



Selwyn District Council
Summary Annual
Report 2015/16

Welcome to Selwyn District Council's Summary Annual Report 2015/16

This summary provides an overview and summary of Selwyn District Council and group's activities and services for the year ended 30 June 2016. The information has been extracted from the full annual report for the year ended 30 June 2016 adopted by the Council on 26 October 2016. The full financial statements have been prepared in accordance with, and comply with, Tier 1 PBE accounting standards. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand as it relates to summary financial statements.

The summary cannot be expected to provide as complete an understanding of the Council's performance as the full annual report. The full annual report has been audited and an unmodified opinion issued. A copy of our full Annual Report can be obtained from our website www.selwyn.govt.nz.

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



From the Mayor and Chief Executive

Dear Selwyn ratepayers and residents,

We are pleased to be reporting on a year of positive growth and community activity for our district and for the Council. It is striking that the sustained increase in our population, and in commercial and residential development, shows little sign of slowing down – as the value of non-residential building consents increased markedly, while the number of new dwelling consents also increased from last year.

The continuing high levels of growth have contributed to a positive financial result for the Council. Our expenditure for the year was slightly under budget, while revenue was ahead of budget, arising from increased dividends, rating and interest income, as well as growth related factors such as development contributions and vested assets.

In the economic sector the first stage of the Central Plains Water scheme has opened, with good progress made on planning for the second stage. The Council's Izone business park now hosts more than 60 thriving businesses and new land was released this year in Stage 7. The Port of Tauranga has opened its Metroport facility which, along with the nearby Port of Lyttelton's Midland Port, cements Rolleston's growing reputation as an inland freight handling hub.

New subdivisions continue to emerge in townships across the district, and this year also saw the opening of a new primary school in Rolleston West. We were delighted that the Minister for Building and Housing approved 113 hectares of land in Rolleston for residential development under the Special Housing Accord scheme, aimed at improving land availability and affordability.

The Council is continuing to respond to growth by providing essential infrastructure and services, along with facilities and amenities that support thriving communities and quality of life. We have completed a number of water supply upgrades to add capacity in high growth areas and the first stage of a major stormwater upgrade in Leeston is also under way.

Our cycleway network is expanding, with work commencing on a new route between Coalgate and Glentunnel. Foster Park is rapidly becoming a major asset for the district as a hub for sports organisations and competitions, while land has also been purchased for future reserves in Rolleston and Prebbleton.

We continue to plan for the longer-term growth and well-being of our communities. This year we have progressed the Malvern and Ellesmere Area Plans, which will feed into the District Plan review process, guiding future land use decisions. We also completed consultation on the Land Use Recovery Plan, which identifies focal points for commercial, community and service activity in Lincoln and Rolleston. The Lincoln Town Centre Plan sets out proposals for a vibrant town centre, and implementation will be considered through upcoming annual and 10-year plans.

Recognising the increasing diversity of our communities, we adopted a Newcomers and Migrants Strategy, which will see Council working with central government and community agencies to help support new arrivals. Communities have also enjoyed our events programme which included a lively summer calendar, Meet your Street events in local neighbourhoods, arts events and cultural celebrations.

It is rewarding that Selwyn residents enjoy the district as a place to live, work and play. In our 2016 residents' survey, 94 percent of residents told us they thought Selwyn was a great place to live. Satisfaction with the Council's performance also increased, from 60 percent last year to 65 percent, while the survey also identified areas for improvement.

Our thanks go to Council staff, Councillors, members of community committees and local residents, whose support over the past year has helped us achieve so much on behalf of our communities.





Sam Broughton
Mayor



David Ward
Chief Executive

Service performance


 **278,000**
ADMISSIONS TO THE
SELWYN AQUATIC CENTRE

0 PROPERTIES AFFECTED BY
UNPLANNED WATER SUPPLY
INTERRUPTIONS OVER 25 HOURS 

 **76km** KILOMETRES OF
SEALED LOCAL
ROAD NETWORK RESURFACED

 **35%**
OF RESIDENTS
USED THE
PINES RESOURCE RECOVERY PARK

 **2,687** BUILDING CONSENTS
ISSUED WITH AVERAGE
PROCESSING TIME OF **11 DAYS**

65% 
OF RESIDENTS
RATED COUNCIL'S OVERALL PERFORMANCE
AS GOOD OR VERY GOOD



Our services

Over the past year, your Council has been busy working to provide services to you which continue to help make Selwyn a great place to live. Some of the things we do every day include:

- Maintaining over 2,600 kilometres of roads.
- Providing rubbish and recycling services to more than 18,000 households. Over 90% of residents rated these services as good or very good.
- Providing and maintaining 299 reserves and playgrounds, and 37 recreation reserves. 83% of people living in Selwyn visited a park last year.
- Providing and running the Selwyn Aquatic Centre and eight community pools. The Aquatic Centre had 278,000 admissions equating to 5.16 swims per capita during the year, an increase from the centre's first two years of operation.
- Providing and maintaining 24 community centres and halls. 69% of residents rated this service as good or very good.
- Running libraries in Darfield, Lincoln, Leeston, Rolleston and a mobile library and assisting a volunteer library. 82% of residents rated libraries services as good or very good.
- Issuing building and resource consents. 98% of resource consents were issued on time and the average time it took to process a building consent in the past year was 11 working days compared to the statutory timeframe of 20 working days.

