



SELWYN DISTRICT COUNCIL

# SUMMARY

# Annual Report 2016/17





# Welcome to Selwyn District Council's Summary Annual Report 2016/17

This summary provides an overview and summary of Selwyn District Council and group's activities and services for the year ended 30 June 2017. The information has been extracted from the full annual report for the year ended 30 June 2017, adopted by the Council on 25 October 2017. The full financial statements have been prepared in accordance with, and comply with, Tier 1 PBE accounting standards. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand as it relates to summary financial statements.

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

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







# From the Mayor and Chief Executive

Dear Selwyn ratepayers and residents

The Council's Annual Report for 2016/17 continues the pattern of growth, confidence and effective delivery of services and infrastructure that have been a feature of our district in recent years.

Across key indicators such as population, economic activity and residential construction, Selwyn is continuing to perform strongly – even as other parts of the Canterbury region begin to see an easing of the post-earthquake boom. Equally importantly, quality of life also remains highly regarded by Selwyn residents, who are making the most of the district's environment and the opportunities for employment, recreation and lifestyle.

The Council's positive financial results for 2016/17 reflect the continuing growth of our communities and economy. Revenue was ahead of budget, with increases in population and housing construction contributing to increased rates revenue, development contributions and vested assets. Strong land sales in the Council's Izone development also featured. Expenditure was higher than anticipated, due to factors including higher cost of sales arising from Izone land sales, and unbudgeted costs associated with the Port Hills fires.

Building and resource consent activity has continued to show high demand over the past year. In the year to June 2017, a total of 2,527 building consents were issued. Selwyn's popularity was also reinforced by the opening of two new schools in Rolleston this year.

Good progress has been made on major projects. Foster Park is fast becoming a treasured asset for the district with recent developments including a new hockey turf, completion of additional sports fields, plantings and the design of a new playground. Work also began on expanded car parking at both Foster Park and the Selwyn Aquatic Centre. The Dunsandel community marked the completion of its new community centre, while skate park redevelopments were completed in Darfield and Leeston. In Arthur's Pass, a new recycling station was opened to better cater for the 250,000 visitors that pass through the township each year. Earthquake strengthening work was completed at Darfield library, and a new cycleway opened between Coalgate and Glentunnel.

The development of a new town centre for Rolleston took a significant step forward with Ministerial approval for the reserve exchange that will allow redevelopment of part of Rolleston Reserve for an exciting new library and community space, along with complementary retail, commercial and recreational areas.

In September 2016 we farewelled retiring Mayor Kelvin Coe, acknowledging his 21 years of service on the Council including nine years as Mayor. The Council also acknowledges the untimely passing of Peter Hill, Councillor from 2010 to 2016, who died in April 2017. Following local body elections, a new Council came into place with four new councillors and a newly-elected Mayor. It has been encouraging to see the new Council working cohesively to set clear priorities and direction for the organisation and for the district. Our elected members have also been active in engaging with local communities. A prime example was in our Annual Plan consultation where we moved away from traditional town hall meetings and instead went to talk with residents in their own communities – at markets, shopping precincts and local facilities.

We have also continued to build and strengthen our relationships with neighbouring councils and other key agencies, through initiatives such as the Mayoral Forum and the Greater Christchurch Partnership. These collaborations are producing tangible results in ensuring a coordinated approach to planning for a sustainable prosperous future.

Acknowledgement should also be made of the Port Hills fires of February, one of the largest emergency events our district has faced since the 2010-2011 earthquakes. We recognise the impact on those directly affected, and thank the many individuals and agencies that worked alongside us to fight the fires, support those whose properties were damaged and begin the process of recovery and restoration.

Our district thrives on the cooperative efforts of communities, volunteers, committees, Council staff, elected members and all our partner agencies – our thanks to you all for your part in the past year's progress and achievements.



Sam Broughton  
Mayor



David Ward  
Chief Executive



# Service performance

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**305,000**  
ADMISSIONS TO THE  
SELWYN AQUATIC CENTRE

**70%**

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



**2,527** BUILDING CONSENTS  
ISSUED IN AVERAGE  
PROCESSING TIME OF 14.5 DAYS



**62.5km**  
ROAD RESEALING COMPLETED







## Our services

Throughout the 2016/17 year, the Council has been working to provide services to residents which continue to help make Selwyn a great place to live. Some of the things we do every day include:

- Maintaining around 2,500 kilometres of roads.
- Providing rubbish and recycling services to more than 19,000 households. More than 95% of residents rated these services as good or very good.
- Providing and maintaining 333 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 community pools. A total of 305,000 swims were recorded at Selwyn Aquatic Centre, Southbridge Pool and Darfield Pool. Swim numbers per capita were 5.54.
- Providing and maintaining 24 community centres and halls. 72% of residents rated this service as good or very good.
- Operating a district network of libraries in Darfield, Lincoln, Leeston, Rolleston and a mobile library and assisting two volunteer libraries. 85% 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 14 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.

