

Selwyn District Council

Annual Report

2017/18





Cover photo: Foster Park playground, Rolleston, opened in December 2017.

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From the Mayor and Chief Executive

Dear Selwyn ratepayers and residents

In presenting our Annual Report for 2017/18 we recognise that in many ways the Council's story is also Selwyn's story – one of increasing growth, diversity, success and maturity as a district.

While the Council has a central role in providing the essential services, infrastructure and facilities to support a growing community, Selwyn's success is founded on its people: the families moving from around the world into our residential areas, the businesses that have established or relocated in our townships and business zones, the farmers and primary producers that are making the most of our productive landscapes.

It is remarkable that growth indicators for both population and economic activity continue to increase steadily, well ahead of regional and national averages. Selwyn's population has now surpassed 60,000 and our projections anticipate a population of around 80,000 in 10 years' time. While there has been a slight softening in our building consent numbers, residential growth continues at levels far greater than those of a decade ago.

Economic commentators have recently observed that Selwyn appears to be bucking the national trend of low consumer and business confidence, with the district's gross domestic product growing at double the New Zealand and Canterbury rate over the past year.

The Council has recorded a positive financial result for the year. Population and housing growth have contributed to higher than anticipated revenue from both rates and development contributions, along with vested assets reflecting increased subdivision activity. Expenditure was slightly higher than budgeted, with contributing factors including increased maintenance and operational expenditure, the acceleration of the District Plan Review, and higher cost of sales arising from land sales in Izone.

During the year the Council issued a total of 2,458 building consents, only marginally down on last year, while a total of 729 resource consents were issued. The Council has made significant investment in new facilities this year, with the opening of the Dunsandel Community Centre and progress on centres at Tai Tapu and West Melton. We have also continued earthquake strengthening of local halls and community centres, with projects completed at Ladbrooks and Springston. Looking to the future, in our Long-Term Plan we made commitments to extending the Selwyn Aquatic Centre and developing an indoor sports hub at Foster Park – major projects that will add to the range of opportunities available to residents.

We have made good progress in developing the Rolleston Town Centre. Hundreds of residents gave us feedback on what they are looking for in a new library and community space, and initial concept designs have now been drawn up for this exciting community hub.

Our District Plan Review is a critical piece of future planning work and has progressed well this year. The plan is the 'rule book' which controls how people can use and develop their properties, and sets out policies for managing our natural and physical resources. We've done a lot of work to review key topics and have started the process of gathering public input into possible future changes.

We're contributing to our communities in many other ways too, such as our popular summer events series, celebrating our diversity through events like CultureFest, a new destination playground at Foster Park, provision of libraries, parks, pools and other recreation facilities across the district, support for our business sector, and ongoing upgrades to our roading and water infrastructure.

Our thanks go to all those who contribute to the Selwyn story – residents, visitors, local committees, clubs and organisations, volunteers and business owners, along with our Council's elected members and staff.



Sam Broughton, Mayor



David Ward, Chief Executive







About the Annual Report

The purpose of the Annual Report is to compare the actual activities and performance of the Council against those set out in the Long Term Plan and Annual Plan. The Annual Report also enhances the Council's accountability to the community for the decisions made during the year by the Council.

The financial statements and performance information presented in this report are reporting against the third year of the Selwyn District Council Long-Term Plan 2015–2025 that was adopted on 24 June 2015.

Māori involvement in decision making

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

The Council has entered into a service and funding agreement with Mahaanui Karataiao Limited to assist the Council in meeting its obligations under Section 81 of the Local Government Act 2002.

Mahaanui Karataiao Limited is a rūnanga-owned entity and consultancy which has been established specifically for the purpose of engaging with local government. A broad range of services is offered under the agreement including advice/liaison and the facilitation of consultation on resource management issues, advice on policy and democratic processes and training for the Council and rūnanga staff.

The Council will also continue to schedule bi-monthly meetings to engage with and share information with the Taumutu Rūnanga.

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

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

The year in review

\$100.6 million
TOTAL EXPENDITURE
(COMPARED WITH BUDGET OF \$99 MILLION)

\$51.6 million
RATES REVENUE LEVIED
(COMPARED WITH BUDGET OF \$50.8 MILLION)

\$15 million
**RECEIVED IN DEVELOPMENT
CONTRIBUTIONS REVENUE**
(COMPARED WITH BUDGET OF \$12.3 MILLION)

\$1.5 billion
TOTAL COUNCIL NET ASSETS
(2017: \$1.5 BILLION)



Financial performance

Selwyn continued to experience high levels of population and economic growth during the 2017/18 financial year. The financial results for the year are a reflection of the success of the district as a whole.

Expenditure for the year was \$100.6 million compared with the budget of \$99 million.

The main variances compared with budget were:

- Employee benefit expenditure \$1.5 million below budget due to the timing of recruitment of staff.
- Finance costs \$2.2 million below budget, due to a reduced borrowing requirement due to positive cash flows and some capital projects that have not yet been completed.
- Depreciation and amortisation expenditure \$1.4 million below budget due to the timing of completion of some significant capital projects.
- Cost of sales \$2.8 million higher than budget due to the sale of land in the Izone Southern Business Hub being significantly ahead of budget.
- Environmental services costs \$900,000 higher than budget largely due to the Council's desire to accelerate the District Plan review.
- Subsidised maintenance and operational expenditure \$2.1 million higher than budget. Additional expenditure was incurred to repair damage caused by irrigation construction activity and rain events, and also to improve roads that had become unsafe.

Revenue for the year was \$146.0 million compared with the budget of \$128.6 million.

The main variances compared with budget were:

- Dividend revenue \$1.0 million above budget due to higher dividend revenue received from our investments in Orion New Zealand Limited, Sicon Limited and Transwaste Canterbury Limited.
- Rates revenue was \$0.8 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 \$2.7 million above budget as the level of housing development in the district continues to be more rapid than expected. Development contributions are retained in a separate account to fund new infrastructure and are not available to reduce the level of rates.
- Vested asset revenue \$4.8 million higher than budget due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the Council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- Land sales revenue was ahead of budget by \$5.5 million due to the sale of land in the Izone Southern Business Hub being ahead of budget.
- Gains from the movement in the fair value of investment property and forestry assets were \$1.1 million above budget.



Service performance



308,000
ADMISSIONS TO THE
SELWYN AQUATIC CENTRE

69%

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



2,458 BUILDING CONSENTS
ISSUED IN AVERAGE
PROCESSING TIME OF 9.2 DAYS



77.1km
ROAD RESEALING COMPLETED





Our services

Throughout the 2017/18 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 21,000 households. More than 94% of residents rated these services as good or very good.
- Providing and maintaining 406 reserves and playgrounds, and 54 recreation and conservation reserves. 84% of people living in Selwyn visited a park last year.
- Providing and running the Selwyn Aquatic Centre and community pools. A total of 308,000 admissions were recorded at Selwyn Aquatic Centre, Southbridge Pool and Darfield Pool – equivalent to 5.31 swims for each Selwyn resident.
- Providing and maintaining 25 community centres and halls. 70% 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. 84% 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 9.24 working days compared to the statutory timeframe of 20 working days.
- Operating 30 community water supplies, supplying clean, safe drinking water to more than 82% of the district's population.

Highlights 2017/18

Delivering our key projects

In our Annual Plan for the 2017/18 year we consulted on a number of key projects for the district. Here's how we fared in delivering these projects:

- Extending our footpath network: We scheduled a programme to complete 2.3km of footpath extensions. Completed: 3.6km
- Libraries extended opening hours trial: A trial of extended hours was well received by library users and changes will be implemented in the 2018/19 year.
- Planning for new pool space: We undertook initial planning and design work for additional pool space at Selwyn Aquatic Centre, to meet increasing demand. Proposals for an extension including a new 25-metre pool were subsequently confirmed through the 2018-2028 Long-Term Plan.
- Continued investment in roading: We retained the \$60 roading rate to provide for road reconstruction work. A total of 2.3km of road reconstruction was completed on roads throughout the district.
- Health Hub: Planning and feasibility work has continued throughout the year on this project, which would provide space for health professionals, not-for-profit groups and related businesses.
- New community facilities: The new Dunsandel community centre was opened in August 2017, replacing the original township hall which suffered major earthquake damage. Construction of new facilities at West Melton and Tai Tapu progressed during the year, with the Tai Tapu centre, at Rhodes Park, on track to open in August 2018.
- Seismic strengthening of community facilities: Planned earthquake strengthening of community halls at Ladbrooks and Springston were completed during the year, while work at Sheffield Hall is being planned.
- Development of Foster Park: Work has continued on the ongoing development of this important sport and recreation hub for the district, including the completion of a new playground, further development of rugby and softball/baseball fields, and extending the park's footpath and cycle track network.
- Selwyn library/community space: Residents had the opportunity for some early input into this key development in the new Rolleston town centre, with public consultation held to gather ideas for the proposed library and community space. A design team has now been appointed for the project, and in March another milestone was reached with the Council approving a plan outlining the location of key elements.
- District-wide rate for stormwater: A district-wide rate of \$85 was introduced in areas where the Council manages the stormwater network.

In June, following community consultation, the Council adopted its Long-Term Plan 2018–2028, signalling a series of landmark projects for Selwyn over the next decade. These include an extension to the Selwyn Aquatic Centre, development of an indoor sports hub at Foster Park, new community centres at Hororata, Leeston and Prebbleton, an extension to the Council's Rolleston headquarters and introducing a district-wide rate for community centres, halls and reserves. The Council also approved a new Walking and Cycling Strategy, which will see \$11 million invested in key cycleways across the district over the next 20 years, along with an ongoing programme of township footpath extensions. The Long-Term Plan received over 400 formal submissions, while more than 1,300 contributed feedback through the Council's online engagement site.

Service highlights

A strong and growing district

The 2017/18 year has seen a continuation of the sustained population and economic growth that Selwyn has experienced over the past decade. The population of the district is now estimated at more than 60,000 – making it the third largest territorial authority in the South Island – and is expected to be approaching 80,000 by 2028.

Population growth remains strongest in the townships to the east of the district including Rolleston, with a population now estimated at over 17,000, as well as Lincoln (6,900) and Prebbleton (3,900).

This growth continues to drive a strong construction sector in the district. In the year to 30 June 2018 the Council recorded a total of 2,458 building consents issued in the district, along with 729 resource consents issued.

Selwyn's wider economy has bounced back from moderate growth last year to record exceptionally strong growth. The district's gross domestic product (GDP) increased by 5.3% during the year – nearly double the New Zealand average of 2.7 percent, and well ahead of the Canterbury regional figure of 2.5%.

Retail sales increased by 15% on the previous year, outstripping national and regional averages, while spending in Selwyn's tourism sector was up by 20%, car registrations increased 17% and house sales rose by 7.2% – all significantly ahead of national and regional averages.

Unemployment in Selwyn for the year averaged 2.2%, well below the New Zealand average of 4.5% and Canterbury at 3.8%. It is estimated that there are currently around 6,240 businesses operating in Selwyn, employing some 20,000 full time employees.

The Council's Izone Business Hub at Rolleston remains a focal point for business growth in the district with strong land sales and construction during the year. The industrial park now hosts more than 120 businesses, involved mostly in manufacturing, contracting, warehousing and logistics, and agricultural servicing. Significant new development is also occurring on adjacent industrial and commercial areas.



District planning on track for future

The review of Selwyn's District Plan, which controls the activities allowed on different properties and areas of the district, has progressed significantly during the year. The Council has worked through baseline assessments and preferred options on a number of key topics, in preparation for initial public consultation in mid-2018. Initial consultation with stakeholders and landowners has been held for some topics, such as heritage items.

Supporting our communities

There was a strong focus this year on strengthening Selwyn's reputation as a district that welcomes newcomers and migrants. In November we launched Show Me Selwyn – a trial programme offering bus tours of the district for residents interested in getting to know Selwyn better. The tours came about as one way to welcome those new to Selwyn. The four bus tours took people to historical landmarks, tourist attractions and townships, along with opportunities to enjoy the Selwyn countryside. Other ways to encourage residents, existing and new, to learn what the district has to offer are being explored as a follow up.

In June, the website Everything Selwyn was launched. A group of community agencies in Selwyn, supported by the Council, developed this online information portal to provide a directory of community services and community groups in Selwyn, and a place to list community events. The website will inform residents and newcomers about opportunities to connect with others through joining local groups, volunteering, using local services and enjoying local community events.

We also took time to look back and celebrate our history. In December the Council joined with a group of Chinese guests, Springfield residents and other agencies to mark the 120th anniversary of the birth of Rewi Alley. Alley, who was born in Springfield, became revered by the Chinese for his work in establishing schools and cooperatives to improve the lives of ordinary people.