Significant performance measures

The following is a selection of our performance measures from our significant activities.

- ✓ 82% of residents have used or visited a public park in the past 12 months. *(Target 70%)*
- ✓ 80% of townships where all residents are serviced by a reserve within 500 metres. *(Target 70%)*
- ✓ 5.16 swims per capita of District population. *(Target 4.5)*
- ✓ 100% of all urgent dog callouts were attended to within 2 hours. *(Target 99%)*
- ✗ 55% of registered library users as a percentage of the population. *(Target 60%)*
- ✓ The 2014/15 annual report and 2016/17 annual plan were adopted on time.
(Target within statutory timeframes)
- ✓ 65% of residents rated the overall performance of Council as very good or good. *(Target 60%)*
- ✓ 97% of building consents were issued within statutory time frames. *(Target 95%)*
- ✓ 92% of resource consent applicants very satisfied or satisfied. *(Target 80%)*
- ✗ 66% of transportation service requests were responded to within 5 days. *(Target 75%)*
- ✓ 76km of sealed road network resurfaced during the year. *(Target 70km)*
- ✓ 94% of residents rated the council's rubbish collection service as very good or good. *(Target 85%)*
- ✓ 99.8% compliance with national standards for water standards for bacteria compliance. *(Target 97%)*
- ✓ 64% of the urban fire district area is within 135m of one hydrant and 270m of two. *(Target 60%)*
- ✓ An average of 17.2 hectares of lzone land sold over the last two years. *(Target 10ha)*
- ✓ Total average water operating cost per serviced property was \$324 per annum. *(Target \$360)*
- ✓ 0.5m³ of water consumed per resident on average per day. *(Target 1.3m³)*



Highlights 2015/16

District growth continues

Selwyn district continues to be a great place to live, work and play, and remains one of the fastest-growing areas in New Zealand, with a population now estimated at around 54,000.

The district's commercial sector is growing rapidly. Data compiled by economic analysts Infometrics for the year to 30 June 2016 showed that the value of non-residential building consents in Selwyn grew by 40 percent. Consents valued at \$152 million were lodged for the year, up from \$109 million the previous year.

The figures reflect a number of factors including the building of new schools in Rolleston, consents for new shops to be developed in Rolleston, West Melton and Darfield and the continuing development of new businesses at Izone. Selwyn retail trade was also up by 6.4 percent for the year, well ahead of national retail activity figures of 2.8 percent.

Overall, Selwyn's gross domestic product (GDP) grew by 3.8 percent during the year, significantly above the Canterbury average of 0.9 percent, and above the New Zealand figure of 2.7 percent. Selwyn's unemployment rate of 2 percent was the fifth-lowest among New Zealand territorial authorities. Canterbury's unemployment rate was 3.2 percent and New Zealand's 5.2 percent.

The district continues to figure strongly in Canterbury's rebuild and economic growth. The total number of building consents issued in Selwyn for the year to June 2016 was 2,687 (2015: 2,790). Our building consent team continued to perform well under pressure, the average building consent processing timeframe being 11 days, well under the 20 day statutory period. The building team was also recognised by being the first council in New Zealand to be reaccredited as a Building Consent Authority three times, with no requirement for changes to existing practices or systems.

The development of Izone Southern Business Hub is helping to provide Selwyn residents with greater employment opportunities in our district. During 2015/16, Stage 6 of the development reached close to full occupancy, and a further 17 lots were released in the 41.5 hectare Stage 7, which includes Port of Tauranga's new 15ha freight hub. Izone now houses more than 60 businesses.

Planning for growth

A number of significant planning initiatives were progressed during the year, helping the district to plan for future growth and change. In Malvern and Ellesmere, consultation took place on local area plans to guide the future development of these areas. These plans will help to inform decisions on land use which will be developed as part of the District Plan Review.

A new Lincoln Town Centre Plan was adopted in May 2016. It provides a guide to ensure that as Lincoln grows, the town's heart remains a vibrant, prosperous space for community and business activity. Proposals include active street frontages, attractive landscaping and public spaces, the introduction of cycle lanes and walking connections, along with parking and traffic management measures. Funding and detailed plans will be considered as part of future Annual Plan and Long-Term Plan processes.

In Rolleston, preparations for the development of a new Rolleston town centre – as proposed in the Rolleston Town Centre Masterplan – have moved forward with consultation on a land exchange proposal. The exchange would see the reserve status on around half the reserve being transferred to land at Foster Park. This would make land available for the development of a new library, town square and retail area on part of the Rolleston Reserve site, with the remaining half of Rolleston Reserve developed into a high quality urban park. This proposal is now being reviewed by the Minister of Conservation. Work is also under way on roading projects which form part of the town centre development.

Consultation was completed on proposed changes under the Land Use Recovery Plan (LURP), which identifies locations for residential and business activities within greater Christchurch. Lincoln and Rolleston town centres are identified as Key Activity Centres for commercial, community and service activity. These provisions will enable more shops and businesses to locate in Rolleston and Lincoln, while other changes provide for more industrial land in Rolleston.