- ✓ 83% 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%)*
- ✓ 5.54 swims per capita of District population. *(Target 4.5)*
- ✓ 100% of all urgent dog callouts were attended to within 4 hours. *(Target 99%)*
- ✗ 55% of registered library users as a percentage of the population. *(Target 65%)*
- ✓ The 2015/16 annual report and 2017/18 annual plan were adopted on time. *(Target within statutory timeframes)*
- ✓ 70% of residents rated the overall performance of Council as very good or good. *(Target 65%)*
- ✗ 89% of building consents were issued within statutory time frames. *(Target 95%)*
- ✓ 93% of resource consent applicants very satisfied or satisfied. *(Target 80%)*
- ✓ 83% of transportation service requests were responded to within 5 days. *(Target 75%)*
- ✗ 62km of sealed road network resurfaced during the year. *(Target 70km)*
- ✓ 96% 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 98%)*
- ✓ 70% of the urban fire district area is within 135m of one hydrant and 270m of two. *(Target 60%)*
- ✓ an average of 31 hectares of Izone land sold over the last two years. *(Target 10ha)*
- ✓ Total average water operating cost per serviced property was \$310 per annum. *(Target \$340)*
- ✓ 0.43m<sup>3</sup> of water consumed per resident on average per day. *(Target 1.3m<sup>3</sup>)*





## Financial performance

Selwyn District Council continued to experience high levels of growth during the 2016/17 financial year. The financial results for the year are a reflection of a number of extraordinary circumstances. These include the continuing sustained population growth in the district and higher land sales in the Izone Southern Business Hub ahead of budget.

**Expenditure for the year was \$105 million compared with the budget of \$94.6 million. The main variances compared with budget were:**

- Finance costs \$2.9 million below budget, due to a reduced borrowing requirement as some capital projects have not yet been completed.
- The unbudgeted costs associated with the Port Hills fire.
- Cost of sales \$7 million higher than budget due to the sale of land in the Izone Southern Business Hub being significantly ahead of budget.

**Revenue for the year was \$169.8 million compared with the budget of \$120.9 million. The main variances compared with budget were:**

- Dividend revenue \$0.8 million above budget due to higher dividend revenue received from our investments in Orion New Zealand Limited and Transwaste Canterbury Limited.
- Rates revenue was \$1.0 million above budget due to higher levels of population growth in the district compared with those projected in the budget.

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

- Development contributions revenue \$7.1 million above budget 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 \$5.5 million higher than budget due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- Land sales revenue was ahead of budget by \$24.8 million due to the sale of land in the Izone Southern Business Hub being significantly ahead of budget.
- Port Hills fire recovery costs of \$6.9 million were received during the year.



# Highlights 2016/17

## A growing district

The sustained population and economic growth experienced by Selwyn district over the past decade has continued during the 2016/17 financial year.

The population of the district is now estimated to be more than 56,000 –and is expected to reach around 79,000 by 2027.

Much of the population growth has been concentrated in the townships to the east of the district including Rolleston, with a population now estimated at 15,000, as well as Lincoln (6,700) and Prebbleton (4,400).

Corresponding to these trends, the district's construction sector continues to perform strongly. In the year to 30 June 2017 a total of 2,527 building consents were issued in the district. Two new schools opened during the year, Rolleston College and the nearby Lemonwood Grove School.

In the wider economy, overall growth in Selwyn for the year was moderate, with the district's gross domestic product (GDP) increasing by 1.1 percent during the year – below the New Zealand average of 2.8 percent, but ahead of the Canterbury regional figure of 0.8 percent.

Retail and tourism spending performed strongly during the year, with retail sales increasing by 7% on the previous year, outperforming the 3.6% growth for New Zealand. Spending in Selwyn's tourism sector was also up by 7%, from \$89.1 million in 2016 to \$95.4 million.

Unemployment in Selwyn averaged 2.3%, slightly up from 2% a year earlier but well below the New Zealand average of 5% and the Canterbury region at 3.9%. It is estimated that there are currently around 6,150 businesses operating in Selwyn, employing some 16,400 full time employees.

The Council's Izone Business Hub remains a focal point for business growth in the district with continuing strong land sales and construction during the year. Currently more than 70 businesses employ 1,260 people with a further 800 jobs forecast to be created when the park is fully developed.

## Planning for the future

This year saw early progress on a major project to update the Selwyn District Plan – a key document that controls the activities allowed on different properties, guides where shops, industrial areas and new housing can be located and makes provision for protection of the district's environment and heritage. Consultation and technical work on the District Plan Review is continuing in the 2017/18 year and beyond, to develop a framework that ensures appropriate, sustainable land use and development as our district grows.

A key milestone was achieved this year in progressing the Rolleston Town Centre Master Plan, as Ministerial approval was granted for the reserve exchange that will enable the redevelopment of part of Rolleston Reserve for a library, community space and commercial and retail centre.

In Lincoln, the creation of a vibrant, pedestrian-friendly town centre also took a step forward with the Council acquiring land for future development to provide car parking.

## Supporting our communities

The district's major sports park, Foster Park in Rolleston, expanded its support for local sport during the year with a new hockey mini-turf opened in March, providing space for junior competitions and training. Three further sports fields were developed, along with additional landscaping and the design and development of a children's playground.

Work on the Selwyn Aquatic Centre car park extension began during the year, as did the construction of another car park at Foster Park. These expansions will support the growing importance of these facilities as district sport and recreation hubs.

In Darfield, the redevelopment of the skate area at Westview Park was completed, while the Leeston skate bowl was also revamped with a flat skate area added to suit younger children. Plans to develop a new skate facility for Lincoln moved forward, with a location for the site being confirmed and concept plans completed.