Our district's increasing diversity was also marked by a successful CultureFest 2017 event, with around 3,000 people enjoying a range of performances from 20 different ethnic and cultural backgrounds.

An extra month's worth of events were packed into the 2017/18 Summer in Selwyn programme, which ran from December 2017 through April 2018. More than 70 Council and community events were held as part of the event line-up. Our Meet Your Street and Have A Go Day events remain popular, and regular programming and events at libraries and swimming pools were attended by thousands of residents, providing opportunities for learning, recreation, fitness and fun.

The new Foster Park playground, opened in time for Christmas 2017, was a huge hit with residents from across the district. It features a large four metre high mound with a slide and flying fox, along with a natural play area, a mouse wheel and other playground equipment.

Work on the new Lincoln Skate Park, at Lincoln Domain, was essentially complete at the end of the financial year. In Leeston a new 1.8 hectare dog park was opened in the Council reserve between the A&P Showgrounds and the Ellesmere Heritage Park.

The Council continued to provide Civil Defence and emergency management support to the Selwyn community. One Civil Defence emergency was formally declared this year, in February, in response to predicted extremely heavy rainfall and high winds. The district received sustained rainfall which caused the Selwyn River level to rise and some surface flooding, but the extreme weather forecast did not eventuate.

Essential infrastructure

A core commitment of the Council is ensuring the district's key infrastructure networks meet our communities' current and future needs. Transportation is major element, with vehicles travelling over 385 million kilometres a year on our local roads – a 160% increase since 2001. This year the Council repaired 5,273 potholes, completed resealing on 77.1 kilometres of roads, and maintained over 1,000 kilometres of unsealed roads.

Major roading projects this year included intersection upgrades at two busy Rolleston locations. At the Masfield Drive/Rolleston Drive intersection the project involved installation of traffic lights, cycle lanes and footpaths, as well as storm water work and road resurfacing. The upgrade will help to future proof this busy area and contributes to the development of the Rolleston town centre.

The Jones Road/Hoskyns Road upgrade also included traffic light installation, street lighting upgrades, storm water upgrades, footpath installation and road resurfacing, as well as linking to the adjacent traffic lights on State Highway 1 and the rail level crossing to improve the overall coordination of traffic movement in the area. Both projects were completed in June.

Work began this year on the replacement of 5,800 old and obsolete street lights in the district, replacing them with new LED light bulbs. This came after the NZ Transport Agency approved a Council business case to subsidise the replacement. The first stage of the installation began in the Ellesmere area. The improved lighting is more efficient and cheaper to run, reduces light 'spill' and will enhance both personal and road safety.

A number of speed limit changes were adopted across the district, including extending the 50 km/hr urban speed limits in several townships and extending or introducing 80 km/hr limits on some rural roads in eastern Selwyn. The changes followed a review of speed limits in 2017, and public consultation which was largely supportive of the proposals.

A new timber bridge was completed in the Lincoln Esplanade Reserve. The bridge crosses the Liffey Stream between Esplanade Reserve land south of Moffat Drive and Ryelands Drive, and is a valuable addition to Lincoln's network of walkways.

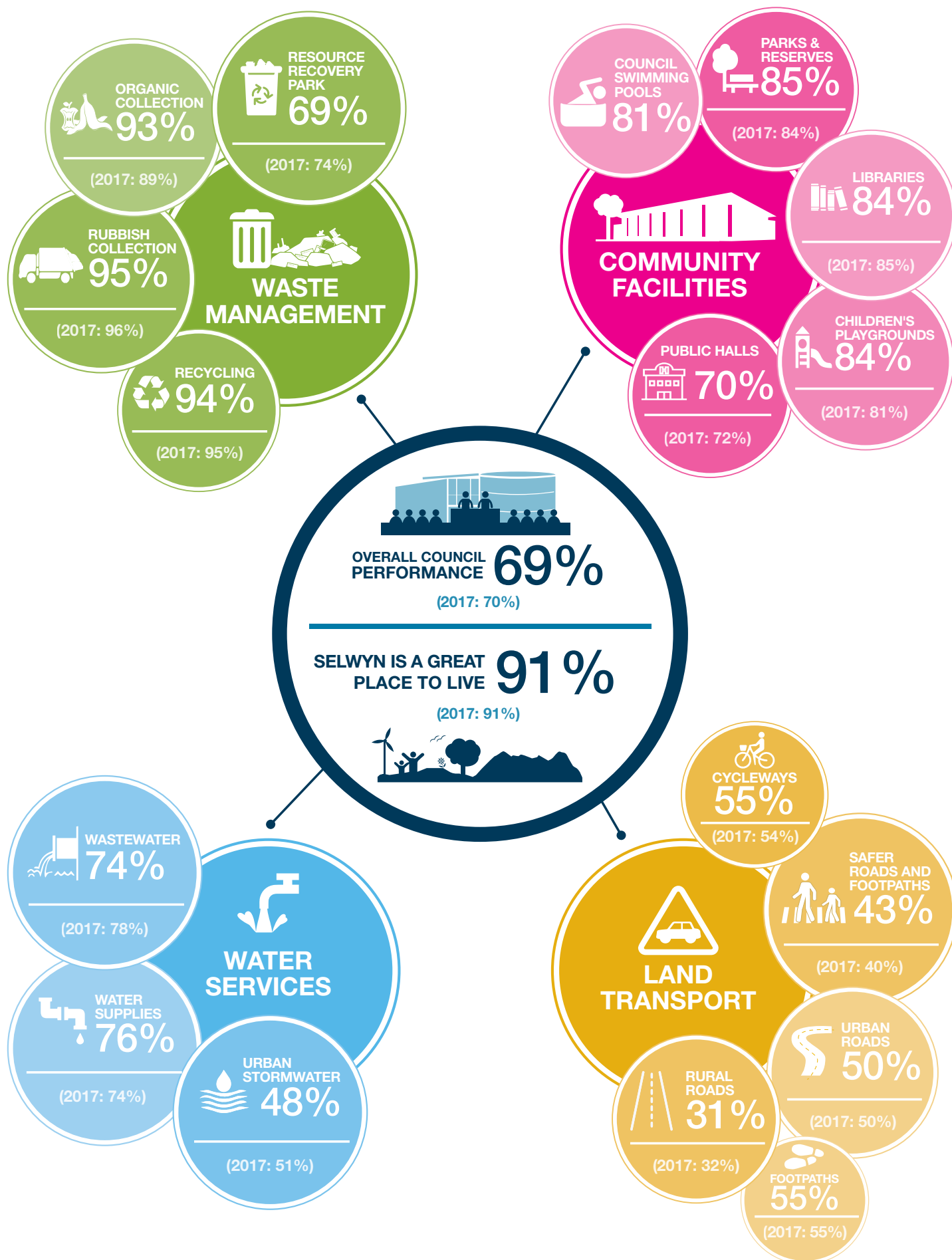
A programme to install water meters on properties connected to Council water supplies across the district is now essentially complete, with meters installed this year in Lincoln, Leeston, Southbridge, Rakaia Huts, Tai Tapu, Sheffield/Waddington, Arthur's Pass, Castle Hill and Lake Coleridge.

Upgrades to water supplies across Selwyn during the year helped to boost capacity and ensure a continuing supply of safe, high-quality water for residents. New ultraviolet (UV) treatment and, in some schemes, filtration systems were installed at Springfield and Rolleston. New water supply bores have been drilled in Rolleston, Lincoln, Southbridge and West Melton.

Capacity upgrades to the Eastern Selwyn Sewerage Scheme (ESSS) at the Pines Wastewater Treatment Plant included a new bio-reactor and upgrades to the sludge solar drying hall and effluent UV treatment system.

A second alpine recycling station was installed at Arthur's Pass in December.





2018
SELWYN DISTRICT COUNCIL

**RESIDENTS
SURVEY**



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, compared to 70% in 2017. The overall performance rating has risen steadily from 58% in 2013.

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

Across 23 different Council services surveyed, 18 recorded satisfaction ratings of 50% or higher. Six services recorded an increase in their rating from last year, while 13 saw a reduction, two remained unchanged and two were not surveyed last year.









Among the highest rated services were rubbish collection (95% rated good or very good), recycling (94%), parks and reserves (85%), libraries (84%), playgrounds (84%), swimming pools (81%) and water supply (76%). The Pines Resource Recovery Park was rated good or very good by 69% of residents.

Community facilities continue to be well used and enjoyed by residents. Public halls have been used at least once in the past year by 72% of respondents, while 84% have visited a park or reserve and 64% have used the public library network. Satisfaction with parks and reserves and playgrounds recorded increases.

How the survey works

The survey was carried out in June and July 2018 by an independent research company, and surveyed 421 people 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 +/-4.8%.

How your rates were spent 2017/18

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
Community Facilities 	\$21.3m (including renewal)	\$17.5m (excluding depreciation)	RATES 57% OTHER 43%	\$29 
Community Services 	\$0m (including renewal)	\$3.2m (excluding depreciation)	RATES 96% OTHER 4%	\$4 
Democracy 	\$0m (including renewal)	\$4.4m (excluding depreciation)	RATES 98% OTHER 2%	\$8 
Environmental Services 	\$38,000 (including renewal)	\$15.4m (excluding depreciation)	RATES 42% OTHER 58%	\$10 

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
Five Waters Service 	\$14.7m (including renewal)	\$16.7m (excluding depreciation)	RATES 56% OTHER 44%	\$27 
Izone 	\$1.6m (including renewal)	\$1.1m (excluding depreciation)	RATES 0% OTHER 100%	\$0 
Solid Waste Management 	\$114,000 (including renewal)	\$7.8m (excluding depreciation)	RATES 69% OTHER 31%	\$11 
Transportation 	\$14.3m (including renewal)	\$10.6m (excluding depreciation)	RATES 39% OTHER 61%	\$11 

Significant activities





Introduction

The Council provides a wide range of services for and on behalf of the residents of the Selwyn district. For planning and reporting purposes, these services are grouped together as significant activities. The Council's plans for each significant activity for the 2017/18 financial year were set out in the Selwyn District Council Long Term Plan 2015-2025 (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

406

RESERVES AND
PLAYGROUNDS

25

COMMUNITY CENTRES
AND HALLS

19

CEMETERIES





Key results



84%
OF RESIDENTS
ARE SATISFIED WITH LIBRARIES



86%
OF RESIDENTS
ARE SATISFIED WITH PARKS
AND RESERVES



84%
OF RESIDENTS
ARE SATISFIED WITH PLAYGROUNDS



84%
OF RESIDENTS USED
A PARK OR PLAYGROUND

308,000



**VISITORS TO
SELWYN AQUATIC
CENTRE AND DISTRICT POOLS**

Community facilities

Services covered

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

Recreation reserves	30 main recreation reserves (706 ha) and 24 conservation reserves (425 ha)	Township reserves and streetscapes	406 reserves and playgrounds covering over 98 ha
Cemeteries	19 cemeteries (two closed)	Rental housing	25 houses
Public toilets	26 facilities	Gravel reserves	23 operational sites
Community centres and halls	25 facilities	Forestry	57 sites with a total area of 62.7 ha
Swimming pools	1 District Aquatic Centre 2 sub-district pools 4 community pools	Property and buildings	District Headquarters 14 strategic properties 12 heritage buildings
Libraries	At Rolleston, Lincoln, Leeston, Darfield plus 2 volunteer libraries and a mobile library	Total asset value	\$232 million

Why is the Council involved?

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

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

Working in collaboration with others

We continue to work in partnership with other organisations to improve our services and our efficiency. Over the last couple of years we have worked in partnership with Environment Canterbury on the development of the Waimakariri River Regional Park with the creation of the West Melton Equestrian Park and more recently in planning for the development of 'The Willows' recreation area. We continue to work with other Canterbury councils on a shared procurement and service agreement for GIS electronic mapping services.

Activity goal

Selwyn District Council's goal for the Community Facilities activities is:

"To provide community, cultural and recreational facilities that enhance the health and wellbeing of the district's communities and improve the overall quality of life for residents and to effectively manage the Council's property portfolio."

Council contribution to community outcomes

This activity contributes the following outcomes:

- A clean environment
- A rural district
- A healthy community
- A safe place in which to live, work and play
- An educated community
- A prosperous community
- A community which values its culture and heritage

Negative effects on the wellbeing of the community

There are no significant negative effects from this group of activities.

Internal borrowings

Internal borrowings are disclosed in Note 19: Borrowings.