We have begun a major project to review our Selwyn District Plan, and will be consulting widely with the community to update the planning framework for our district. Our existing District Plan was relaunched this year in an interactive online E-Plan format, making it easier for residents to check the District Plan rules affecting their properties.

Residents enjoy life in Selwyn

New and existing residents are enjoying life in Selwyn. Our 2016 residents' survey found that 94% of residents believe Selwyn is a great place to live. Overall satisfaction with Council performance also increased this year, with 65% of residents rating Council's overall performance as good or very good, an increase of 5% from the previous year.

Council facilities and parks prove popular

The Selwyn Aquatic Centre continues to be popular with residents. During the year the facility had 278,000 admissions, equating to 5.16 swims per capita, an increase from the centre's first two years of operation. In our 2016 residents' survey 83% of people reported they visited a park, while over 60% of residents had visited a library or community centre or hall. Satisfaction with most facilities and parks is high, with more than 80% of people satisfied with reserves, playgrounds and libraries.

The Council has continued to invest in community facilities, with projects completed this year including an extension to the Leeston skate bowl and the opening of the Greenpark Community Centre, which replaces the earthquake damaged War Memorial Hall. Earthquake repairs to around 1,100 headstones in the district's 19 public cemeteries were completed this year.

Development of Foster Park

Development continued at Selwyn's largest new sport and recreation park, Foster Park in Rolleston. Several sports fields have been completed and the park hosted its first winter sport season with more than 600 footballers of all ages taking part in weekend matches. A new LED lighting system installed this year, is providing high-quality, cost-efficient lighting for evening sports practices and competitions. Shared walking and cycling paths throughout the park are now open for use by the public. The park is designed to be used for a range of activities including sports training and competition, community events and concerts as well as recreational use.

Supporting our communities

December 2015 saw the launch of Selwyn's first Newcomers and Migrants Strategy, in response to the district's rapidly growing and increasingly diverse population. The strategy is a joint initiative involving central government, the Council and community organisations and sets out a range of actions to help support newcomers and migrants. The district experienced a net increase of 433 new international migrants arriving in the year to June 2016, up from 219 for the previous year.

The Council and Selwyn Youth Council hosted 74 events for local residents and young people enabling communities to connect, have fun and celebrate living in Selwyn. New initiatives piloted included events such as Meet Your Street summer gatherings, Matariki celebrations, Diwali, Have a Go Day and Music on the Green.

A new sport and recreation directory was published for the first time, listing local Selwyn sports clubs, fitness and dance classes, biking and walking groups, ski fields and local sport and recreation facilities. A similar directory for Arts organisations and groups was also launched.