Earthquake strengthening of Council facilities is now largely concluded with work at Darfield Library completed. The new Dunsandel Community Centre, which replaces the former hall severely damaged in the September 2010 earthquake, was close to completion as the year closed, with the local community looking forward to its formal opening.

The Council's ongoing investment in a year-round events programme helps to support community activity and reflects our growing diversity. This year saw the successful launch of CultureFest, a colourful event showcasing the district's many cultures with stage performances along with ethnic music, food, arts and crafts.



This event was held in conjunction with the Rolleston 150th anniversary celebrations, which included exhibitions, a parade and displays of trains, machinery, vintage and classic cars – reflecting the town's strong agricultural and rail history.

This year the Council increased its funding support for secondary scholarships, and six senior students from the three Selwyn secondary schools received scholarships to help fund their tertiary studies. A new youth council was appointed this year including four returning members from the previous council. The group has also refined its role from being largely events-based to more of a focus on advocacy and youth participation in community issues.

## Essential infrastructure

Building and maintaining the district's key infrastructure networks remains a core part of the Council's commitment to its communities. Transportation is major element, with vehicles travelling over 375 million kilometres a year on our local roads – a 27% increase since 2010. This year the Council completed resealing on 62.5 kilometres of roads, removed high roadside edges on 67kms of rural roads to improve drainage, completed edge repairs along 49km of roads, dig-out repairs on 22,907 square metres of road surface, and repaired 5,340 potholes.

Significant roading improvement projects completed included the Masfield Drive, Rolleston, upgrade and footpath construction, the extension of Broadlands Drive and the installation of a new roundabout at the junction of Springston Rolleston and Broadlands Drive. The frontage of Rolleston West School was upgraded to provide a crossing point and connecting footpaths. Road widening was completed on Jones Road between Weedons Ross Road and the Lyttelton Port facility. The Council also continued to liaise with the New Zealand Transport Agency on the construction of the Christchurch Southern Motorway Stage 2, which was officially launched in November. More than 5 kilometres of new footpath construction was completed as part of a programme to extend footpath links in townships.

Significant water services projects this year included the continuing rollout of water meters on properties connected to Council water supplies, which will result in properties paying a reduced fixed water rate plus a volumetric usage charge, as in existing fully metered areas. Water supply improvements are helping to provide higher quality water for our growing population. The Council is implementing a programme to add capacity to water supply systems in high growth areas and to improve water treatment quality for a number of smaller townships. This has included a new deep well at Edendale, two new bores in Rolleston and drilling of a new well in Lincoln.

Improvements to water treatment systems this year included a UV treatment system in Springfield, and an upgrade to the UV system in Dunsandel. Stormwater upgrade work has continued in Leeston, with development of stage two of a stormwater bypass designed to divert water away from the town centre when heavy rain occurs.

The first of three new recycling stations is now operating at Arthur's Pass, improving waste services for residents, holiday home owners, businesses and tourists. A second station is planned for Arthur's Pass and another at Castle Hill. The stations have been funded with support from the Government's Waste Minimisation Fund. The Council has also continued to provide green waste collection days in the Malvern and Ellesmere wards.

## Port Hills Fires

On Monday 13 February 2017 two separate fires started several kilometres apart - one in Selwyn district at Early Valley Road in Lansdowne, and the second on Marleys Hills next to the Summit Road near Dyers Pass within Christchurch city.

Following a significant escalation on Wednesday 15 February, the fires merged into one fire ground, stretching from Early Valley Road through to Victoria Park in the east, covering an area of 1,661 hectares with a perimeter of 61 kilometres.

As the initial fire originated in Selwyn, the firefighting operation was led by the Selwyn Rural Fire Authority, with an Incident Management Team established at Selwyn District Council to manage the fire response. From the morning of Tuesday 14 February, both fires were jointly managed by the Incident Management Team at the Selwyn District Council.

A state of emergency was declared on Tuesday 15 February and remained in place until Wednesday, 1 March. The fire was declared out on 20 April. In all, nine homes were completely destroyed, two suffered partial damage and three outbuilding/sheds were damaged. Many other dwelling were affected by smoke inundation.

A Recovery Plan for the Selwyn area affected by the fires is now in place, and the Council and other agencies are working with affected landowners to facilitate land rehabilitation and works to reduce future fire risk.

Selwyn District Council has calculated the total rural firefighting costs for the Port Hills fires at \$7.9 million. This figure includes all rural firefighting costs incurred by Selwyn District Council and the Department of Conservation (DoC) as Rural Fire Authorities. It does not include costs incurred by the New Zealand Fire Service (now Fire Emergency NZ) – these costs sit with the Fire Service and do not form part of the Council's insurance claim.