Statement of service performance

Many people choose to live in the Selwyn district because of its high quality natural environment populated with a number of townships, and a predominantly rural character. Both the townships and the rural environments present opportunities for the Council to add significantly to people's enjoyment and wellbeing on an everyday basis. The facilities provided by the Council have a major impact on both the social and cultural quality of life for the district's residents, while enabling the retention of the best elements of its natural environment.

The Selwyn district has had unprecedented population growth since 1990 and continues to be one of the fastest growing territorial authority areas in New Zealand. The Canterbury earthquakes have also seen more Christchurch people wanting to relocate to Selwyn. This growth has led to increasing demand for community activities, facilities and services. People choose to live where they can enjoy a range of amenities and facilities, not just where they can be within easy reach of employment opportunities. The Council aims, through community facilities, to create environments where there is a good balance of both economic and the more intangible benefits people look for when they settle into a community.

Swimming pools

The network of community swimming pools plus an indoor swimming complex, provide recreation, health and social opportunities for residents and visitors as well as life skills such as learning to swim.

The centre employs around 30 staff in full-time equivalent roles which include swim coaches, lifeguards, aqua-fitness instructors and administration roles. The number of swims per capita was 5.31 which is well in excess of the target of 4.5, with a total of over 308,000 swim admissions recorded at Selwyn Aquatic Centre, Southbridge Pool and Darfield Pool.

The provision level for local community pools has reduced from six facilities to four with the closure of Courtenay Pool due to health and safety concerns and the removal of Prebbleton Pool where the site is required for the extension of Prebbleton School by the Ministry of Education.

Reserves and open spaces

Open space in the townships, along streams, together with the larger parks in the rural areas, provide relief from the intrusion of everyday noise and distractions, enabling people to relax and enjoy the natural surroundings. Open space is important in forming landscapes which preserve the district's character and have cultural and environmental value. Recreation reserves enable residents to enjoy organised sport and informal recreation with all their accompanying benefits of health and social contact. 84% of residents surveyed have used or visited a public park or reserve in the past 12 months and residents' satisfaction rating remains high with 86% rating parks and reserves good or very good.

Community centres and halls

Community centres and halls provide places where local communities can meet and enjoy a wide range of activities. Residents continue to be satisfied with the Council's provision of community centres and halls as local venues for recreational and social uses; resident satisfaction rating remains high with 70% rating community centres and halls good or very good. The number of buildings in average condition or below has continued to reduce at 6.9% and well within our target of <25% of buildings being in average condition or below. This reflects the Council's investment in improving and renewing facilities such as the new community facility at Rhodes Park, Tai Tapu, which replaced the old hall and sports pavilion.

Cemeteries

The Council achieved its service target of 10 complaints or less in relation to cemeteries, with six complaints received during the year. Residents' satisfaction rating has reduced slightly with 55% rating cemeteries as good or very good, which is below our target of 65% and signals the need to review the standards for this service.

Public toilets

There has been increasing pressure on the public toilet network as a result of the influx of tourists and visitors to the district. The overall level of satisfaction at 54% has met the performance target but the aspiration to achieve nil failures via the independent audit process was not 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 14 of the 22 sites audited did not meet the target level. The main areas of non-compliance related to cleanliness of toilets which is in part due to the high levels of use. The Council is working with the contractor to review the cleaning schedules to address this issue.

Libraries

The Council's library network has trialled extended opening hours during this year and introduced a range of new programmes in the latter part of the year. Changing hours and extending programmes is starting to show significant improvements and further changes are planned for 2018/19. Changes planned will focus on improving customer service and access with adjustments to associated opening hours. Further changes planned include broadening the range and reach of programmes and increasing access to physical and digital resources. While not an annual plan figure, this year, in total, 16,958 people participated in library events and 1,019 events took place. This year the increased emphasis on outreach events outside libraries resulting in 3,011 attendees. An increase in customer satisfaction was demonstrated in the externally contracted User Survey, and the Annual Residents Survey also showed an improvement.

Performance measures are also being revised as % increases does not provide a real understanding of numbers and the increasing population introduces complicating variables. Next year we will be moving to numbers and away from percentages.



Service targets for community facilities

Objective	Performance measure	Service target	Achievement
RECREATION RESERVES			
Residents have opportunities to enjoy healthy, active lifestyles including provision of recreational open space and community facilities.	The proportion of residents rating the performance of parks and reserves in the Residents Survey as good or very good.	≥80%	Achieved 86% (2017: Achieved 84%)
	Hectares per 1000 population is above the average for similar sized district authorities (Minimum 3 ha/1000).	≥4.5 ha	Achieved 4.04 ha (2017: Achieved 4.1 ha)
	Percentage of residents who have used or visited a public park or reserve in the past 12 months.	≥70%	Achieved 84% (2017: Achieved 87%)
TOWNSHIPS RESERVES AND STREETSCAPES			
Township reserves and streetscapes enhance the landscape character of the District and unique identity of township environments and provide places for recreational activities and social contact.	Percentage of townships where all residents are serviced by a reserve within 500 metres.	≥70%	Achieved 72% (2017: Achieved 80%)
	The proportion of residents rating the performance of playgrounds in the Residents Survey as good or very good.	≥55%	Achieved 84% (2017: Achieved 81%)
COMMUNITY CENTRES AND HALLS			
Community centres and halls provide local venues for social, cultural, recreational and educational uses.	The proportion of residents rating the performance of community centre/halls in the Residents Survey as good or very good.	≥65%	Achieved 70% (2017: Achieved 72%)
	Number of buildings in average condition or below.	≤25%	Achieved 6.9% (2017: Achieved 7.7%)
SWIMMING POOLS			
Public swimming pools contribute to Selwyn district being an attractive place to live and provide opportunities for residents to enjoy healthy, active lifestyles and to learn life skills such as swimming.	Number of local, sub-district and district public pools.	6 local 2 sub-district 1 district	Not achieved 4 local, 2 sub-district, 1 district – one local pool (Courtenay) closed due to health and safety concerns and to be removed and one local pool (Prebbleton) closed as site taken back by MoE. (2017: Not achieved 5 local, 2 sub-district, 1 district – one local pool closed due to health and safety concerns)
	Number of swims per capita of District population per year recorded at Selwyn Aquatic Centre, Darfield/Southbridge pools.	≥4.5	Achieved 5.31 (2017: Achieved 5.54)
PUBLIC TOILETS			
Provision of public toilets helps to promote a healthy living environment for district residents and has economic benefits in supporting local businesses and visitor destinations.	The proportion of residents rating the performance of public toilets in the Residents Survey as good or very good.	≥50%	Achieved 54% (2017: Achieved 59%)
	Number of “failures” per annum identified by independent audit.	Nil	14 ‘failures’ from 22 sites audited. Site target of 90% compliance with audit criteria with main areas of non-compliance related to cleaning. The Council is working with the contractor to address this matter. (2017: Not measured)

Objective	Performance measure	Service target	Achievement
CEMETERIES			
A network of cemeteries is provided to meet the district's burial and remembrance needs.	The proportion of residents rating the performance of cemeteries in the Residents Survey as good or very good.	≥65%	Not achieved 55% (2017: Not achieved 61%)
	Number of complaints received per annum related to cemetery service.	≤10	Achieved (6 complaints were received during the year.) (2017: Achieved 10 complaints)
LIBRARIES			
Selwyn Libraries creating a vibrant, connected and knowledgeable community.	Registered library users as a percentage of total population.	≥70%	Not achieved 57.8% (2017: Not achieved 54.5%)
	Issues per patron per annum.	≥18	Not achieved 11.5 issues per patron. (2017: Not achieved 11 issues per patron)
	The proportion of residents rating the performance of libraries in the Residents Survey as good or very good.	80%	Achieved 89% in externally contracted User Satisfaction Survey across all libraries in April. 84% in Residents Survey (2017: Achieved 85%)
	Visits to libraries.	5% increase	Not achieved (4.9%) 447,311 (physical – 266,582; virtual – 138, 625 and Wi-Fi access 42,104) Increasing emphasis on outreach events outside libraries resulting in 3,011 attendees. (2017: Not achieved 2.2% increase)
	Number of internet accesses.	5% increase	Achieved (2.7%) 180,729 (virtual – 138,625; Wi-Fi 42,104) (2017: Achieved 41%)
	Cost per issue.	≤\$4.60	Not achieved \$6.33 (2017: Not achieved \$6.77)

Community facilities funding impact statement

	2017/18	2017/18	2016/17	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	8,328	7,170	6,602	Note 1
Targeted rates	8,972	8,225	7,563	Note 2
Subsidies and grants for operating purposes	48	24	114	
Fees and charges	3,953	3,566	3,225	
Internal charges and overheads recovered	-	-	-	
Other operating funding	314	20	20	
Total operating funding (A)	21,597	19,005	17,524	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	13,039	11,111	10,855	Note 3
Finance costs	403	1,684	1,339	Note 4
Internal charges applied	3,842	2,956	2,901	Note 5
Other operating funding applications	198	164	150	
Total application of operating funding (B)	17,482	15,915	15,245	
Surplus/(deficit) of operating funding (A-B)	4,115	3,090	2,279	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	1,333	-	-	Note 6
Development and financial contributions	5,040	2,304	2,400	Note 7
Increase/(decrease) in debt	(622)	3,500	8,000	Note 8
Gross sales proceeds from sale of assets	2,309	1,929	4,519	
Total sources of capital funding (C)	8,060	7,733	14,919	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	9,074	13,595	14,328	Note 9
Capital expenditure to improve the level of service	10,083	4,788	4,445	Note 10
Capital expenditure to replace existing assets	2,097	854	731	Note 11
Increase/(decrease) in reserves	(6,772)	484	(3,765)	
Increase/(decrease) of investments	(2,307)	(8,898)	1,459	
Total applications of capital funding (D)	12,175	10,823	17,198	
Surplus/(deficit) of capital funding (C-D)	(4,115)	(3,090)	(2,279)	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 General rates funding requirement is higher than the LTP due to an increase in township maintenance expenditure, reflecting the unprecedented speed of development in the growth townships with many reserve areas being vested in the Council earlier than anticipated.

Note 2 Targeted rates revenue is higher than the LTP due to growth in the district and higher levels of service.

Note 3 Payments to staff and suppliers is higher than the LTP largely due to higher costs associated with growth in the district and higher demand for our facilities including the Selwyn Aquatic Centre.

Note 4 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 higher Council revenue than originally budgeted.

Note 5 Internal charges applied is higher than the LTP due to the increased resources required to support the continued expansion of the Council's activities in response to population growth.

Note 6 Subsidies and grants for capital expenditure is higher than the LTP due to funding being received for the benefit of community centres and reserves in the district. Including the Dunsandel Community Centre, West Melton Community Centre, Tai Tapu Community Centre and Lakeside Hall.

Note 7 Development contributions revenue is higher than the LTP due to substantial growth in the District being higher than forecast.

Note 8 Debt has decreased due to the reduction in the requirement to borrow due to higher Council revenue than originally budgeted.

Note 9 Capital expenditure to meet additional demand is lower than the LTP largely due to the timing of the planning and design work associated with the Rolleston Library.

Note 10 Capital expenditure to improve the level of service is higher than the LTP as a number of additional projects have been undertaken including the West Melton Sports and Leisure Centre development and Rhodes Park Sports Pavilion.

Note 11 Capital expenditure to replace existing assets is higher than the LTP due to seismic strengthening work undertaken at Ladbrooks, Sheffield and Springston Community Centres.



Community services

This year the Council...

Ran 74

COMMUNITY EVENTS

Ran 32

YOUTH EVENTS

Provided 15

COMMUNITY
TRAINING WORKSHOPS





Key results



91%
OF RESIDENTS
THINK SELWYN IS A
GREAT PLACE TO LIVE



20%
INCREASE IN
TOURISM SPEND



20%
INCREASE IN
BIZ-ONLINE LISTINGS



71%
OF RESIDENTS
FEEL A SENSE
OF COMMUNITY

Community services

Overview

The role of community services is to deliver, facilitate, coordinate and/or promote a wide variety of community activities events and programmes which make Selwyn district a great place in which to live, work and play. The objective is to improve wellbeing and contribute to building Selwyn residents' sense of belonging and community pride.

These activities, events and programmes focus on what people have told us is important to them and valued by them, including:

- Strong sense of community
- Friendly and safe communities
- Family-oriented activities and facilities
- Opportunities to become involved in local communities as a volunteer or community group member
- Opportunities for literacy (including digital), exploring digital technology and lifelong learning
- Opportunities to participate in the arts and culture
- Opportunities for learning more about local history
- Local economic prosperity
- Healthy and active lives
- Leisure and social events.

The Council's vision for community services is "outstanding customer and community experiences".