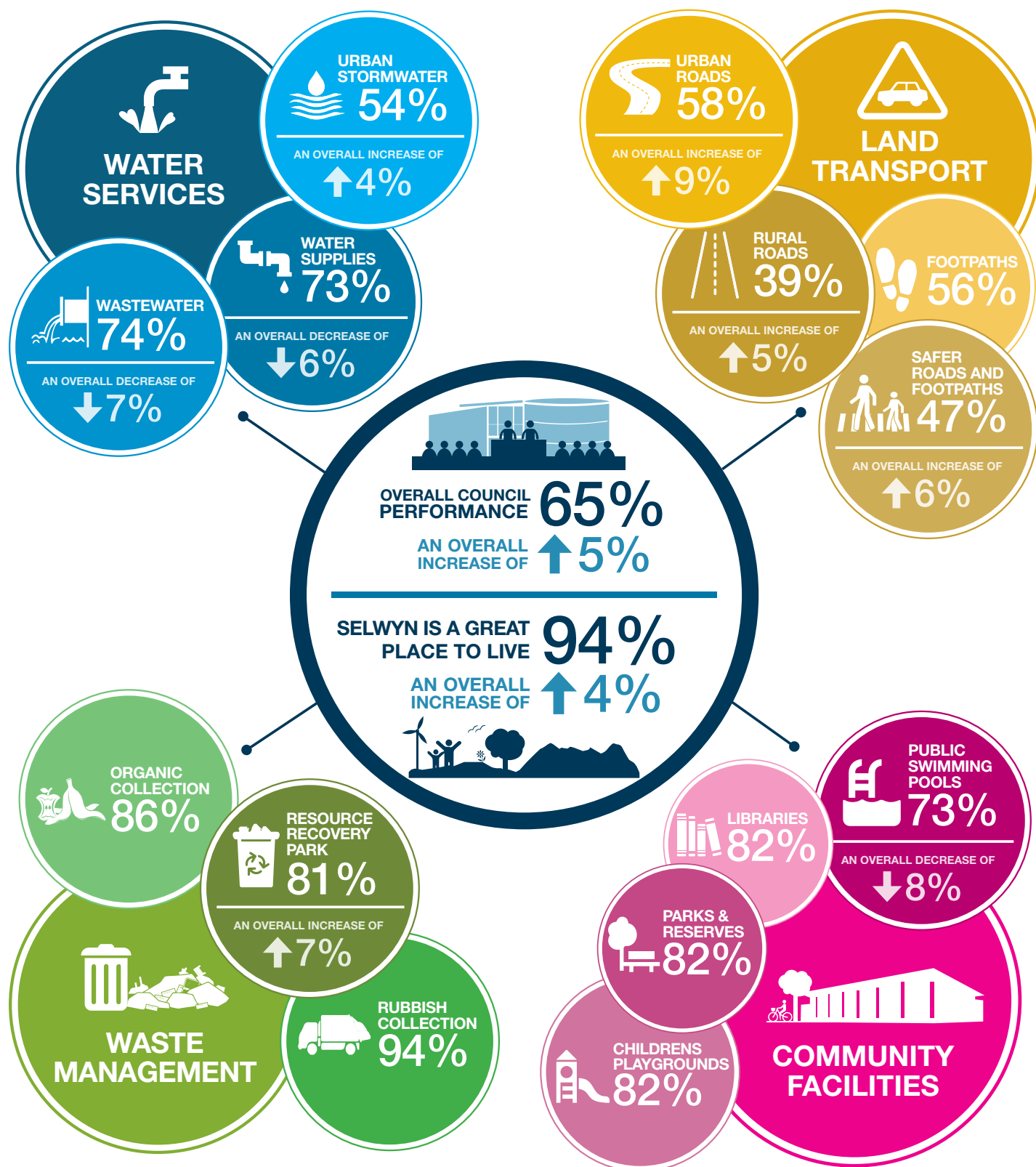
Essential infrastructure

The Council's 5 waters activity covering land drainage, stormwater, wastewater, water supply and water races performed well over the past twelve months, achieving 98% of its 49 service targets. The Council provides drinking water to over 75% of Selwyn's residents and wastewater services to around 58% of our population. 99.9% of water samples taken from the Council's reticulated water supply complied with drinking water standards.

The first stage of a major stormwater upgrade was commenced in Leeston. This involves widening and deepening the drains and increasing the size of culverts to allow water from Leeston Creek to be diverted around the township.

Major transportation projects completed this year included the start of work to construct a new cycleway between Coalgate and Glentunnel. A new roundabout was completed in Rolleston, and other roading upgrades in the township are under way. Drainage improvements were completed on 140 kilometres of rural roads, and 530 metres of new footpaths have been established.

In December, the Council and the Building and Housing Minister signed a Special Housing Accord for Selwyn, aimed at improving residential land availability and affordability. It covers 113 hectares of land in south east Rolleston could accommodate around 1,300 to 1,500 new homes.



2016

SELWYN DISTRICT COUNCIL

RESIDENTS SURVEY

RESIDENTS' SATISFACTION WITH COUNCIL SERVICES

WATER SERVICES

Land drainage network (↑8%) **44%**

Water races (↑8%) **50%**

WASTE MANAGEMENT

Recycling **92%**

LAND TRANSPORT

Cycleways **54%**

Road safety awareness **53%**

Access to public transport **51%**

COMMUNITY FACILITIES

Public halls & community centres **69%**

Cemetery maintenance **62%**

Public toilets **60%**

Residents' survey

How satisfied were our residents?

Some of the performance targets used to measure the level of service provided by the Council rely on a biennial residents' survey. The survey involved an independent survey of 380 residents in June 2016. The results are expressed as a rating out of 100. The survey typically has a margin of error of +/-5%.

Key results

In this year's survey, 65% of residents rated the council's overall performance as good or very good, up from 60% in 2015.

In questions about living in Selwyn, 94% of people said Selwyn was a great place to live, up from 90% in the last survey.

Overall, 21 of the 26 Council services surveyed received ratings of 50% or higher, with seven rated above 75%. Five services recorded ratings below 50%. More than half the 26 services surveyed maintained their satisfaction rating or recorded an increase from last year.

The survey also showed that community facilities like libraries, community centres and parks are well used by Selwyn residents, with 83% of residents visiting a park within the past year, 63% visiting a library and 64% using a public hall or recreation centre.