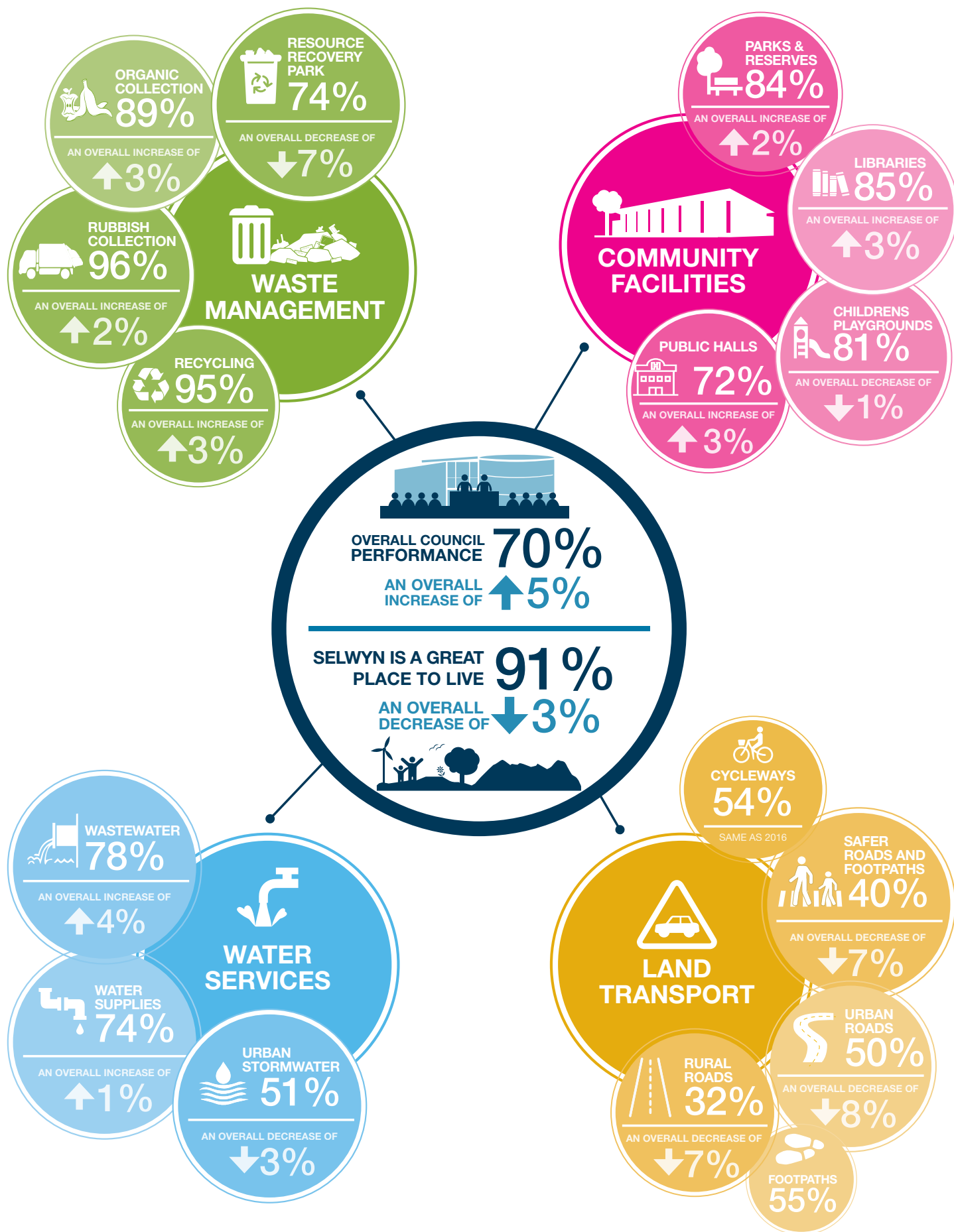
The majority of the costs (\$7.4 million) have been covered through insurance with the Rural Fire Fighting Fund. The Council and DoC will each meet their own insurance excess of \$195,000 along with other non-claimable costs totalling approximately \$211,000 (such as the cost of preparing the claim). The costs also do not include Civil Defence costs incurred by Selwyn District Council or Christchurch City Council.

Significant areas of expenditure included approximately \$2.1 million for aircraft, \$1.8 million for Rural Fire personnel, \$900,000 for fire retardant, \$800,000 for Rural Fire equipment and vehicles, and \$600,000 for heavy machinery. Other costs covered in the total include contracted firefighting personnel and equipment and a number of other items.

Selwyn District Council costs not covered by insurance have been funded from the Council's 2016/17 operating expenditure. The net cost to council is \$114,000 which is a combination of excess on the claim, costs that are not claimable offset by recovery of vehicle and machinery costs.

The Selwyn Rural Fire Authority was supported by a significant number of rural fire authorities from all over New Zealand during this operation, and the Council extends its appreciation for their support. Thanks are also due to the wider Selwyn district community for providing support during this huge firefighting operation, including the firefighting teams and council staff that were diverted from normal duties.





**2017**  
SELWYN DISTRICT COUNCIL

**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.

Some of the data from this survey is used in performance targets which measure the level of service provided by the Council. 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, 70% of residents rated the Council's overall performance as good or very good, up from 65% in 2016. This continues a long-term trend which has seen the overall performance rating rise steadily from 58% in 2013.

In questions about living in Selwyn, 91% of people said Selwyn was a great place to live, compared to 94% in the last survey.

Across 21 different Council services surveyed, 17 recorded satisfaction ratings of 50% or higher. Ten services recorded an increase in their rating from last year, while the same number saw a reduction and one remained unchanged.

Among the highest rated services were rubbish collection (96% rated good or very good), recycling (95%), libraries (85%), parks and reserves (84%) and sewerage and wastewater (78%).

