned		0.09	0.15	0.1	
- Unplanned		0.50	1.00	0.6	
- Total SAIFI	211,600	0.59	0.10	0.7	1.9

#### 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 Commission sets performance limits for our network reliability, pursuant to our default price-quality path (DPP). The Commission assesses our actual performance against those limits, after 'normalising' for the impacts of 'major events' and allowing for a set of incentive-based adjustments. Our actual and target results above are stated without the application of these adjustments.
4. Figures are stated gross – before normalising for major events.



### Network development targets:

1. Upgrade our sub-transmission supply to Hawthornden zone substation. (*Status: Delayed*).
2. Undertake a trial of new 11kV fault indication equipment on our underground cable network. (*Status: Achieved*).
3. Upgrade our 11kV underground network in the Springston and Lincoln areas. (*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: On Target*).

### Sustainability targets:

1. Set reduction targets for Orion's operational carbon emissions, including our plans and timeframes to achieve them. (*Status: Achieved*).
2. Report on our climate-related risk exposures. (*Status: Achieved*).
3. Support initiatives that help our community's long-term sustainability. (*Status: Achieved*).
4. Investigate how to bring our network resource consumption footprint into our business decisions. (*Status: Achieved*).
5. Keep our annual SF6 gas losses below 0.8% per year. (*Status: Achieved*).

### New technologies targets:

1. Build a data warehouse and implement data marts. (*Status: Not achieved*).
2. Automate the enabling/disabling of our network auto-reclose functions. (*Status: Not achieved*).
3. Install a new digital voice radio network on Banks Peninsula. (*Status: On track*).
4. Increase the real time 'visibility' of the state of our low voltage network. (*Status: On track*).

### Health and safety targets:

1. Fewer than four events that did or could have resulted in serious injury to our employees or our contractors. (*Status: Not achieved*).
2. No event that did or could have resulted in serious injury to members of the public. (*Status: Achieved*).
3. Improve how we manage our critical health and safety risks. (*Status: Achieved*).

### People targets:

1. Continue to develop our future capability via our Orion development programmes. (*Status: Ongoing*).
2. Ensure that Connetics has sustainable industry competence via its apprentice and electrical training schemes. (*Status: Ongoing*).
3. Complete the first major phase of our people leadership programme. (*Status: Achieved*).
4. Complete the first major phase of our diversity and inclusion programme. (*Status: Ongoing*).
5. Support the wellbeing of employees. (*Status: On Going*).

## Summary of financial performance

	Actual 2021 \$000	Actual 2020 \$000
Revenue	303,421	307,695
Expenditure	257,010	247,472
Surplus / (deficit) before taxation	46,411	60,223
Surplus / (deficit) after taxation	33,193	48,315
Ordinary dividend	30,000	47,000

## 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 2021 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 \$nil (2020: \$5,000) in donation revenue. The Trust has distributed \$1,002 (2020: \$16,094) 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 \$nil (2020: \$1,002) 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 2021 \$000	Actual 2020 \$000
Revenue	-	5
Expenditure	-	5
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 2021 is set out below:

*Representatives of the Trust Board will meet with representatives of the Councils bi-annually and on such additional occasions as may be agreed to.*

The Trust has maintained a regular connection with both settlor councils including face to face meetings, phone calls and emails correspondence as necessary to report progress.

*Discuss the Trust's monitoring of the performance of CPWL in operating the Scheme. This will include the Trustees' presentation of its Annual Sustainability Report. The Report is scheduled for completion by the end of December 2020 and the Trust representatives will present it to the representatives of the Councils at the bi-annual meeting planned for February or March 2021.*

Representatives of the Trust Board met in March 2021 with Settlor representatives to discuss the report.