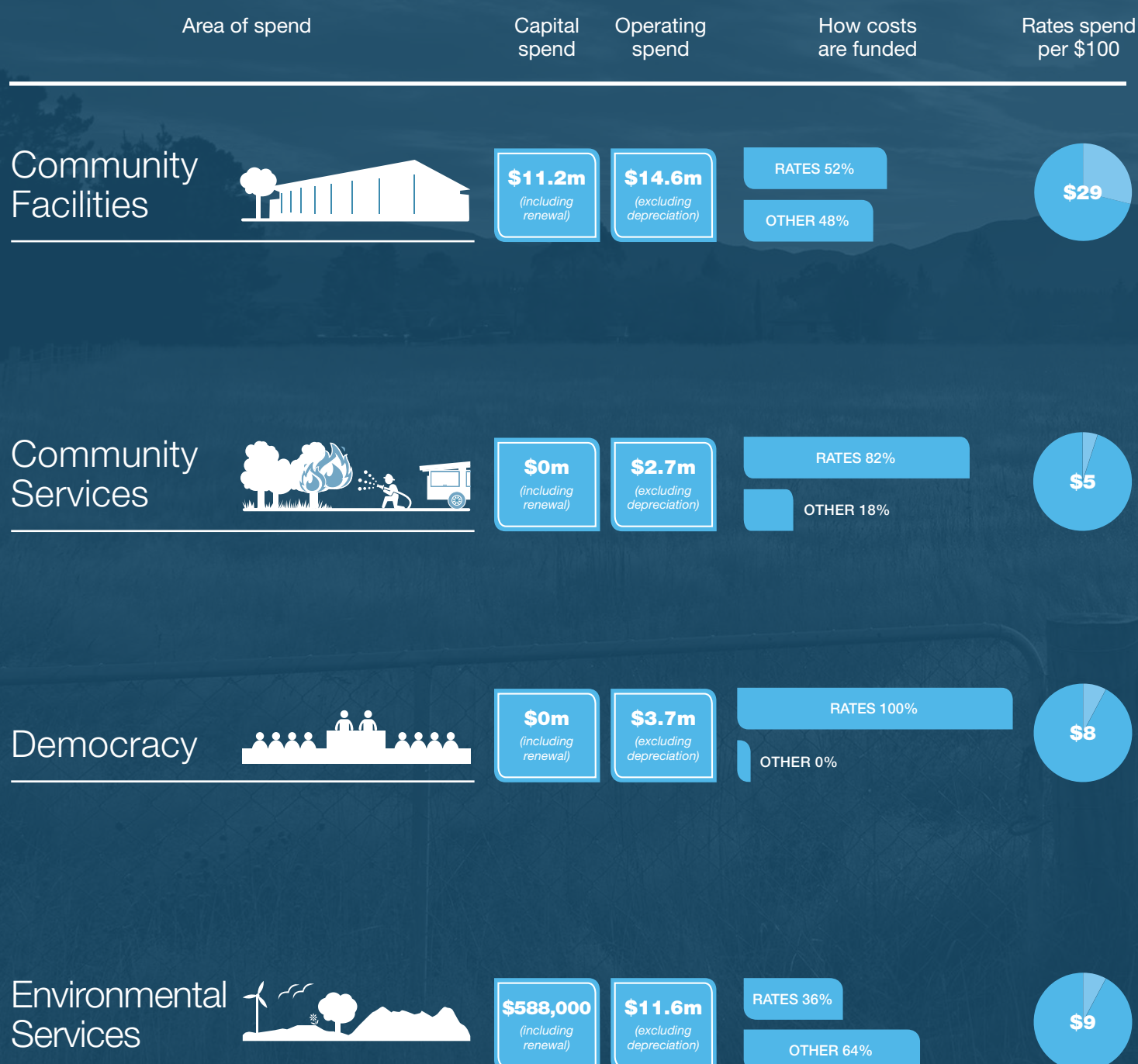
Rubbish and recycling collection were the Council's top performing services and were rated as very good or good by 94% and 92% of residents respectively.


How the survey works

This year, a mixed-method approach was utilised for the data collection process. In previous years computer-aided telephone interviewing (CATI) has been solely used to collect data; however, this year CATI and online interviewing were conducted. Online interviewing was added this year as it allowed for greater reach of residents as landline access declines. This interviewing was specifically targeted towards younger residents, and was used to help make the final sample more representative of the district as a whole.

The survey asked respondents whether the Council is doing a very good job, a good job, a poor job, or a very poor job. The answers for very good job and good job were combined to create an overall score out of 100. No responses were excluded from the survey analysis. The 2015 survey results were weighted by converting to a 100 point scale, where a maximum score (all responses being a very good job) equals 100, and a minimum score (all responses being a very poor job) equals zero. Due to this change in methodology, survey results between 2015 and 2016 may not be directly comparable.

How your rates were spent 2015/16



Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
Five Waters Service 	\$8.5m <i>(including renewal)</i>	\$15m <i>(excluding depreciation)</i>	RATES 47% OTHER 53%	\$26
Izone 	\$8.4m <i>(including renewal)</i>	\$1.9m <i>(excluding depreciation)</i>	RATES 0% OTHER 100%	\$0
Solid Waste Management 	\$32,000 <i>(including renewal)</i>	\$6.6m <i>(excluding depreciation)</i>	RATES 66% OTHER 34%	\$11
Transportation 	\$9.4m <i>(including renewal)</i>	\$9m <i>(excluding depreciation)</i>	RATES 42% OTHER 58%	\$12

2015/16 - The year in review

\$87 million
TOTAL EXPENDITURE
(COMPARED WITH BUDGET OF \$88 MILLION)

\$22 million
RECEIVED IN DEVELOPMENT
CONTRIBUTIONS REVENUE

\$20 million
REDUCTION IN BORROWINGS
(REFLECTS STRONG OPERATING CASH FLOW)

\$42 million
RATES REVENUE LEVIED

\$1.4 billion
TOTAL COUNCIL ASSETS

\$39 million
CAPITAL WORKS COMPLETED





Summary financial statements

Selwyn District Council continued to experience high levels of growth during the 2015/16 financial year. The financial results for the year are a reflection of a number of extraordinary circumstances. These include the rapid and sustained population growth in the District and higher dividend revenue received from our investments.

Operating expenditure for the year was \$86.9 million compared with a budget of \$88.3 million. Much of this difference is due to finance costs being below budget due to a reduced borrowing requirement.

Consolidated revenue for the year was \$148.9 million, compared with budget of \$116.3 million. This figure includes a number of technical and non-cash revenue items as well as higher dividend, interest and rates revenue compared with budget.

Dividend revenue was \$10.1 million, \$4.7 million above budget of \$5.4 million, due to higher dividend revenue received from our investments in Orion New Zealand Limited and Sicon Limited.