Waste management services maintained high satisfaction ratings. Alongside rubbish collection (96%) and recycling (95%), organic collection was also rated highly at 89%. The Pines Resource Recovery Park was rated good or very good by 74% of residents overall – and 82% among those 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 81% of respondents, while 83% have visited a park or reserve and 69% have used the public library network. Satisfaction with libraries increased by 3% to 85%, while parks and reserves (84%) and public halls (72%) also recorded increases.

## How the survey works

The survey was carried out in June and July 2017 by an independent research company, and surveyed 411 people using telephone, cell phone and online surveys to provide a statistically representative sample of Selwyn's population. The survey typically has a margin of error of +/- 4.7%.



# How your rates were spent 2016/17

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
<b>Community Facilities</b> 	<b>\$19.3m</b> (including renewal)	<b>\$16.3m</b> (excluding depreciation)	RATES 55% OTHER 45%	<b>\$27</b> 
<b>Community Services</b> 	<b>\$0m</b> (including renewal)	<b>\$9.4m</b> (excluding depreciation)	RATES 28% OTHER 72%	<b>\$5</b> 
<b>Democracy</b> 	<b>\$0m</b> (including renewal)	<b>\$4.2m</b> (excluding depreciation)	RATES 96% OTHER 4%	<b>\$8</b> 
<b>Environmental Services</b> 	<b>\$38,000</b> (including renewal)	<b>\$12.5m</b> (excluding depreciation)	RATES 40% OTHER 60%	<b>\$10</b> 



Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
<b>Five Waters Service</b> 	<b>\$12.3m</b> (including renewal)	<b>\$15.5m</b> (excluding depreciation)	RATES 49% OTHER 51%	 <b>\$26</b>
<b>Izone</b> 	<b>\$2.5m</b> (including renewal)	<b>\$1.3m</b> (excluding depreciation)	RATES 0% OTHER 100%	 <b>\$0</b>
<b>Solid Waste Management</b> 	<b>\$274,000</b> (including renewal)	<b>\$7.1m</b> (excluding depreciation)	RATES 69% OTHER 31%	 <b>\$11</b>
<b>Transportation</b> 	<b>\$9.5m</b> (including renewal)	<b>\$8.6m</b> (excluding depreciation)	RATES 44% OTHER 56%	 <b>\$13</b>



# The year in review

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**\$105 million**  
TOTAL EXPENDITURE  
(COMPARED WITH BUDGET OF \$94.6 MILLION)

**\$46.3 million**  
RATES REVENUE LEVIED  
(COMPARED WITH BUDGET OF \$45.3 MILLION)

**\$19.5 million**  
RECEIVED IN DEVELOPMENT  
CONTRIBUTIONS REVENUE  
(COMPARED WITH BUDGET OF \$12.4 MILLION)

**\$1.5 billion**  
TOTAL COUNCIL NET ASSETS  
(2016: \$1.389 BILLION)









# Summary financial statements

Selwyn District Council continued to experience high levels of growth during the 2016/17 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 land sales in the Izone Southern Business hub ahead of budget.

Operating expenditure for the year was \$105 million compared with a budget of \$94.6 million. Much of this difference is due to finance costs being below budget due to a reduced borrowing requirement, unbudgeted costs associated with the Port Hills fire and cost of sales linked with the sale of land in the Izone Southern Business Hub being significantly ahead of budget.

Consolidated revenue for the year was \$169.8 million, compared with budget of \$120.9 million. This figure includes a number of non-cash revenue items as well as higher dividend, and rates revenue compared with budget.

**Dividend revenue** was \$0.8 million above budget due to higher dividend revenue received from our investments in Orion New Zealand Limited and Transwaste Canterbury Limited.

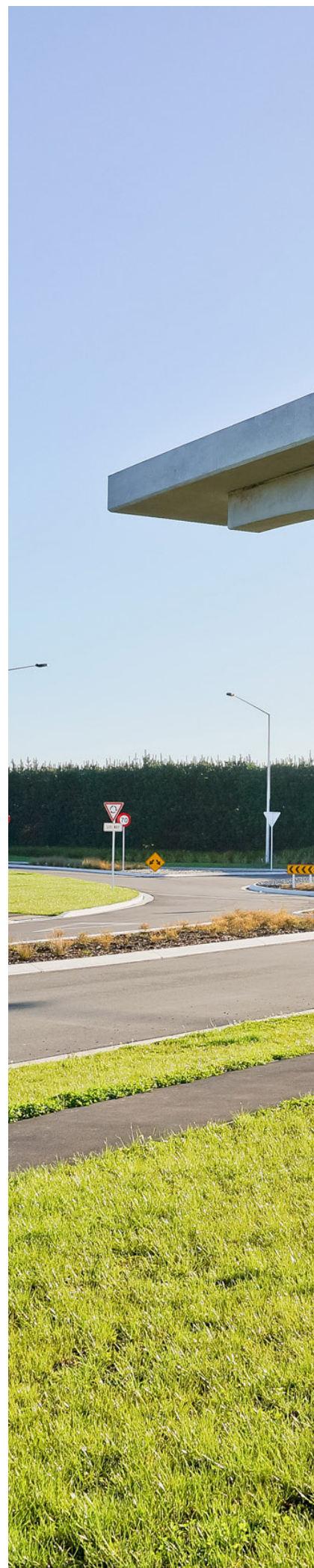
**Rates revenue** was \$1.0 million above budget due to higher levels of population growth in the district compared with those projected in the budget.