We deliver this vision through facilitating opportunities and providing customer-centric services and programmes, as well as building the capability of the community to deliver their own activities to achieve health and wellbeing of individuals, their whanau and their communities. We do this by:

- Building the capacity of local communities and volunteers.
- Encouraging activities and approaches that build community spirit, a sense of neighbourliness, belonging and connectedness, including initiatives to welcome new residents to Selwyn district.
- Providing a range of opportunities for people to get involved in being a volunteer and joining community groups and clubs.
- Ensuring a range of leisure, sport and recreation 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.
- Delivering excellent library customer services and programmes.
- Delivering accurate, timely, accessible and relevant information about Council services and community programmes.
- Supporting local businesses and encouraging visitors.
- Undertaking community research and social policy.
- Advocating to, a range of central government and community agencies to secure the best possible health, education and wellbeing services and programmes for our residents.

Why is the Council involved?

The Local Government Act 2002 – Amendment Act 2012 states that the purpose of local government is:

1. To enable democratic local decision-making and action by, and on behalf of, communities and
2. To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The role of the Council in the delivery of community and economic development, libraries, and aquatics and some community centre operations is to meet the current and future needs and expectations of communities for good quality local public services and experiences. This work is intended to contribute to building a strong sense of community, community wellbeing and to grow the economic prosperity of the district, so that people live, work and play here long-term and visitors come for the experiences offered.

There is evidence of an association between strong safe communities and desirable outcomes, for example economic growth, social cohesion, improved health, more vibrant democratic institutions, and safety. People living in strong communities work together to solve problems and improve community life and are better able to cope with adversity or shocks. Strong communities are a place for people to have fun with others, laugh, share stories and make friends. Community services strengthens local communities through a range of activities, including providing places and spaces for people to meet and interact; supporting voluntary community groups and clubs in which people work together and develop a sense of common purpose; and facilitating community social, recreational, arts and cultural activities and events. Community centres and libraries/service centres provide a focal point for rural communities and contribute to these communities' identity and sense of belonging.

The benefits of physical activity and participation in recreation and sport are now widely accepted and recognised. These benefits include personal development, social cohesion, economic development, reduced health care and justice costs, reduced antisocial and self-destructive behaviour and enhanced quality of life. Increasing peoples' physical activity has emerged in the last decade as a key international and national goal to improve health. Lack of regular physical activity is a modifiable risk factor for many illnesses and disease. The Council encourages residents to live healthy and active lives by providing a range of recreation programmes, as well as working with sports and recreation clubs and providers, and promoting activities and events.

A robust local economy is an important element of people's quality of life. A strong economy provides income and jobs, which influences people's ability to participate in, and contribute to, the community's well-being. Jobs provide income and social contact and social connectedness. The ability to purchase goods and services and to obtain adequate food and housing is inextricably linked with income. The Council promotes economic wellbeing by promoting local businesses, promoting visitor opportunities and working with regional economic development agencies to promote the district's economic interests.

People have told the Council through a number of community surveys and community consultations how important it is to them to belong to safe, active, caring and cohesive communities. They support the Council's community development activities and believe that strengthening communities is fundamental to the continuing development of Selwyn.

Activity goal

Community Service Team's key goals are:

- Goal One: To increase participation in physical activity across all ages.
- Goal Two: To increase participation, engagement and enjoyment for all, through outstanding events, programmes and lifelong learning opportunities.
- Goal Three: To celebrate and promote Selwyn's uniqueness
- Goal Four: To build community capacity, collaboration, awareness and understanding, with a particular focus on volunteer-based community groups, community committees and clubs.
- Goal Five: To create and promote opportunities for volunteerism across a wide range of ages.
- Goal Six: To provide accurate, timely, accessible and relevant information about Council services and community programmes.
- Goal Seven: To contribute to growing the economy of Selwyn, supporting local businesses and encouraging visitors.
- Goal Eight: To encourage initiatives, activities and approaches that build community spirit, a sense of neighbourliness, belonging and connectedness.

Demand management

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:

- Working with local community groups, committees and clubs to promote community participation and empowerment by providing information, advice and support
- Delivering services directly where it makes sense to do so
- Partnering with central government, community groups and/or community funders to deliver services, programmes and initiatives
- Encouraging funders and service providers to deliver services and fund services within the district
- Fostering volunteer participation where opportunities present
- Encouraging and facilitating community groups, clubs and providers to organise activities.

Council contribution to community outcomes

This activity contributes the following outcomes:

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

Negative effects on the wellbeing of the community

There are no significant negative effects from this group of activities.

Statement of service performance

In total the Community Services Team delivered 106 initiatives across the district that provided opportunities for both new and existing residents, youth and families to come together. Such initiatives create a sense of community by enabling communities to connect, have fun and celebrate living in Selwyn. Initiatives included Summer in Selwyn, Meet Your Street, Show Me Selwyn, CultureFest and several outdoor movies across the district. In addition, there have been a number of Pool Parties as well as an increasing range of programmes delivered from the network of libraries across the district. As well we have been planning for a range of activities for new residents as part of the Selwyn Welcoming Plan 2018.

The Council facilitated 17 workshops that enabled residents and community groups to develop skills to build capacity within their own communities, and support for volunteers such as first aid training, how to establish a new group, applying for funding, and governance and how to run an event. In addition many groups have been given advice and assistance by Council staff. These activities and initiatives all contribute to the achievement of the community outcome, 'a healthy community'.

The Council continues to work with partners to attract visitors to Selwyn. The Council hosted a well-attended Tourism Sector Forum in June 2018, attended three trade shows and has continue to produce and distribute widely a range of brochures celebrating the great attractions across the district. The Council also spent much of the year gathering sponsors and planning for the Selwyn Awards - Celebrating Success in Selwyn.

As part of the Long-Term Plan process residents told the Council they supported a community grant fund for community-led activities and initiatives, and work has taken place so this is ready to go. In addition, the Creative Communities Scheme administered by Selwyn District Council on behalf of Creative New Zealand supports local arts and cultural activities. The fund is used to support projects or activities that encourage community involvement, support diverse arts and cultural traditions, or enable young people to actively participate in the arts. The Sport New Zealand Rural Travel Fund is also administered by the Council. This fund is designed to help subsidise rural travel for junior teams aged between 5-19 years. It helps school and club sports teams participate in local sporting competitions.



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.	≥66%	Achieved 71% (2017: Achieved 74%)
	Percentage of Selwyn residents a member of a sports and/or community group.	≥65%	Achieved 70% (2017: Achieved 60%)
	Percentage of Selwyn residents who are volunteers.	≥70%	Not achieved 56% (2017: Not achieved 54%)
	Number of community events delivered/facilitated.	22 events	Achieved 74 events held (2017: Achieved 73 events)
	Number of events targeted at youth.	40 youth events	Not achieved 32 events held (2017: Not achieved 26 events)
	Community organisation training programmes held.	12 community workshops	Achieved 15 events held (2017: Achieved 26 events)
Continue to provide economic development and tourism opportunities.	Increase in number of businesses registering for Biz-Services or the Biz-Online on the Council's website.	5% increase	Achieved 20% increase- 44 new businesses registered for Biz-Online during the year. Total listings now 262 (2017: Achieved 12% increase from 45)
	Host training for businesses on productive use of the internet and ultrafast broadband.	2 workshops provided	Achieved 2 workshops provided. (2017: Achieved – 2 workshops provided)
Continue to provide research and policy.	Annual Residents Satisfaction Survey undertaken and results provided to Councillors and Council departments. Issue-specific research undertaken when needed.	Survey undertaken	Achieved Annual Residents Satisfaction Survey undertaken in June 2018. (2017: Achieved)

Community services funding impact statement

	2017/18	2017/18	2016/17	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	2,339	2,728	2,644	Note 1
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	68	85	83	
Fees and charges	18	58	40	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	2,425	2,871	2,767	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	2,403	2,233	2,177	
Finance costs	-	-	-	
Internal charges applied	321	313	309	
Other operating funding applications	484	38	37	Note 2
Total application of operating funding (B)	3,208	2,584	2,523	
Surplus/(deficit) of operating funding (A-B)	(783)	287	244	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	19	215	210	Note 3
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase (decrease) in reserves	(319)	82	80	
Increase/(decrease) of investments	(483)	(10)	(46)	
Total applications of capital funding (D)	(783)	287	244	
Surplus/(deficit) of capital funding (C-D)	783	(287)	(2447)	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 The general rate requirement is lower than the LTP due to Rural Fire being managed by FENZ (Fire and Emergency New Zealand) and no longer requires financial input from Council.

Note 2 Other operating applications is higher than the LTP due to the Council transferring our rural fire assets to the newly established FENZ. The Council transferred assets with a carrying value of \$500,000.

Note 3 Capital expenditure to meet additional demand is lower than the LTP due to the Council's fire assets being transferred to FENZ with budgeted replacement vehicles and equipment not required.

Democracy

This year the Council...

Supported 81

COMMUNITY COMMITTEES

Administered \$263,467

IN DISCRETIONARY GRANTS

Received 436 submissions and 1,345 online responses

TO THE LONG-TERM PLAN 2018–2028





Key results



69%

OF RESIDENTS

ARE SATISFIED WITH
COUNCIL'S OVERALL
PERFORMANCE



Democracy

Overview

This activity covers the costs associated with the Council's democratic process. This includes Councillors' and Community Board Members' remuneration and the cost of providing them with professional advice and support as well as the cost of organising elections every three years. It also covers certain grants made by the Council and a levy imposed by the Canterbury Museum.

The Council operates in an open way. It has established arrangements that allow local people to participate in the decision making process and encourages the community to get involved.

Why is the Council involved?

The Council, as a creation of statute and elected by its residents, needs to have a structure which allows the communities' requirements to be identified and provided for by those individuals who are elected to office.

To achieve this, the Council has a small number of sub-committees and currently no standing committees as it believes, by conducting its business once 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.

In each township, the Council has either a Community Committee or a Township Committee, or in some instances, a Ratepayers' Association exists to provide the Council and the Community Board, in the relevant areas, with specific requests for services or resolution of issues that affect that particular town and its surrounding area.

The Council also has a number of Community Centres and Recreation Reserves. For each of these facilities, a Management Committee is elected to both govern the facility and ensure that the works that they decide are required for the Community Centre and Reserve are undertaken.

Working in collaboration with others

Under legislation, Hurunui, Waimakariri and Selwyn District 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 it is through formal meetings, submissions, or informal gatherings, at elected member or staff level to the appropriate organisations.

Negative effects on the wellbeing of the community

There are no negative effects from this activity.

The Council's discretionary grants

The Council administers a number of discretionary grants. Information on each of the grants can be obtained from any of the Council's Service Centres.

	2017/18 Actual	2016/17 Actual
Banks Peninsula trotting	750	1,014
Community special events	49,239	50,000
Discretionary fund - Wards	64,239	76,951
Discretionary fund - Councillors	31,826	14,551
Education bursaries	18,000	18,000
Ellesmere Heritage Park	-	20,000
Lincoln Envirotown Trust	35,391	34,235
Mayoral fund	12,298	21,795
Summit Road protection authority	-	5,000
Te Ara Kakariki	25,000	-
Waihora Ellesmere trust	22,282	22,282
Total grant funding	263,467	268,239

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 \$498,840 (2017: \$467,544).

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.

We received 436 formal submissions on the Long Term Plan, with 115 (26%) indicating they wished to be heard in person. Overall there were 5,400 visits to the Council's online engagement site. A total of 913 people participated in quick polls on individual topics, while 432 people completed the full online survey on the Council's consultation document for the 2018-2028 Long Term Plan. We appreciate the time and thought that went into each of them. We were pleased to get a wide range of people participating in the consultation and sharing their views on our proposals – this provided valuable input into the Council's deliberations. We have responded to each submitter individually and thanks go to all those individuals, committees and organisations that made a submission or attended one of the consultation meetings. The 2018-2028 Long Term Plan was formally adopted on 20 June 2018.