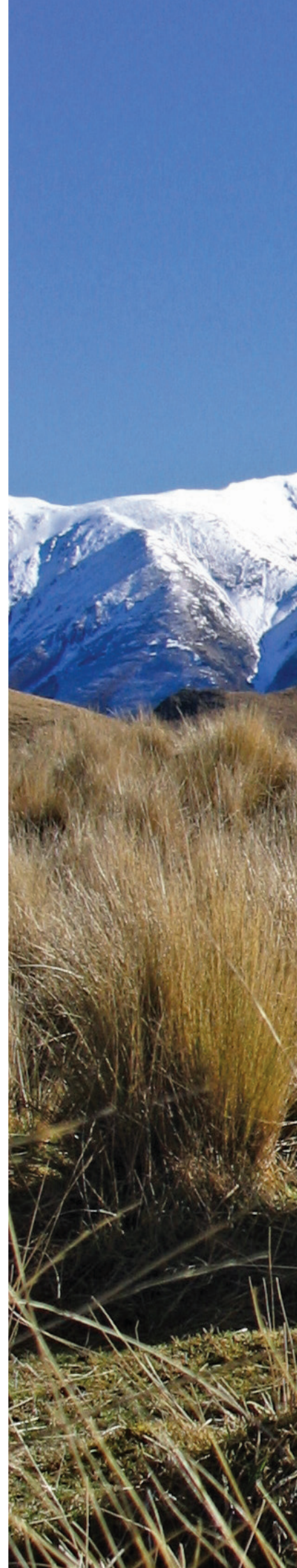
Interest revenue was \$3.3 million, \$0.7 million above budget of \$2.6 million, due to higher levels of cash investments held during the year.

Rates revenue was \$42.4 million, \$0.7 million above budget of \$41.7 million, due to higher levels of population growth in the district compared with those projected in the budget.

Development contributions revenue was \$22 million, \$8.3 million above budget of \$13.8 million as the level of population growth in the district continues to be more rapid than expected. Development contributions are retained in a separate account to fund new infrastructure and are not available to reduce the level of rates.

Vested asset revenue was \$34.8 million, \$11.7 million higher than budget of \$23.1 million, due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.

A technical **accounting adjustment** of \$5million to realise the portion of prior year valuation increases in the Council's investment in Orion New Zealand Limited, attributable to the shares bought back by Orion during the year. The \$5million revenue is offset by \$5million expense through other comprehensive revenue and expense. Therefore, there is no impact on Council's overall equity.





Summary statement of cash flows

For the year ended 30 June 2016

	Council	Council	Council	Group	Group
	2016	Budget	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash flow from operating activities	36,728	17,447	65,270	38,510	70,395
Net cash flow from investing activities	(8,244)	(60,211)	(41,502)	(7,642)	(40,369)
Net cash flow from financing activities	(19,864)	29,519	(20,051)	(19,864)	(23,420)
Net increase/(decrease) in cash and cash equivalents	8,620	(13,245)	3,717	11,004	6,606
Cash, cash equivalents at the end of the year	15,799	4,157	7,179	22,460	11,456

Summary funding impact statement

For the year ended 30 June 2016

	2016	2016	2015	2015
	Actual	Budget	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
Total operating funding (A)	74,991	67,830	68,388	61,035
Total application of operating funding (B)	61,819	67,196	60,949	59,509
Surplus / (deficit) of operating funding (A-B)	13,172	634	7,439	1,526
Total sources of capital funding (C)	15,478	65,622	38,686	54,949
Total applications of capital funding (D)	28,650	66,256	46,125	56,475
Surplus / (deficit) of capital funding (C-D)	(13,172)	(634)	(7,439)	(1,526)
Funding balance (A-B) + (C-D)	-	-	-	-

Summary statement of changes in equity

For the year ended 30 June 2016

	Council	Council	Council	Group	Group
	2016	Budget	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	1,311,445	1,289,959	1,242,780	1,315,134	1,243,715
Total comprehensive revenue and expense for the year	77,803	35,935	68,665	75,266	71,419
Balance at 30 June	1,389,248	1,325,894	1,311,445	1,390,400	1,315,134
<i>Components of equity:</i>					
General funds	781,869	742,509	712,593	786,908	717,169
Fair value through other comprehensive revenue reserve	40,545	46,408	42,023	36,544	41,022
Special funds	67,319	47,984	73,659	67,319	73,659
Asset revaluation reserve	499,515	488,993	483,170	499,629	483,284
Total equity	1,389,248	1,325,894	1,311,445	1,390,400	1,315,134

Summary statement of financial position

As at 30 June 2016

	Council	Council	Council	Group	Group
	2016	Budget	2015	2016	2015
	\$000	\$000	\$000	\$000	\$000
Current assets	93,495	33,185	97,488	102,086	105,746
Non - current assets	1,348,140	1,398,386	1,292,163	1,342,062	1,290,198
Total assets	1,441,635	1,431,571	1,389,651	1,444,148	1,395,944
Current liabilities	14,991	15,631	40,877	16,290	43,350
Non - current assets	37,396	90,046	37,329	37,458	37,460
Total liabilities	52,387	105,677	78,206	53,748	80,810
Total Equity	1,389,248	1,325,894	1,311,445	1,390,400	1,315,134
Total liabilities and equity	1,441,635	1,431,571	1,389,651	1,444,148	1,395,944