**Development contributions revenue** \$7.1 million above budget 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 \$5.5 million higher than budget due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.

**Land sales revenue** was ahead of budget by \$24.8 million due to the sale of land in the Izone Southern Business Hub being significantly ahead of budget.

**The Port Hills fire recovery** costs of \$6.9 million received during the year.









## Summary statement of cash flows

	Council	Council	Council	Group	Group
	2017	Budget	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash flow from operating activities	50,035	18,041	36,728	53,396	38,510
Net cash flow from investing activities	(59,002)	(63,349)	(8,244)	(61,155)	(7,642)
Net cash flow from financing activities	(14)	45,381	(19,864)	(8,491)	(19,864)
Net increase/(decrease) in cash and cash equivalents	(8,981)	73	8,620	(16,250)	11,004
Cash, cash equivalents at the end of the year	6,818	2,816	15,799	6,210	22,460

## Summary funding impact statement

	2017	2017	2016	2016
	Actual	Budget	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
Total operating funding (A)	83,004	73,849	74,991	67,830
Total application of operating funding (B)	70,898	71,915	61,819	67,196
Surplus / (deficit) of operating funding (A-B)	12,106	1,934	13,172	634
Total sources of capital funding (C)	58,987	78,188	15,478	65,622
Total applications of capital funding (D)	71,093	80,122	28,650	66,256
Surplus / (deficit) of capital funding (C-D)	(12,106)	(1,934)	(13,172)	(634)
Funding balance (A-B) + (C-D)	-	-	-	-

## Summary statement of changes in equity

	Council	Council	Council	Group	Group
	2017	Budget	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	1,389,248	1,356,233	1,311,445	1,390,400	1,315,134
Total comprehensive revenue and expense for the year	113,607	37,192	77,803	106,404	75,266
Contributions from minority interest	-	-	-	3,750	-
Balance at 30 June	1,502,855	1,393,425	1,389,248	1,500,554	1,390,400
<i>Components of equity:</i>					
General funds	851,979	798,467	781,869	859,173	786,908
Fair value through other comprehensive revenue reserve	65,577	46,144	40,545	52,326	36,544
Special funds	63,074	50,912	67,319	63,074	67,319
Asset revaluation reserve	522,225	497,902	499,515	522,404	499,629
Minority interest	-	-	-	3,577	-
Total equity	1,502,855	1,393,425	1,389,248	1,500,554	1,390,400



# Summary statement of financial position

	Council	Council	Council	Group	Group
	2017	Budget	2016	2017	2016
	\$000	\$000	\$000	\$000	\$000
Current assets	111,228	24,262	93,495	119,101	102,086
Non - current assets	1,447,181	1,478,759	1,348,140	1,444,381	1,342,062
<b>Total assets</b>	<b>1,558,409</b>	<b>1,503,021</b>	<b>1,441,635</b>	<b>1,563,482</b>	<b>1,444,148</b>
Current liabilities	38,761	40,877	14,991	45,979	16,290
Non - current assets	16,793	68,719	37,396	16,949	37,458
<b>Total liabilities</b>	<b>55,554</b>	<b>109,596</b>	<b>52,387</b>	<b>62,928</b>	<b>53,748</b>
Selwyn District Council	1,502,855	1,393,425	1,389,248	1,496,977	1,390,400
Non - controlling interest	-	-	-	3,577	-
<b>Total Equity</b>	<b>1,502,855</b>	<b>1,393,425</b>	<b>1,389,248</b>	<b>1,500,554</b>	<b>1,390,400</b>
<b>Total liabilities and equity</b>	<b>1,558,409</b>	<b>1,503,021</b>	<b>1,441,635</b>	<b>1,563,482</b>	<b>1,444,148</b>

# Summary statement of comprehensive revenue and expense

	Council	Council	Council	Group	Group
	2017	Budget	2016	2017	2016
	\$000	\$000	\$000	\$000	\$000
Total revenue	169,804	120,938	148,853	207,772	165,775
Other expenditure	(103,959)	(90,535)	(83,590)	(138,769)	(99,241)
Finance costs	(1,210)	(4,114)	(3,283)	(1,279)	(3,283)
<b>Operating surplus / (deficit) before taxation</b>	<b>64,635</b>	<b>26,289</b>	<b>61,980</b>	<b>67,724</b>	<b>63,251</b>
Income taxation expense (benefit)	40	-	(85)	1,147	965
<b>Surplus / (deficit) after taxation</b>	<b>64,595</b>	<b>26,289</b>	<b>62,065</b>	<b>66,577</b>	<b>62,287</b>
Surplus after taxation from discontinued operation	-	-	-	-	242
<b>Surplus after taxation and discontinued operation</b>	<b>64,595</b>	<b>26,289</b>	<b>62,065</b>	<b>66,577</b>	<b>62,529</b>
<b>Other comprehensive revenue and expense</b>					
<b>Items that will be reclassified to surplus / (deficit)</b>					
Financial assets at fair value	25,032	1,823	3,522	15,782	522
Realisation of assets	-	-	(5,000)	-	(5,000)
<b>Items that will not be reclassified to surplus / (deficit)</b>					
Gain / (loss) on infrastructure assets revaluation	23,980	-	25	23,980	25
Gain on land and building revaluation	-	9,080	17,199	65	17,199
Deferred taxation on revaluation	-	-	(8)	-	(8)
<b>Total other comprehensive income</b>	<b>49,012</b>	<b>10,903</b>	<b>15,738</b>	<b>39,827</b>	<b>12,738</b>
<b>Total comprehensive revenue and expense</b>	<b>113,607</b>	<b>37,192</b>	<b>77,803</b>	<b>106,404</b>	<b>75,266</b>
<b>Total comprehensive income attributable to:</b>					
Selwyn District Council	113,607	37,192	77,803	106,577	75,266
Non - controlling interest	-	-	-	(173)	-
<b>Total comprehensive revenue and expense</b>	<b>113,607</b>	<b>37,192</b>	<b>77,803</b>	<b>106,404</b>	<b>75,266</b>