*Discuss and agree upon any key potential areas of additional focus for the Trust. The extent to which the Trust can undertake these activities and achieve meaningful outcomes is limited by its capacity and resources, by the Trust Deed, and potentially by the MoA with CPWL, however in the 2020-2021 year the trustees have agreed to undertake planning and implementation of work in the following areas which will be monitored and discussed between representatives of the trustees and the Councils in their bi-annual meetings:*

- *Consideration of the benefits and risks to the environment, ecology, community and recreational values of the region from CPWL's activities, including but not limited to water quality, with reference to the objectives of the Canterbury Water Management Strategy and the Selwyn-Waihora Zone Committee ZIPA. For this purpose the Trustees will present its Annual Sustainability Report, scheduled for completion by the end of December 2020, to the representatives of the Councils at the bi-annual meeting planned for February or March 2021.*
- *Consideration of the ways in which the CPW Scheme is encouraging, supporting and facilitating an appropriate balance of the benefits of economic development, with the enhancement of ecological, social, cultural and recreational values in the Central Plains area. These matters will also be reported in the Trust's Annual Report to the Councils to be presented to the representatives of the Councils at the bi-annual meeting in February or March 2021.*
- *Consideration of educational opportunities including the Trust's plans for the engagement with schools set out in the Strategic Plan, and also with other stakeholder groups (to be identified) in order to enhance public knowledge of water issues and the benefits of the proper management of water for sustainable economic development.*
- *Consideration of biodiversity enhancement opportunities across the region associated with sustainable development of the water resources of the Region, with particular reference to the CPW Scheme.*

The Trust focussed on developing an educational program, including but not limited to a bus tour of the scheme in March 2022 in conjunction with CPWL and other stakeholders along with a short video that showcases the story of water to help develop a wider understanding within the community.

The Trust also approves the decision making and distribution of the funds from the EMF committee for biodiversity development and enhancement in the scheme area and downstream.

The Trust does acknowledge it's limitations of both capacity and funding so is realistic about how much it can achieve, and have attempted to develop stronger relations with both CPWL and the Settlor councils so as to ensure future improvements to all outcomes.

### Summary of financial performance

	Actual 2021 \$000	Actual 2020 \$000
Revenue	104	96
Expenditure	104	96
Surplus / (deficit) before taxation	-	-

## Financial interests – Tramway Reserve Trust

### Relationship to the Council

On the 18<sup>th</sup> 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 2021 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 2021 \$000	Actual 2020 \$000
Revenue	-	-
Expenditure	-	-
Surplus / (deficit) before taxation	-	-



# Independent Auditor's Report

To the readers of Selwyn District Council's annual report for the year ended 30 June 2021

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 22 December 2021. This is the date at which we give our report.

## Opinion on the audited information

In our opinion:

- the financial statements on pages 100 to 167:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2021; and
    - the results of the operations and cash flows for the year ended on that date.
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement on page 91, 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 21 to 87:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service.
  - complies with generally accepted accounting practice in New Zealand.
- the statement about capital expenditure for each group of activities on pages 31 to 87, presents fairly, in all material respects, the actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan.
- the funding impact statement for each group of activities on pages 31 to 87, 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 94 to 98, 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 – The Government's three waters reform programme announcement

Without modifying our opinion, we draw attention to note 30 on page 158 that outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

## 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 or long-term 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 19, 92 and 93, 99, and 168 to 175, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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 audited the District Council's 2021-2031 long-term plan and reported on a limited assurance engagement relating to the District Council's Debenture Trust Deed. These engagements are compatible with those independence requirements.

Other than in our capacity as auditor, we have no relationship with, or interests in, the District Council or any of its subsidiaries and controlled entities.



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

## Council information

### Mayor and Councillors contact details *(as at 30 June 2021)*

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

### Community Board Members contact details

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

## Where to go for more information

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

Customer services	
For general enquiries, assistance and information, telephone 0800 SELWYN (735996)	
Website	Selwyn District Council Offices
<a href="http://www.selwyn.govt.nz">www.selwyn.govt.nz</a>	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	Te Ara Atea Tennyson Street 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

## 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:	<a href="mailto:sicon@sicon.co.nz">sicon@sicon.co.nz</a>
Website:	<a href="http://www.sicon.co.nz">www.sicon.co.nz</a>
<b>Board</b>	
Steve Grave ( <i>Chairperson</i> )	
Murray Harrington	
Donna Bridgman	
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
<b>Trustees</b>	
Pat McEvedy (Chairman)	
Elle Archer	
Les Wanhalla	
Olive Webb	
Rob Lawrence	
Viv Smart	
Denis O'Rourke (till December 2020)	



Selwyn District Council

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

0800 SELWYN (735 996)

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