Summary statement of comprehensive revenue and expense

For the year ended 30 June 2016

	Council	Council	Council	Group	Group
	2016	Budget	2015	2016	2015
	\$000	\$000	\$000	\$000	\$000
Total revenue	148,853	116,274	157,053	165,775	173,750
Other expenditure	(83,590)	(83,391)	(80,197)	(99,241)	(93,777)
Finance costs	(3,283)	(4,898)	(4,920)	(3,283)	(4,947)
Operating surplus / (deficit) before taxation	61,980	27,985	71,936	63,251	75,026
Income taxation expense (benefit)	(85)	-	3,271	965	3,101
Surplus / (deficit) after taxation	62,065	27,985	68,665	62,286	71,926
Surplus after taxation from discontinued operation	-	-	-	242	(424)
Surplus after taxation and discontinued operation	62,065	27,985	68,665	62,528	71,502
Other comprehensive revenue and expense					
Items that will be reclassified to surplus / (deficit)					
Financial assets at fair value	3,522	2,298	-	522	-
Realisation of assets	(5,000)	-	-	(5,000)	-
Items that will not be reclassified to surplus/ (deficit)					
Gain / (loss) on infrastructure assets revaluation	25	-	-	25	-
Gain on land and building revaluation	17,199	5,652	-	17,199	(82)
Deferred taxation on revaluation	(8)	-	-	(8)	-
Total other comprehensive income	15,738	7,950	-	12,738	(82)
Total comprehensive revenue and expense	77,803	35,935	68,665	75,266	71,419



Cash flow

The Council has a positive operating cash flow of \$36 million. The operating cash flow is used to fund the capital expenditure programme.

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

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

Equity

The value of the Council's net assets increased by \$77.8 million for the year ended 30 June 2016.

The increase was due to the surplus of \$62.1 million, land and building valuation increase \$17.2, Orion valuation increase of \$522,000, Sicon valuation increase of \$3 million offset by the reversal of the \$5 million technical profit release as a result of a share buy-back completed during the year.

The value of the Council's net assets is \$1.389 billion (2015: \$1.311 billion).

Assets

Cash and cash equivalents held at year end is higher than budgeted by \$12 million largely due to the rapid population growth in the District and higher dividends revenue received from our investments.

Inventory is higher than budgeted by \$12.4 million due to the change in treatment of Izone land sales under the new accounting standards which concluded that the Council's land held for sale is more appropriately classified as inventory rather than assets held for sale.

Other financial assets which includes term deposits held by council, are lower than budget by \$1.5 million largely due to the classification of short term deposits as cash and cash equivalents. As discussed above, cash is higher than expected due to the rapid population growth in the District and special dividend revenue received from our investments.

Property held for sale is lower than budget by \$13.2 million due to the change in treatment of Izone land sales discussed above under inventory.

Investment in council controlled organisations is lower than budget by \$11 million largely due to the decrease in the value of the Council's investment in Orion New Zealand as a result of the share buy-back completed during the year.

Investment property is lower than budgeted by \$9.4 million as the budget included the purchase of an investment property not yet purchased.

Property, plant and equipment is higher than budget by \$21 million due to higher levels of vested assets received and a larger increase in property values as a result of the Council's land and building valuation.

Liabilities

Borrowings are lower than budget by \$53.7 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.

Events after balance date

There were no significant events subsequent to balance date.

Restatement of 2015 Financial Statements

On 31 August 2015, following the loss of the highway road maintenance contract, the board of directors of Sicon Limited resolved to close the company's operations on the West Coast. The Group's 2015 statement of comprehensive revenue and expense has been restated to disclose Sicon's West Coast operations as a discontinued operation. Financial information on the discontinued operation is disclosed in Note 33 to the full financial statements.

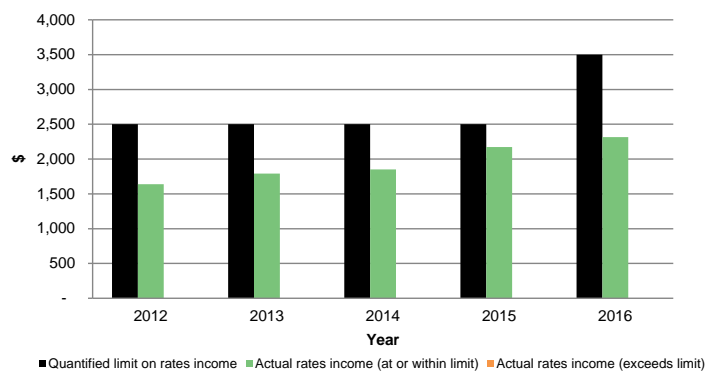
Annual report disclosure statement

Summary for the year ended 30 June 2016

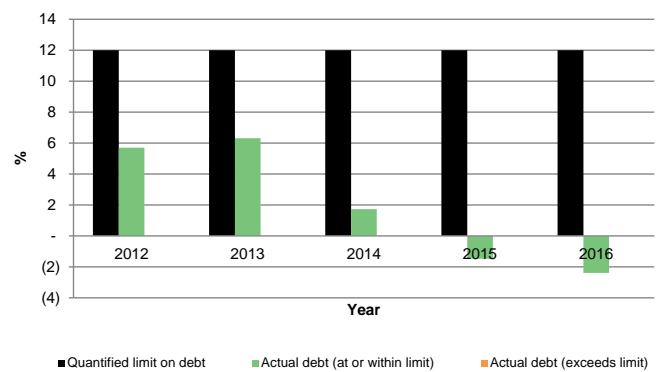
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