## Cash flow

The Council has a positive **operating cash flow** of \$50 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 \$110 million for the year ended 30 June 2017.

The increase was due to the surplus of \$64.6 million, infrastructure valuation increase \$23.9 million, Orion valuation increase of \$15.7 million and Sicon valuation increase of \$9.3 million.

The value of the Council's net assets is \$1.503 billion (2016: \$1.389 billion).

## Assets

**Cash** and cash equivalents held at year end is higher than budgeted by \$4 million.

**Inventory** is lower than budgeted by \$1.2 million due to the timing of sale of land at Izone.

**Other financial assets** which includes term deposits held by council, are higher than budget by \$47.1 million largely due to strong revenues including sales of land at Izone.

**Property held for sale** is higher than budget by \$1.8 million due to the timing of sale of land held for sale.

**Investment in council controlled organisations** is higher than budget by \$14.3 million largely due to the increase in the value of the Council's investment in Orion New Zealand and Sicon Limited & Group.

**Investment property** is lower than budgeted by \$15.7 million as the budget included the purchase of an investment property not yet purchased.

**Property, plant and equipment** is higher than budget by \$5.9 million due to higher levels of vested assets received and a larger increase in property values as a result of the Council's infrastructure valuation.

## Liabilities

Borrowings are lower than budget by \$51.3 million because the budget included higher borrowing levels in the current year to fund capital projects which have been funded using existing cash reserves or have been carried forward for completion in future periods.

## Events after balance date

On the 1st July 2017 the Council transferred our rural fire assets to the newly established Fire and Emergency New Zealand (FENZ). The Council transferred assets with a carrying value of \$500,000 and have agreed to contribute \$600,000 towards the construction of a new fire station at West Melton. (2016: \$Nil).



# Annual report disclosure statement

## Summary for the year ended 30 June 2017

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

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement. The Council and group has adjusted its comparative year financial statements for the year ended 30 June 2014 due to transition to the new PBE accounting standards. The 2013/14 comparative graphs have been updated accordingly.

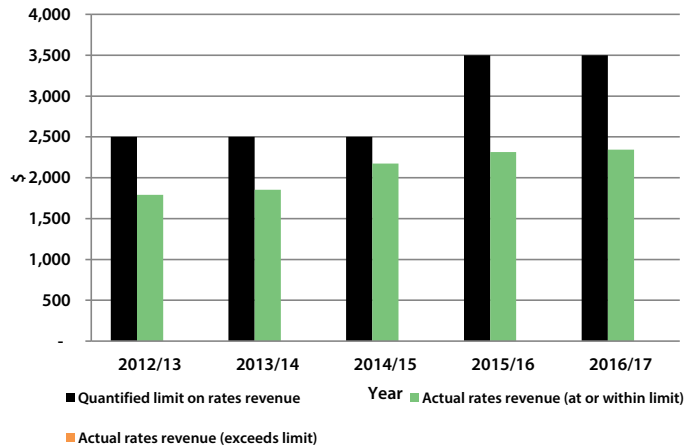
## Rating base information

The number of rating units within the district at the end of the preceding financial year: 26,254.

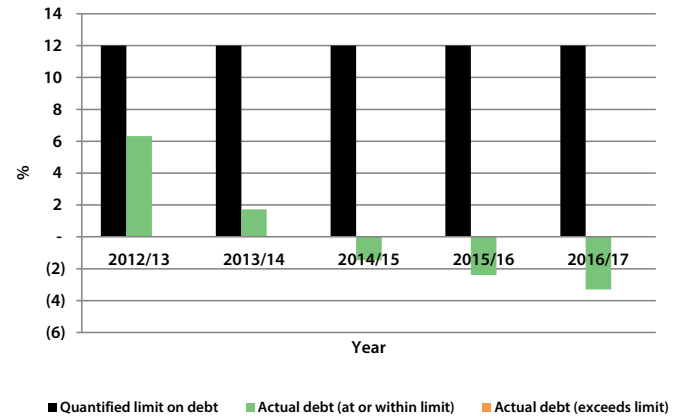
The total capital value of rating units within the district at the end of the preceding financial year: \$21,292 million.

The total land value of rating units at the end of the preceding financial year: \$11,409 million.