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 2016/17 annual report is prepared within statutory timeframes and with an unmodified audit opinion.	The 2016/17 annual report was adopted on 25 October 2017 with an unmodified audit opinion. (2017: Achieved)
	The Long-Term Plan is prepared within statutory timeframes.	The 2018-2028 Long-Term Plan is prepared within statutory timeframes and with an unmodified audit opinion.	Achieved The 2018-2028 Long Term Plan was adopted on 20 June 2018. (2017: Achieved)
	The proportion of residents rating the overall performance of Council in the Residents Survey as good or very good.	≥65%	Achieved 69% (2017: Achieved 70%)

Democracy funding impact statement

	2017/18	2017/18	2016/17	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	3,768	3,095	2,895	Note 1
Targeted rates	788	902	861	
Subsidies and grants for operating purposes	55	-	56	
Fees and charges	5	-	8	
Internal charges and overheads recovered	-	-	-	
Other operating funding	29	5	5	
Total operating funding (A)	4,645	4,002	3,825	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	1,604	1,746	1,765	
Finance costs	-	-	-	
Internal charges applied	2,704	2,235	2,049	
Other operating funding applications	132	126	123	
Total application of operating funding (B)	4,440	4,107	3,937	
Surplus/(deficit) of operating funding (A-B)	205	(105)	(112)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	-	2	2	
Increase/(decrease) of investments	205	(107)	(114)	
Total applications of capital funding (D)	205	(105)	(112)	
Surplus/(deficit) of capital funding (C-D)	(205)	105	112	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 The general rate requirement is higher due to an increase in internal support costs relating to Business Relationships, the CEO's office and accommodation.



Environmental services

This year the Council...

Processed 729

RESOURCE CONSENT APPLICATIONS

Issued 2,458

BUILDING CONSENTS

Registered 13,524

OF THE DISTRICT'S DOGS





Key results



98%
OF RESOURCE
CONSENTS ISSUED ON TIME



93%
OF RESOURCE
CONSENT APPLICANTS
SATISFIED WITH PROCESS



93%
OF BUILDING
CONSENTS ISSUED ON TIME



100%
OF KNOWN
DOGS REGISTERED

Environmental services

Overview

The environmental services group of activities contributes to the well-being of the residents of the district by working to protect the community from a variety of risks and to enhance the quality of the built and natural environment in which we live. It includes the following activities:

Building control

Building control receives and processes applications for building consents, undertakes the inspection of building works and issues the necessary certificates for building related work. The Council maintained its accreditation as a Building Consent Authority following the biennial accreditation review by International Accreditation New Zealand.

As a result of the 4 September 2010 earthquake, there have been high workload demands associated with the repair and replacement of earthquake-damaged dwellings. A slight weakening in this demand has been in evidence since September 2017 which has enabled a reduction in contractor resource. The workload is now largely managed in house with a smaller portion of work outsourced.

There has been an increase in the number of complex commercial projects particularly in the Izone and IPort area which is being driven by State Highway 1 upgrade work which is due to be completed in April 2020. Other commercial developments are also underway as the growth of the district over recent years drives the needs for schools and other services to be provided locally.

Resource consents

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

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

Environmental health

This activity issues a range of licences including those relating to the sale and manufacture of food, the sale and supply of alcohol, hairdressers, amusement devices, as well as mobile shops and hawkers under the Public Places and Events Bylaw, and offensive trades. Complaints are also responded to and infectious and notifiable diseases investigated.





Compliance and monitoring

This activity monitors the conditions placed on resource consents for compliance and responds to complaints where activities are being conducted without the appropriate consent. Compliance also includes appropriate responses to parking complaints and littering issues

With Selwyn district being located close to Christchurch city, and on relatively inexpensive land, as well as the rapid increase in population there is increasing pressure and a higher public expectation to take action with regard to activities being established in both rural and urban locations without resource consents. The expectation to seek compliance with Bylaw provisions has also increased.

Strategy and policy

The Strategy and Policy activity undertakes the strategic land use and policy functions to maximise the benefits of growth for its 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 to ensure that it continues to be a great place to live, work and play.

The key document that is delivered by the Strategy and Policy activity is the District Plan. The form and nature of the District Plan is governed by the Resource Management Act 1991. The legislation contains extensive checks and balances to protect all parties to the process. Development of the District Plan requires considerable time and resources to achieve a defensible result. The District Plan became fully operative on 3 May 2016. The next challenge for the development of the District Plan has begun with a full District Plan Review to move to a second generation District Plan.

Animal control

This activity area registers and keeps a record of all dogs (over 3 months of age) in the district, is responsible for administering and enforcing the Dog Control Act 1996 and the Council's Dog Control Bylaw and handles all stock related complaints. An important issue is the provision of exercise areas for dogs particularly in the larger settlements of Rolleston and Prebbleton. Micro-chipping clinics are also provided free of charge on a monthly basis for qualifying dogs.

Activity goal

To provide effective advice and services in an efficient manner to enable the Council to discharge its resource management, environmental health, building control, animal control and general law enforcement.

Council contribution to community outcomes

The environmental services activities contribute to the achievement of the following community outcomes:

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

Negative effects of the activity

Apart from the time and cost to applicants and the community arising from planning, consultation and regulation, there are no negative effects arising from environmental services activity.

Statement of service performance

The Council met 23 out of 24 performance measures in the 2017/18 year for the environmental services activity.

Activity levels in the Council's consenting, registration and licensing services have increased noticeably in recent years. As the district's population grows, we've seen an increase in demand for every type of consent and licensing service – from building and resource consents to liquor licenses and dog registrations.

Animal control

Service performance in the animal control activity continues to be high with all known dogs registered by the end of June and 100% of urgent callouts were attended to within four hours and 100% of non-urgent callouts within 72 hours.

Building

Building and resource consent activity has continued to show high demand over the past year. In the year to June 2018, a total of 2,458 building consents were issued. The number of resource consent applications processed was also high at 729. 98% of resource consent applications received in the past year were processed within 20 working days. The Council processed 93% of building consents within statutory timeframes of 20 working days. The average time taken to process building consents was 9.24 working days (2017: 9.98 working days).

Environmental health and sale of liquor

All premises have been classified according to risk and all premises were inspected during the year.

Liquor licences were all issued within the timeframes set out in our performance targets. The Sale of Liquor Act provides for Police and the Ministry of Health (MOH) to file a report within 15 working days. If no report is returned after 20 working days then the District Licensing Agency (DLA) can assume no opposition and issue the licence. The timing of these reports influences the ability of the Council to issue liquor licences within our targeted timeframes.

Strategy and policy

The Strategy and Policy function of the Council plans and provides for the sustainable management, development and protection of natural and physical resources of the district as required by Section 5 of the Resource Management Act 1991 and to develop, amend, and review the Selwyn District Plan to reflect the strategic direction and meet statutory requirements. This is achieved through engaging with local communities, developers and other interested parties to develop a strategic direction. Development has progressed through private plan changes, all of which were processed by the Council within statutory timeframes this past year. This shows how these activities are contributing to the achievement of community outcomes, 'a rural district' and 'a prosperous community'.



Service targets for environmental services

Objective	Performance measure	Service target	Achievement
STRATEGY AND POLICY			
Planning and providing for the sustainable management, development and protection of natural and physical resources of the District as required by Section 5 of the Resource Management Act 1991 and to develop, amend, and review the Selwyn District Plan to reflect the strategic direction, and meet statutory requirements.	Plan changes are completed and made operative within 2 years of notification.	100%	Achieved 100% (2017: Achieved)
	Private plan changes have a decision made on them within 2 years of notification.	100%	Achieved 100% (2017: Achieved)
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 (2017: Achieved)
	Update Council on the progress of projects at least once per month by including work programme on the Council agenda and updates at Planning Portfolio Holders meetings.		Achieved (2017: Achieved)
RESOURCE CONSENTS AND COMPLIANCE			
That activity within the Selwyn district is undertaken in line with community expectations as expressed through the District Plan making timely and quality decisions on Resource Consents.	Proportion of resource consents issued within Statutory time frames.	95%	Achieved 98% (2017: Achieved 98%)
To interact with Resource Consent Applicants in a manner which results in a high level of customer satisfaction.	Proportion of Environment Court appeals settled or found in Council's favour.	70%	Achieved There were no Environment Court Appeals (2017: Achieved 2 appeals)
	Proportion of Resource Consent applicants very satisfied or satisfied.	80%	Achieved 93% (2017: Achieved 93%)
BUILDING CONTROL			
All buildings within Selwyn district are constructed in accordance with legislative and community expectations by making timely and quality decisions on issues related to building consents and ensuing project construction.	Proportion of building consents issued within statutory time frames.	95%	Not achieved 93% (2017: Not achieved 89%)
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 99% (2017: Achieved 99.71%)
	Proportion of Building Consent Applicants satisfied or very satisfied.	90%	Not achieved 95% (2017: Not achieved 80%)
ANIMAL CONTROL			
Registration of all known dogs.	Registration of all known dogs by 30 June each year.	100%	Achieved 100% (2017: Achieved 100%)
All complaints in regard to dog control are investigated in a timely manner.	Percentage of urgent callouts attended to within 2 hours.	99%	Achieved 100% (2017: Achieved 100%)
	Percentage of non-urgent callouts attended to within 72 hours.	100%	Achieved 100% (2017: Achieved 100%)

ENVIRONMENTAL HEALTH			
All registered premises are operated in a manner that minimises any adverse effects on public health.	Verbal and written food complaints, enquiries and suspect and confirmed food poisoning incidents will be responded to promptly and within the same day including contacting the complainant or enquirer.	100%	Achieved 100% (2017: Achieved 100%)
	Complaints received only in writing will be actioned within 3 working days depending on any human risk involved.	100%	Achieved 100% (2017: 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% (2017: Achieved 100%)
All registered premises are operated in a manner that minimises any adverse effects on public health.	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% (2017: Achieved)
	Complaints received in writing will be actioned within 3 working days depending on any human risk involved.	100%	Achieved 100% (2017: 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% (25 complaints were received) (2017: Achieved – 10 complaints were received)
	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% (171 notified diseases) (2017: Achieved 100%)
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% (2017: 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% (2017: 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.	90%	Achieved 100% (2017: Achieved 90%)
	Proportion of all other uncontested licences issued within 20 working days of the receipt of a complete application.	90%	Achieved 100% (2017: Achieved 90%)

Statistics for resource and building consents

for year ended 30 June 2018

Indicator	Number processed	Working days target	Target % within working days	% achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	3	130	100%	100%	105
Subdivision consents – notified (no hearing)	0	50	100%	0%	0
Subdivision consents – limited notification (with hearing)	4	100	100%	100%	88
Subdivision consents – limited notification (no hearing)	11	65	100%	100%	47
Subdivision consents – non-notified (no hearing)	168	20	100%	94.64%	18.96
Land use consents – notified (with hearing)	6	130	100%	83.33%	111
Land use consent – notified (no hearing)	0	50	100%	100%	0
Land use consent – limited notification (with hearing)	7	100	100%	100%	91
Land use consent – limited notification (no hearing)	20	65	100%	100%	46
Land use consent – non-notified (no hearing)	453	20	100%	98%	12
Building consents	2,548	20	100%	92%	9
Full code of compliance certificates	2,390	20	100%	99%	2

for year ended 30 June 2017

Indicator	Number processed	Working days target	Target % within working days	% achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	6	130	100%	100%	93
Subdivision consents – notified (no hearing)	3	50	100%	100%	25
Subdivision consents – limited notification (with hearing)	5	100	100%	100%	79
Subdivision consents – limited notification (no hearing)	7	65	100%	100%	41
Subdivision consents – non-notified (no hearing)	146	20	100%	98%	13.70
Land use consents – notified (with hearing)	4	130	100%	100%	78
Land use consent – notified (no hearing)	2	50	100%	100%	22
Land use consent – limited notification (with hearing)	13	100	100%	100%	73
Land use consent – limited notification (no hearing)	9	65	100%	100%	45
Land use consent – non-notified (no hearing)	412	20	100%	98%	11
Building consents	2,527	20	100%	89%	15
Full code of compliance certificates	2,428	20	100%	99.71%	1

Environmental services funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	6,078	4,788	4,708	Note 1
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	196	129	99	
Fees and charges	8,162	6,970	6,968	Note 2
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	14,436	11,887	11,775	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	13,724	10,403	10,312	Note 3
Finance costs	-	-	-	
Internal charges applied	1,625	1,345	1,329	
Other operating funding applications	4	5	5	
Total application of operating funding (B)	15,353	11,753	11,646	
Surplus/(deficit) of operating funding (A-B)	(917)	134	129	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	(5)	21	21	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	179	4	4	
Increase/(decrease) of investments	(1,091)	109	104	
Total applications of capital funding (D)	(917)	134	129	
Surplus/(deficit) of capital funding (C-D)	917	(134)	(129)	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 General rate requirement is higher than the LTP largely due to additional staff requirements to meet 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 \$4.8 million compared with the LTP \$3.9 million.

Note 3 Payments to staff and suppliers is higher than the LTP largely due to the level of building activity in the District, plus projects related to be the District Plan review being brought forward and completed in 2017/18.

Transportation

This year the Council...