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

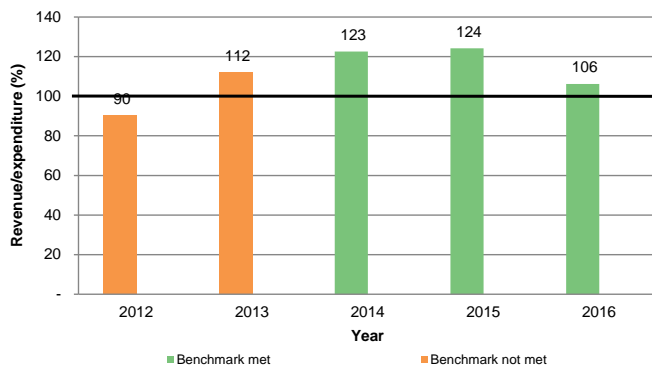
Rates affordability benchmark



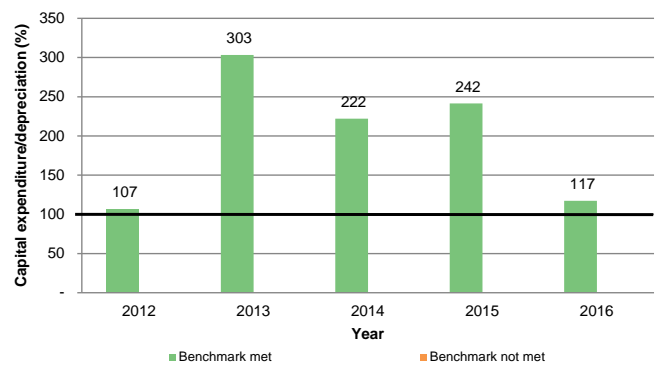
Debt affordability benchmark



Balanced budget benchmark



Essential services benchmark



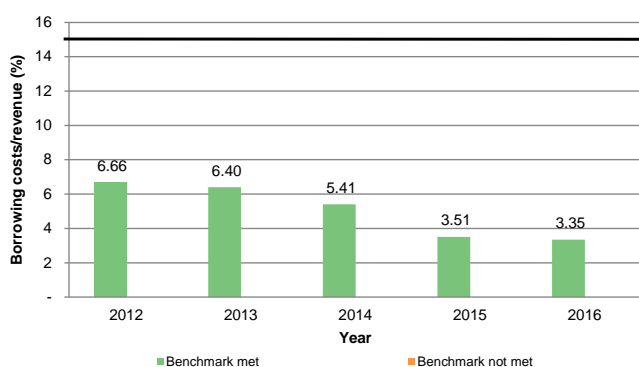
Rating base information

The number of rating units within the district at the end of the preceding financial year: 24,868.

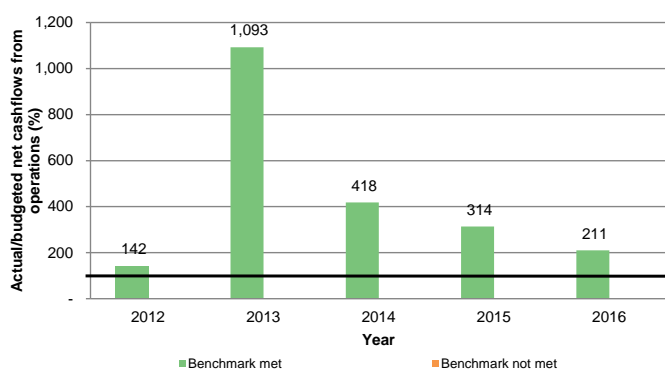
The total capital value of rating units within the district at the end of the preceding financial year: \$16,432 million.

The total land value of rating units at the end of the preceding financial year: \$8,876 million.

Debt servicing benchmark



Operations control benchmark



Independent Auditor's Report

To the readers of
Selwyn District Council and group's summary annual report
for the year ended 30 June 2016

The summary annual report was derived from the annual report of the Selwyn District Council (the District Council) and group for the year ended 30 June 2016. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on page 1, pages 4 to 6, page 10, and pages 16 to 21:

- the summary statement of financial position as at 30 June 2016;
 - the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2016; and
 - the summary statement of service provision of the District Council and group on pages 4 to 6 and page 10.
- We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 26 October 2016.

Opinion

In our opinion:

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

Basis of opinion

Our audit was carried out in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

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



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

26 October 2016



Selwyn District Council

(as at 26 October 2016)

Sam Broughton (*Mayor*)

Malcolm Lyall (*Deputy Mayor*)

Bob Mugford

Craig Watson

Debra Hasson

Grant Miller

Jeff Bland

John Morten

Mark Alexander

Murray Lemon

Nicole Reid

Pat McEvedy

Malvern Community Board

Jenny Gallagher (*Chairperson*)

Judith Pascoe

Karen Meares

Kerry Pauling

Megan Hands