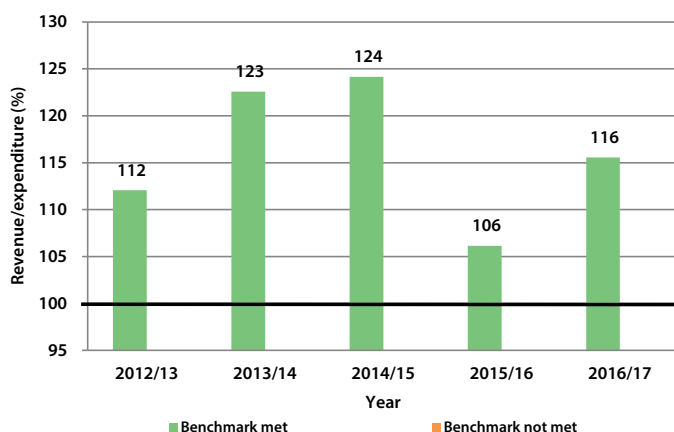
### Rates affordability benchmark



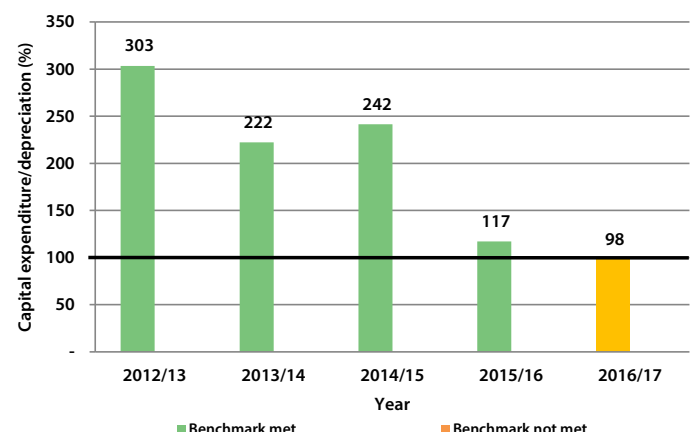
### Debt affordability benchmark



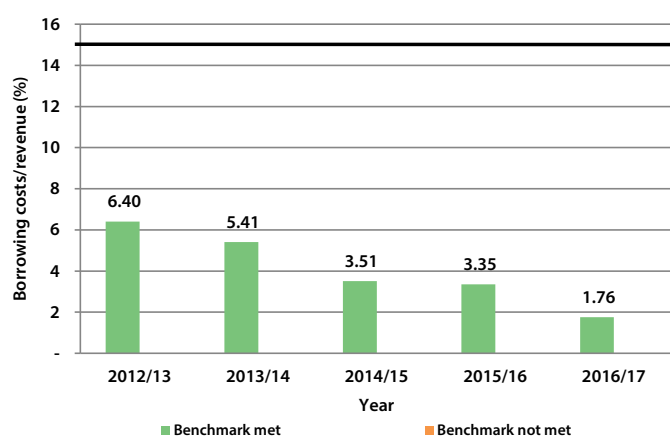
### Balanced budget benchmark



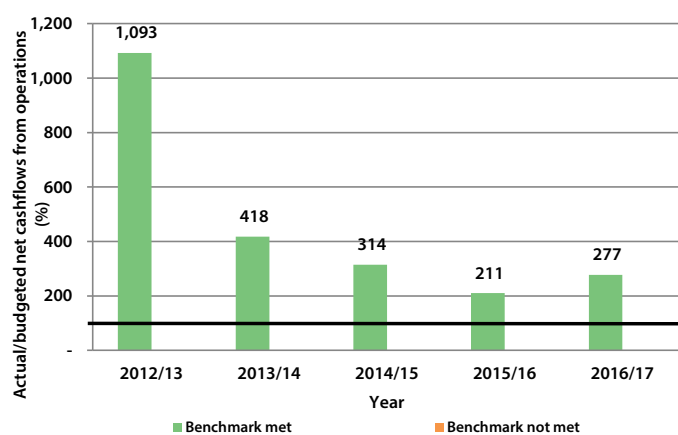
### Essential services benchmark



### Debt servicing benchmark



### Operations control benchmark





## Independent Auditor's Report

To the readers of Selwyn District Council and group summary of the annual report for the year ended 30 June 2017

The summary of the annual report was derived from the annual report of the Selwyn District Council (the District Council) and group for the year ended 30 June 2017.

The summary of the annual report comprises the following summary statements on page 1, pages 4 to 6, page 10 to 11, and pages 16 to 21:

- the summary statement of financial position as at 30 June 2017;
- 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 2017;
- the summary statement of service performance on pages 4 to 6 and pages 10 and 11.

### Opinion

In our opinion:

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

### Summary of the annual report

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

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

### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2017 in our auditor's report dated 25 October 2017.

Council's responsibility for the summary of the annual report

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

### Auditor's responsibility

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

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

In addition to the reporting on the summary annual report, we have reported on the full annual report, and carried out an independent assurance review of the District Council's Debenture Trust Deed. These engagements are compatible with the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this reporting and these engagements, we have no relationship with, or interest in, the District Council or its subsidiaries and controlled entities.



John Mackey  
Audit New Zealand  
On behalf of the Auditor General  
Christchurch, New Zealand  
20 November 2017

## Selwyn District Council

Sam Broughton (Mayor)

Bob Mugford

Craig Watson

Debra Hasson

Grant Miller

Jeff Bland

John Morten

Malcolm Lyall

Mark Alexander

Murray Lemon

Nicole Reid

Pat McEvedy

## Malvern Community Board

Jenny Gallagher (Chairperson)

Judith Pascoe

Karen Meares

Kerry Pauling

Megan Hands