Repaired 5,273

POTHOLES

Resealed 77.1km

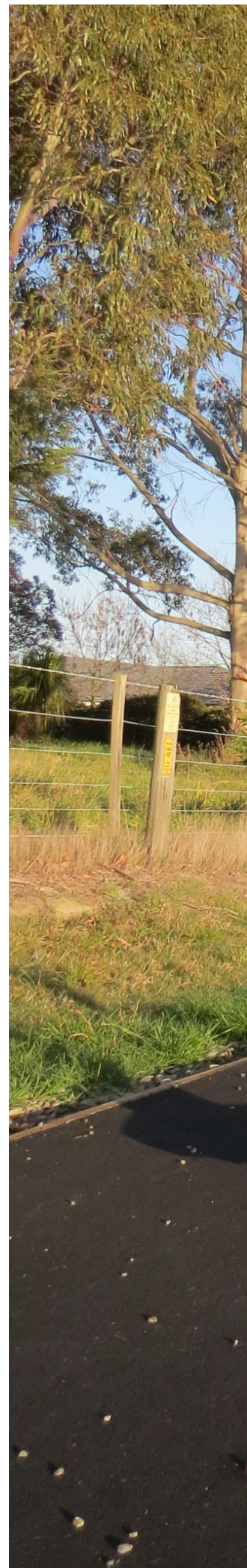
OF ROAD

Completed 10,081km

OF GRADING OR GRAVEL PLACEMENT ON
RURAL ROADS

Maintained 2,600km

OF ROADING NETWORK





Key results



50%
OF RESIDENTS
SATISFIED WITH URBAN
ROADS 33% *NEUTRAL*



31%
OF RESIDENTS
SATISFIED WITH RURAL
ROADS 37% *NEUTRAL*



55%
OF RESIDENTS
SATISFIED WITH CYCLEWAYS
29% *NEUTRAL*



88%
OF FOOTPATHS
MEET SERVICE STANDARDS



92%
OF SEALED ROADS
MEET QUALITY STANDARD



Transportation

Overview

The Council continues to manage increasing traffic volumes on Selwyn's roads resulting from high levels of development in the district. This is not only from the expansion of our townships in Greater Christchurch but also across the wider area of Selwyn, supporting the district's farming, quarrying and forestry activities. The Council maintains and operates a 2,500 kilometre network of sealed and unsealed roads across the district.

Vehicles are travelling over 385 million kilometres a year on our local roads – a 160% increase since 2001 and over the past year, contractors have been busy:

- Resealing 77.1km of roads.
- Completing dig out repairs on 51,167 square metres of road surface.
- Completing 10,081km of grading or gravel placement on unsealed roads.
- Repairing 5,273 potholes on sealed roads.
- Constructing 3.6 km of footpath extensions in our townships.

In addition, contractors completed 2.3km of road rehabilitation work on sections of Hororata Road, Old Tai Tapu Road, Southbridge Leeston Road, Leaches Road, Sleemans Road, Rakaia Terrace Road and Cordy's Road. Road rehabilitation is required when the road has suffered significant damage and the road base needs to be reconstructed, the surface levelled and resealed.

Reflecting our increasing urban traffic volumes, the Council completed the installation of two sets of traffic signals at Rolleston this year. These were at the Jones and Hoskyns Road intersection to improve the access of heavy vehicles into the expanding Rolleston Industrial Zone and State Highway 1. The other traffic signals was installed at the intersection of Masefield and Rolleston Drive in Rolleston's town centre. Pedestrian crossing facilities were also included in this project to provide safe access across these busy roads, which is especially important for retail areas.

The Council also commenced a \$3.3 million programme over three years to replace around 5,800 old and inefficient street lights with new LED versions. This resulted from the Council capitalising on an initiative by the NZ Transport Agency to subsidise these works at a rate of 85%. Not only are the new lights more effective and cheaper to run, they create less light pollution, which improves viewing of the night sky.

Over the next year, we will continue our road maintenance and repair programmes which will be enhanced further with additional funding from the NZ Transport Agency. In addition a two year programme will shortly commence to construct 6km of footpath extensions in the district's townships following on from that completed in the last year. This originated from our new 2018 Walking and Cycling Strategy and Action Plan which was formally adopted by the Council this year.

In addition to the works funded and undertaken by the Council, approximately 18km of new roads and 9km of new footpaths (based on a three-year rolling average) were vested with the Council by developers from new subdivisions and developments. The ownership of these assets have now been transferred to the Council including all future maintenance responsibilities.

Why is the Council involved?

The management of roading and transport is a 'significant activity' under the terms of the Local Government Act 2002. The Council has a statutory obligation to provide an effective and efficient transport system including aligning it to the purpose and objectives of the Land Transport Management Act 2003 and any subsequent amendments to the Act. This is reflected at a more local level in the Council's land transport activity goals as presented below.

To achieve this, the Council is required to take a leadership role on behalf of its community, to manage both expectations and compliance with legislative requirements. By managing the activity both at a detailed and network level, the Council can effectively and efficiently deliver a local road and transport network as part of a wider integrated regional and national transport system.

Without an appropriate, well maintained, and connected transport network, the mobility of people, goods and services are put at risk which can adversely affect individuals, communities, and the district's prosperity. Providing a resilient transport network is an important role of the Council to mitigate the negative effects of floods, snow or disasters like earthquakes that have the potential to close roads off for significant periods cutting off lifelines to food supplies and other essential services.

On a more day-to-day basis, rough roads and congestion can increase travel times and costs to operate vehicles and deliver freight. Safety is a fundamental objective across all transport activities and while there is always some risk attached to using roads, this needs to be mitigated in a practical way through a combination of measures such as engineering improvements, education, and enforcement.

The Council has to be involved in all these transport related facets to provide a co-ordinated and measured response over the combined activity. The effects of high growth and increasing traffic volumes in eastern Selwyn areas are reflected in the Council's future road upgrade programmes. This includes local road and intersection upgrades to safely connect Stage 2 of the Southern Motorway Extension into the district's local roading network. These upgrades will be centred in the Rolleston and Prebbleton areas. Construction of the Stage 2 motorway extension between Christchurch and Rolleston started in 2016 and is due to be completed in early 2020.

Working in collaboration with others

The Council does not work alone in meeting the district's transportation needs. It coordinates its activities with a wider group of other Councils in the region and the NZ Transport Agency to plan and integrate district and regional transportation networks. This is coordinated through the Regional Transport Committee overseen by the Canterbury Regional Council (Environment Canterbury). It also has the responsibility to produce the Regional Land Transport Plan which coordinates the region's transport programmes and seeks to obtain national funding in support of it. The Regional Council also provides public transport services in partnership with the Council, which provides the necessary supporting infrastructure.

There exist other organisations and advocacy groups that have an interest in transport matters, for example, freight, walking and cycling, public health, disability and mobility, and road safety. Their involvement adds value and a different perspective which improves transport planning and decision-making processes and outcomes.

Overall the Council needs to plan and deliver its transport activities in accordance with the Government Policy Statement for Transport (GPS). Updated every three years by the government of the day, funding is distributed by the NZ Transport Agency in support of the Council's transport programmes and national objectives. The GPS needs to be also balanced against the needs and aspirations of Selwyn's own ratepayers who may have other specific priorities.

The Council is also part of the Greater Christchurch Partnership which provides coordinated responses on how to plan for growth over the next 30 years across Christchurch City and adjoining areas of Selwyn and Waimakariri districts. This includes how roading, cycling, walking and public transport can be coordinated to the best effect including supporting the regeneration of the central city. Work has been carried out to produce a new Regional Public Transport Passenger Plan by the Greater Christchurch Public Transport Joint Committee, which Selwyn is a party to.

Activity goal

To maintain, operate and, if necessary, improve the road network and other transport activities to achieve a range of facilities that provides for the safe and efficient movement of people and goods to a standard that is both acceptable and sustainable.

Council contribution to community outcomes

This activity contributes the following outcomes:

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

Statement of service performance

The Council has met 11 out of 15 performance measures in the 2017/18 year for the transportation activity.

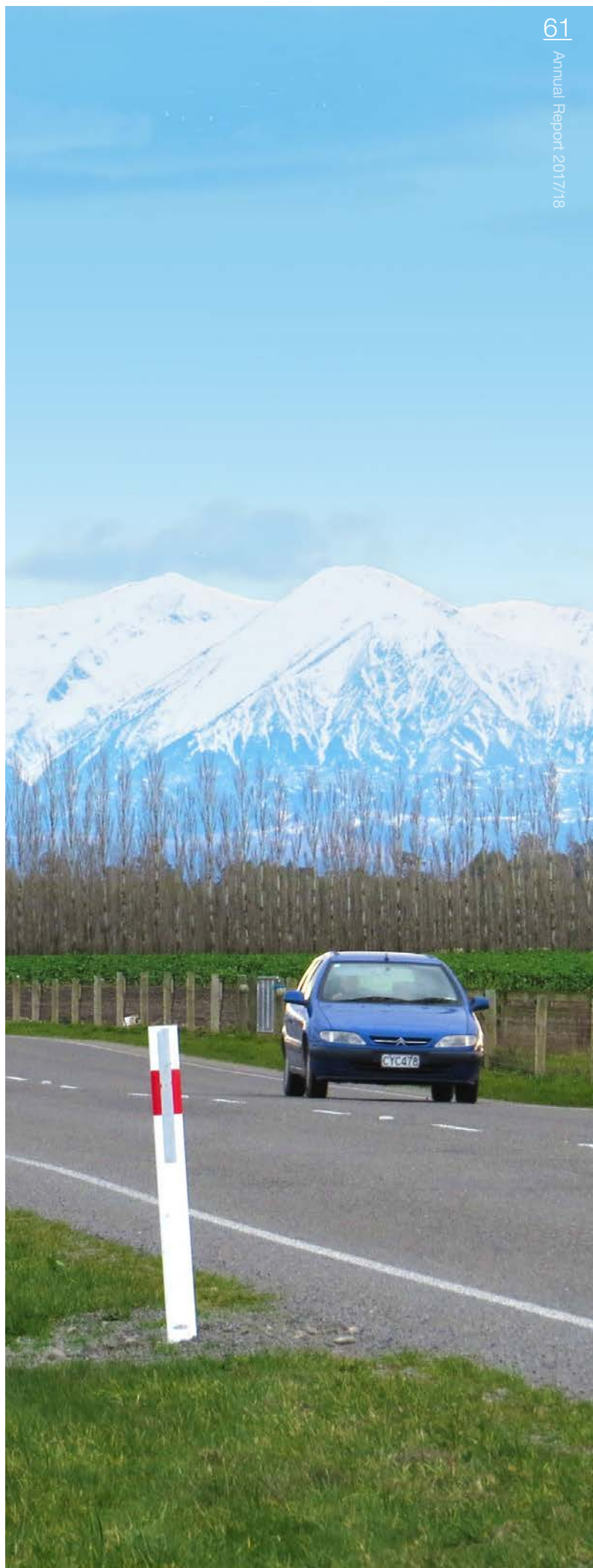
The service request helpdesk system has continued to be well utilised and reflects that the public are well aware that it is available to communicate their transport related issues to the Council. The Council has been actively promoting the helpdesk system and encouraging members of the community to report potholes and other minor defects on the network.

Urban roads received a performance rating in the residents' survey of 50% good or very good which achieved our target of 50% or above. The Council resurfaced 77km of our existing sealed roads during the year, above our target level of 70km. Rural roads received a rating of 31% good or very good compared with our target of 30% or above. The 2017/18 financial year saw the last year of the \$60 targeted rate that Council used to directly fund additional roading repair and renewal works as NZ Transport Agency have now agreed to fund these works from 2018/19 onwards. The benefits of this further investment in the roading network are expected to become more apparent as time goes on.

The residents' satisfaction survey provided a satisfactory result in footpaths of 55% rating satisfaction as good or very good. The KPI was 55% or greater. In recent times the Council has been constructing new sections of footpath on busier roads and filling in gaps in the existing footpath network as part of an improvement programme originating from the Council's Walking and Cycling Action Plan.

Work has continued during the year to improve road safety in the district. The Council continues to actively promote driver awareness and safety through our road safety campaigns by highlighting the key risks to drivers along with encouraging positive behaviour change. There were five (2016/17: 4) deaths and 26 (2016/17: 34) serious injuries in the 2017/18 year. The main factors leading to these crashes are poor handling and observation, driving too fast for the conditions, alcohol, and failing to stop or give way.

The Council attended all of the relevant meetings held by the Regional Transport Committee and Regional Transport Officers Group during the year. This demonstrates our commitment to the coordinating on a strategically important regional basis, both at political and technical officer levels to all parties' mutual benefit.



Service targets for transportation

Objective	Performance measure	Service target	Achievement
Provide a well maintained, operated and affordable land transport system.	Response to service requests: The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan. (Mandatory Performance Measure)	>75% resolution within the timeframe specified.	Achieved 77% of service requests were responded to within the timeframe specified in the Long-Term Plan. (2017: Achieved 83%)
	The proportion of residents rating the performance in the Residents Survey as good or very good.	Urban Roads ≥70%	Not achieved 50% (2017: Not achieved 50%)
		Rural Roads ≥30%	Achieved 31% (2017: Achieved 32%)
		Footpaths ≥55%	Achieved 55% (2017: Achieved 55%)
		Cycleways ≥40%	Achieved 55% (2017: Achieved 55%)
	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.) <i>Note: The last roughness count was measured in August 2016.</i> <i>The Council has been working with our contractor to develop a tool to allow for a six-monthly inspection regime for our unsealed road network. The inspection will focus on potholes, corrugations, shape, drainage and depth of running course with each road being given a score. These scores will be used to create a map showing the relative condition of our unsealed network and inform our maintenance response. This information will be used to supplement the Rural Road KPI found in our Annual Resident Survey and will be available for reporting in the 2018/19 Annual Report.</i>	Urban roads ≥90%	Achieved 92% (2017: Achieved 93%)
		Rural roads ≥95%	Achieved 98% (2017: Achieved 98%)
		All roads ≥95%	Achieved 97% (2017: Achieved 97%)

Objective	Performance measure	Service target	Achievement
	Maintenance of a sealed local road network: The percentage of the sealed local road network that is resurfaced. (Mandatory Performance Measure)	≥6.3% (70km)	Achieved 77.1km (2017: Not achieved 62km)
	Condition of footpaths within the local road network: 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). (Mandatory Performance Measure)	≥70%	Achieved 88% (2017: Achieved 92%)
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%	Achieved 6 of 7 (86%) planned projects* were completed during the year. (2017: Achieved 6 of 8 (75%) planned projects* were completed during the year)
Pedestrians, cyclists and motor vehicle users can safely move around the Selwyn District.	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. (Mandatory Performance Measure). <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>	Progressively reducing number of fatal and serious crashes.	Not achieved 5 deaths and 26 serious injuries. (2017: Not achieved 4 deaths and 34 serious injuries)
	The proportion of residents rating the performance rating of promotion of road safety in the Resident Survey as good or very good.	≥60%	Not achieved 54% (2017: Not achieved 54%)
	The proportion of residents rating the performance rating of making district roads and intersections safer in the Resident Survey as good or very good.	≥45%	Achieved 40% (2017: Achieved 40%)
Contribute to an integrated and responsive local and regional transportation system.	Attendance at relevant Regional Transport Committee (RTC) and Regional Transport Officers Group (TOG) meetings and forums.	≥95%	Achieved 8 out of 8 attended (100%). (2017: Achieved 2 out of 2 attended 100%)

* Large capital projects include capital projects greater than \$50,000.

Transportation funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	5,361	7,610	6,751	Note 1
Targeted rates	1,233	1,188	1,143	
Subsidies and grants for operating purposes	3,403	2,570	2,709	Note 2
Fees and charges	-	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	702	187	183	Note 3
Total operating funding (A)	10,699	11,555	10,786	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	8,677	6,595	6,554	Note 4
Finance costs	190	903	820	Note 5
Internal charges applied	1,751	1,528	1,496	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	10,618	9,026	8,870	
Surplus/(deficit) of operating funding (A-B)	81	2,529	1,916	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	4,319	3,321	4,179	Note 2
Development and financial contributions	1,751	1,900	1,119	
Increase/(decrease) in debt	3,287	583	2,184	Note 6
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	9,357	5,804	7,482	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	7,406	1,658	3,512	Note 7
Capital expenditure to improve the level of service	1,245	822	1,267	Note 7
Capital expenditure to replace existing assets	5,630	5,362	5,350	Note 7
Increase/(decrease) in reserves	(434)	235	226	
Increase/(decrease) of investments	(4,409)	256	(957)	
Total applications of capital funding (D)	9,438	8,333	9,398	
Surplus/(deficit) of capital funding (C-D)	(81)	(2,529)	(1,916)	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 General rate funding requirement is lower than the LTP due to the use of Izone surpluses to help fund the transportation 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 due to higher maintenance and operational expenditure.

Note 3 Other operating funding is higher than the LTP due to additional income received from petroleum tax back payment.

Note 4 Payments to staff and suppliers is higher than the LTP due to subsidised maintenance and operational expenditure being higher than originally budgeted. Additional expenditure was incurred to repair damage caused by irrigation construction activity and rain events, and also to improve roads that had become unsafe.

Note 5 Finance costs are lower than the LTP due to lower borrowings than originally budgeted. The lower borrowing requirement is due to higher Council revenue than originally budgeted.

Note 6 Debt has increased more than the LTP for 2017/18 due to additional projects completed during the financial year compared with those originally planned in the LTP. However, total debt is lower than originally budgeted in the LTP.

Note 7 Capital expenditure is higher than the LTP due to changes in the timing of completion of some major projects as well as some additional projects not originally included in the LTP. Projects include development of roading infrastructure in Lincoln, traffic signals at Hoskyns/Jones Road and LED street lighting upgrades in the district.



Solid waste management

This year the Council...

Collected from
over 21,000
households

Collected
from kerbsides

9,900 TONNES OF RUBBISH

5,100 TONNES OF ORGANICS

5,000 TONNES OF RECYCLING

Processed
27,247 tonnes

OF ALL WASTE TYPES THROUGH THE
RESOURCE RECOVERY PARK





Key results



95%
OF RESIDENTS
SATISFIED WITH RUBBISH
COLLECTION



94%
OF RESIDENTS
SATISFIED WITH
RECYCLING COLLECTION



93%
OF RESIDENTS
SATISFIED WITH
ORGANICS COLLECTION



47%
OF RESIDENTS
USED THE RESOURCE
RECOVERY PARK



79%
OF USERS
SATISFIED WITH THE
RESOURCE RECOVERY PARK



Solid waste management

Overview

The Council provides a variety of services related to the management of waste in the more populous parts of the district, covering more than 21,000 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.

It was a requirement of the Waste Minimisation Act 2008 for all local authorities to complete a Waste Management and Minimisation Plan (WMMP) by July 2012 and the Council adopted its WMMP in August 2011. Improving the efficiency of resource use will reduce the amount of residual waste that has to be collected and disposed of. In Selwyn's case, the disposal of residual waste is to the Kate Valley Regional Landfill. The Act also requires local authorities to reduce waste at source, but this is more difficult, as it relates to the way products are manufactured, marketed and sold, all areas over which the Council has limited influence.

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 rot and become a source of disease. There is also a danger that pollution of groundwater could occur, with the potential to affect drinking water supplies, where wells are shallow. The activity must be managed in a sustainable manner for today's communities and for future generations.

The Council therefore takes responsibility for fulfilling legal and statutory obligations, waste minimisation, policy, strategic direction, educational programmes and providing clean fill sites and the Pines Resource Recovery Park (waste transfer facilities, recycling and also composting of organic waste). It manages all aspects of the activity including the management 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 recycling waste are currently collected, with a garden and food waste collection available in the five major townships, on a voluntary basis.

Residual waste disposal facilities

Residual waste (rubbish) is taken to Pines Resource Recovery Park in Rolleston where it is compacted into large containers and transported to Kate Valley Regional Landfill. This landfill has resource consents in place for approximately 20 more years.

The Council could be challenged by private providers of these services but customer feedback reveals a very high level of satisfaction with the current services and associated costs. Ratepayers do have the choice of using private providers but the number doing so is relatively small because the Council provides a reliable and cost effective service.

Working in collaboration with others

The Kate Valley landfill is situated within the Hurunui District but is a joint venture between Canterbury Waste Services Limited (which is owned by Waste Management (NZ) Limited and five local authorities in Canterbury, including Selwyn District Council). The councils' collective share is 50% with 3% of that belonging to Selwyn District Council. The company's name is Transwaste Canterbury Limited.

Activity goal

To promote effective and efficient waste management within the district whilst having regard to the environmental costs and benefits to the district and ensuring that the management of waste does not cause a nuisance or be injurious to health.

Council contribution to community outcomes

This activity contributes the following outcomes:

- A clean environment
- A healthy community

Statement of service performance

The Council met all of its performance measures in the solid waste activity. There a decrease in the amount of residual waste per head of population compared with the previous financial year. This is due to a tapering off in the numbers of new homes under construction, and an increase in diversion of organic waste.

In the Selwyn district, residents can use the kerbside collection service or take their organic, recyclable and residual waste to the Pines Resource Recovery Park (RRP) in Rolleston. Community satisfaction with the Council's rubbish, recycling and organic waste kerbside collection services attracted ratings of good or very good of 95%, 94%, and 93% respectively, with the kerbside organics service up from 89% in 2017. In addition 47% of surveyed residents independently use the Resource Recovery Park, up 1% over 2017.

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 $\geq 85\%$	Achieved 95% (2017: Achieved 96%)
		Recycling $\geq 85\%$	Achieved 94% (2017: Achieved 95%)
		Organic waste collection $\geq 65\%$	Achieved 93% (2017: Achieved 89%)
The Council protects the environment from illegal dumping.	The proportion of households using the Pines Resource Recovery Park.	25%	Achieved 47% (2017: Achieved 46%)
The solid waste service is effective and efficient.	Number of formal complaints received per annum related to solid waste service.	≤ 15	Achieved 1 substantiated formal complaint was received during the year. (2017: Achieved 2 formal complaints were received during the year.)
The Council's service is sustainable.	Numbers of customers changing to private providers.	$\leq 5\%$	Achieved No customers changed to private providers during the year. (2017: Achieved no changes)
Waste minimisation is achieved by reducing the amount of residual waste.	The annual reduction in the amount of residual waste per head of population.	5% reduction in kg per head of waste to landfill compared with the previous year.	Achieved 2017/18: 8% decrease residual waste per capita on last year. (2017: Not achieved 1.5% increase)

Solid waste management funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	6,506	6,175	5,765	
Subsidies and grants for operating purposes	176	15	15	
Fees and charges	2,745	2,309	2,189	Note 1
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	9,427	8,499	7,969	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	7,425	7,465	6,963	
Finance costs	-	-	-	
Internal charges applied	382	375	367	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	7,807	7,840	7,330	
Surplus/(deficit) of operating funding (A-B)	1,620	659	639	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	114	6	718	Note 2
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	72	
Increase/(decrease) in reserves	-	-	-	
Increase/(decrease) of investments	1,472	653	(151)	
Total applications of capital funding (D)	1,620	659	639	
Surplus/(deficit) of capital funding (C-D)	(1,620)	(659)	(639)	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 Fees and charges revenue is higher than the LTP due to higher than forecast usage of the Pines Resource Recovery Park.

Note 2 Capital expenditure to meet additional demand is higher than the LTP due to enhancements being completed at the Pines Resource Recovery Park.

5 waters services

This year the Council...

Supplied
7.63 million cubic metres
OF WATER TO HOUSEHOLDS

Treated
3.85 million cubic metres
OF WASTEWATER


Maintained
1,170km OF WATER MAINS
359km OF WASTEWATER MAINS



Key results

 **76%**
OF RESIDENTS
SATISFIED WITH WATER
SUPPLIES

 **74%**
OF RESIDENTS
SATISFIED WITH SEWERAGE
& WASTEWATER

 **48%**
OF RESIDENTS
SATISFIED WITH URBAN
STORMWATER

 **99.96%**
COMPLIANCE WITH DRINKING
WATER STANDARDS
(FOR TREATMENT)



5 waters services

Activities covered

Community water supplies	30 schemes (public health)
Land drainage	10 schemes (making land farmable)
Stormwater urban	22 schemes (urban stormwater management)
Water races rural and urban	3 schemes (stock water, amenity, habitat)
Community wastewater schemes	14 schemes plus ESSS and Ellesmere WWTP (public health)

Overview

The availability of clean safe to drink water and the safe disposal of waste water are fundamental to the health and welfare of the Selwyn community. The 5 Waters service provides clean, safe to drink water for households and removal of sewage and rain water in a way that protects the health of the population and natural environment. The 5 Waters service also provides river water for livestock and drains certain land so that it is usable. These services are provided through 81 separately rated water based schemes within the district. The 5 Waters assets carrying value is \$481 million with water supplies valued at \$108 million, sewerage schemes \$202 million, stormwater \$55 million, land drainage \$43 million and water races \$73 million.

Drinking water is provided by the Council to over 81% of the population of the district. Wastewater services are provided to approximately 62% of the district. The largest consented wastewater treatment and disposal area is the Eastern Selwyn Sewer Scheme (ESSS) Pines Wastewater Treatment Plant, servicing Rolleston, West Melton, Lincoln, Prebbleton and Springston.

It has always been clear that the water services are interlinked. This reflects the unique geographical 'mountains to sea' layout of Selwyn district. There is a strong connection between these services and it is essential that they are looked after. The Council's approach is to manage the 5 Waters activities in a coordinated way.

Why is the Council involved?

The Council is in the best position to respond to the expectations of the communities it serves and to translate these needs into levels of service, which have funding options accompanying them, for public scrutiny and comment. The Local Government Act 2002 clearly sets out how the Council must consult with residents over significant decisions and this ensures the community has a major decision making role. The 5 Waters assets are listed as 'Strategic' in the 2015-2025 Long Term Plan for the very reason that failure of these services has a devastating and far-reaching effect on the district. The Council is well positioned to take a major leadership role in planning and managing the assets and networks that deliver these essential services.

By managing all of the 5 Waters activities, the Council can plan ahead in a coordinated way and take advantage of the opportunities to introduce new initiatives, eg the potential in the future to use treated wastewater to irrigate reserves, if this is feasible and acceptable to the public. When prioritising across the 5 Waters Activities, opportunities to combine projects will become apparent.

There is also the need to comply with a raft of legislative and statutory processes, which the Council recognises in its strategic plan, policies, education programmes, and commitment to sustainable practices.

The security of the district's water supply is paramount as our communities require reliable, clean, safe water to serve their day-to-day needs. These water-related activities also protect and sustain the health of the environment, particularly the sensitive Te Waihora/Lake Ellesmere catchment, by responsibly dealing with waste water and the draining and disposing of groundwater and excess stormwater run-off.

The wastewater asset continues to increase rapidly, with the Eastern Selwyn Sewerage Scheme (ESSS) being upgraded in stages to meet the continued demand from development. Stormwater assets have been, and will continue to be, developed to meet the increased standards reflected in the Regional Council's Land and Water Regional Plan rules.

Activity goal

Selwyn District Council's goal for the 5 Waters activities is:

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

Council contribution to community outcomes

This activity contributes 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 99.6% and 99.12% compliance for E-Coli in water leaving the treatment plant, and water in the distribution systems respectively. This great result is an outcome of the water treatment plant upgrades.

Firefighting (urban fire districts)

72% of the urban fire district area is within 135m of one fire hydrant and 270m of two fire hydrants which is above our target value of 60%.

Water quantity

Selwyn residents tend to be high users of water, using an average of 0.45m³ of water per person a day in the 2017/18 year. This can be attributed to mostly outdoor use – residents tend to have larger sections and therefore wish to maintain these sections; with comparatively low rainfall and free draining soils, water use has historically been high. The Council has a role to play in continuing to educate the community on water conservation, with a long term view to changing behaviour on water consumption.

Serviced area and operating costs

81% of residential properties in Selwyn are serviced with water and 62% of residential properties are serviced by the Council's waste water systems. The average operating cost per serviced property for water services provided in the district is \$299 per year for water and \$349 per year for wastewater both below our targeted costs for these services.

Compliance with resource consents

During the 2017/18 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 a number of dry weather sewage overflows. The target was less than 1 overflow per 1000 properties. There were 4 gravity reticulation overflows and 4 which were related to minor leaks from air release valves. The final result was 0.72 overflows per 1000 rated properties.

Water sustainability and availability

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

Service targets for 5 waters activities

Objective	Performance measure	Service target	Achievement
LAND DRAINAGE			
Nuisance effects from water services are minimised.	Proportion of residents rating the land drainage system good or very good.	≥40%	Achieved 40% (2017: Achieved 45%)
	The number of complaints received about the performance of the Land Drainage system, expressed per 1000 rated properties.	Less than 10	Achieved 6.44 (2017: Achieved 3.37)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for Land Drainage.	≤\$95	Achieved \$102 (2017: Achieved \$74)
STORMWATER			
Adverse effects of water services on the environment are minimised.	Compliance with resource consents for discharge from the stormwater system measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions Received from Environment Canterbury. (Mandatory Performance Measure)	a) Nil b) Nil c) Nil d) Nil	Achieved (Nil) Achieved (Nil) Achieved (Nil) Achieved (Nil) (2017: Achieved Nil for all)
Nuisance effects of water services are minimised.	Proportion of residents rating the stormwater system good or very good.	≥40%	Achieved 48% (2017: Achieved 51%)
	The number of complaints received about the performance of the stormwater system, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 10	Achieved 7.85 (2017: Achieved 4.87)
	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 (2017: 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 (2017: 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 (2017: Achieved Nil)
	Total average operating cost per serviced property for stormwater.	≤\$75	Achieved \$84 (2017: Achieved \$73)

Objective	Performance measure	Service target	Achievement
WASTEWATER			
Adverse effects of water services on the environment are minimised.	Compliance with resource consents for discharge from the wastewater system measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions Received from Environment Canterbury. (Mandatory Performance Measure)	a) Nil b) Nil c) Nil d) Nil	Achieved (Nil) Achieved (Nil) Achieved (Nil) Achieved (Nil) (2017: Achieved Nil for all)
Nuisance effects of water services are minimised.	Proportion of residents rating the wastewater system good or very good.	≥60%	Achieved 74% (2017: Achieved 78%)
	The total number of complaints received about sewage odour, blockages and system faults, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 15.	Achieved 4.21 (2017: Achieved 3.32)
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 45 minutes (2017: Achieved 30 minutes) b) Achieved 4 hours 6 minutes (2017: Achieved 2 hours 36 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.	≥55%	Achieved 62% (2017: Achieved 63%)
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 overflow.	Achieved 0.72 (4 gravity system surcharge, 4 minor air release valve leakages) (2017: Not achieved 1.1)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for wastewater.	≤\$360	Achieved \$349 (2017: Achieved \$349)
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) (2017: Achieved Nil for all)

Objective	Performance measure	Service target	Achievement
Nuisance effects of water services are minimised.	Proportion of residents rating the water supplies good or very good.	≥70%	Achieved 76% (2017: Achieved 74%)
	The total number of complaints received about drinking water clarity, continuity of supply, odour, taste, pressure and flow, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 15.	Not Achieved 23.66 (2017: Achieved 11.14)
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 36 minutes (2017: Achieved 1 hour) b) Achieved 22 hours 48 minutes (2017: Achieved 23 hours 24 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 27 minutes (2017: Achieved 32 minutes) b) Achieved 2 hours 45 minutes (2017: Achieved 2 hours 17 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.	≥75%	Achieved 81% (2017: Achieved 82%)
	The percentage of real water loss from the water reticulation system in urban schemes. (Mandatory Performance Measure)	Value to be reported.	15.9% (2017: 16.4%)
	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 72% (2017: Achieved 70%)
	The average consumption of drinking water per day per resident. (Mandatory Performance Measure)	Less than 1.3m ³ per person per day within urban schemes	Achieved 0.45m ³ per person per day (1.26m ³ per connection per day) (2017: Achieved 0.43m ³ per day)

Objective	Performance measure	Service target	Achievement
	The extent to which the drinking water supplies comply with the drinking water standards for bacteria compliance. (Mandatory Performance Measure)	≥98% of monitoring samples comply, at both the treatment plant and within the reticulation, across the district	Achieved Treatment: 99.96% Reticulation: 99.12% Self-administered properties not monitored by Council. (2017: Achieved Treatment: 99.8% Reticulation: 99.2%)
	The extent to which the drinking water supplies comply with the drinking water standards for protozoal compliance. (Mandatory Performance Measure)	≥70% of the treatment plant sites are compliant across the district.	Not Achieved 67.35% (2017: Achieved 50%)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for water supply.	≤\$320	Achieved \$299 (2017: Achieved \$310)

WATER RACES

Nuisance effects of water services are minimised.	Proportion of residents rating the water race system good or very good.	≥30%	Achieved 38% (2017: Achieved 44%)
	The total number of complaints received about continuity of supply, expressed per 1000 rated properties.	Less than 100.	Achieved 30.88 (2017: Achieved 29.66)
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 30 minutes (2017: Achieved 2 hours 4 minutes) b) Achieved 3 hours 29 minutes (2017: 3 hours 20 minutes)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for water races.	≤\$200	Achieved \$164 (2017: Achieved \$139)
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) (2017: Achieved Nil for all)

Community water supplies funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	6,387	5,995	5,590	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	101	-	-	
Internal charges and overheads recovered	1,246	1,197	1,172	
Other operating funding	-	-	-	
Total operating funding (A)	7,734	7,192	6,762	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	3,474	2,982	2,813	
Finance costs	-	-	-	
Internal charges applied	2,492	2,395	2,344	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	5,966	5,377	5,157	
Surplus/(deficit) of operating funding (A-B)	1,768	1,815	1,605	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	2,079	2,068	2,305	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	2,079	2,068	2,305	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	2,638	1,135	10,653	Note 1
Capital expenditure to improve the level of service	1,218	416	979	Note 2
Capital expenditure to replace existing assets	1,200	465	847	Note 3
Increase/(decrease) in reserves	821	1,927	(5,781)	
Increase/(decrease) of investments	(2,030)	(2,788)	(3,719)	
Total applications of capital funding (D)	3,107	3,883	3,910	
Surplus/(deficit) of capital funding (C-D)	(1,768)	(1,815)	(1,605)	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 Capital expenditure to meet additional demand is higher than the LTP due to water supply source improvements in Rolleston being completed during the year.

Note 2 Capital expenditure to improve the level of service is higher than the LTP due to upgrades to water supply treatment facilities and installation of water metres. The installation of these water metres brings the Council's water meter installation programme to a completion.

Note 3 Capital expenditure to replace existing assets is higher than the LTP largely due to work on water treatment plant upgrades being brought forward and completed in the 2017/18 financial year.

Community wastewater funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	6,025	5,771	5,287	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	1,052	169	164	Note 1
Internal charges and overheads recovered	859	674	660	
Other operating funding	-	-	-	
Total operating funding (A)	7,936	6,614	6,111	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	3,903	2,946	2,834	Note 1
Finance costs	670	3,222	2,922	Note 2
Internal charges applied	1,718	1,349	1,320	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	6,291	7,517	7,076	
Surplus/(deficit) of operating funding (A-B)	1,645	(903)	(965)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	5,792	5,854	6,427	Note 3
Increase/(decrease) in debt	2,021	(3,000)	13,000	Note 4
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	7,813	2,854	19,427	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	6,969	919	17,989	Note 5
Capital expenditure to improve the level of service	86	-	-	
Capital expenditure to replace existing assets	470	1,106	1,005	Note 6
Increase/(decrease) in reserves	781	(78)	16	
Increase/(decrease) of investments	1,152	4	(548)	
Total applications of capital funding (D)	9,458	1,951	18,462	
Surplus/(deficit) of capital funding (C-D)	(1,645)	903	965	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 Fees and charges revenue is higher than the LTP largely due to unbudgeted trade waste revenue being received during the year. This revenue is offset by the one off costs required to remove four years of sludge stored on site at the Pines Waste Water Treatment Plant.

Note 2 Finance costs are lower than the LTP due to lower borrowings than originally budgeted. The lower borrowing is due to higher Council revenue than originally budgeted.

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

Note 4 Debt has increased due to the planned work for the Eastern Selwyn Sewerage Scheme being completed during the 2017/18 financial year.

Note 5 Capital expenditure to meet additional demand is higher than the LTP due to the timing of completion of expansions to the Eastern Selwyn Sewerage Scheme.

Note 6 Capital expenditure to replace existing assets is lower than the LTP due to projects being carried forward for completion in the 2018/19 financial year.

Community stormwater funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	1,023	864	793	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	-	-	-	
Internal charges and overheads recovered	259	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	1,282	864	793	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	753	560	634	
Finance costs	83	145	160	
Internal charges applied	518	248	243	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	1,354	953	1,037	
Surplus/(deficit) of operating funding (A-B)	(72)	(89)	(244)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	333	182	179	
Increase/(decrease) in debt	125	(500)	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	458	(318)	179	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	284	-	-	Note 1
Capital expenditure to improve the level of service	50	216	10	
Capital expenditure to replace existing assets	-	112	22	
Increase/(decrease) in reserves	34	103	194	
Increase/(decrease) of investments	18	(838)	(291)	
Total applications of capital funding (D)	386	(407)	(65)	
Surplus/(deficit) of capital funding (C-D)	72	89	244	
Funding balance (A-B) + (C-D)	-	-	-	

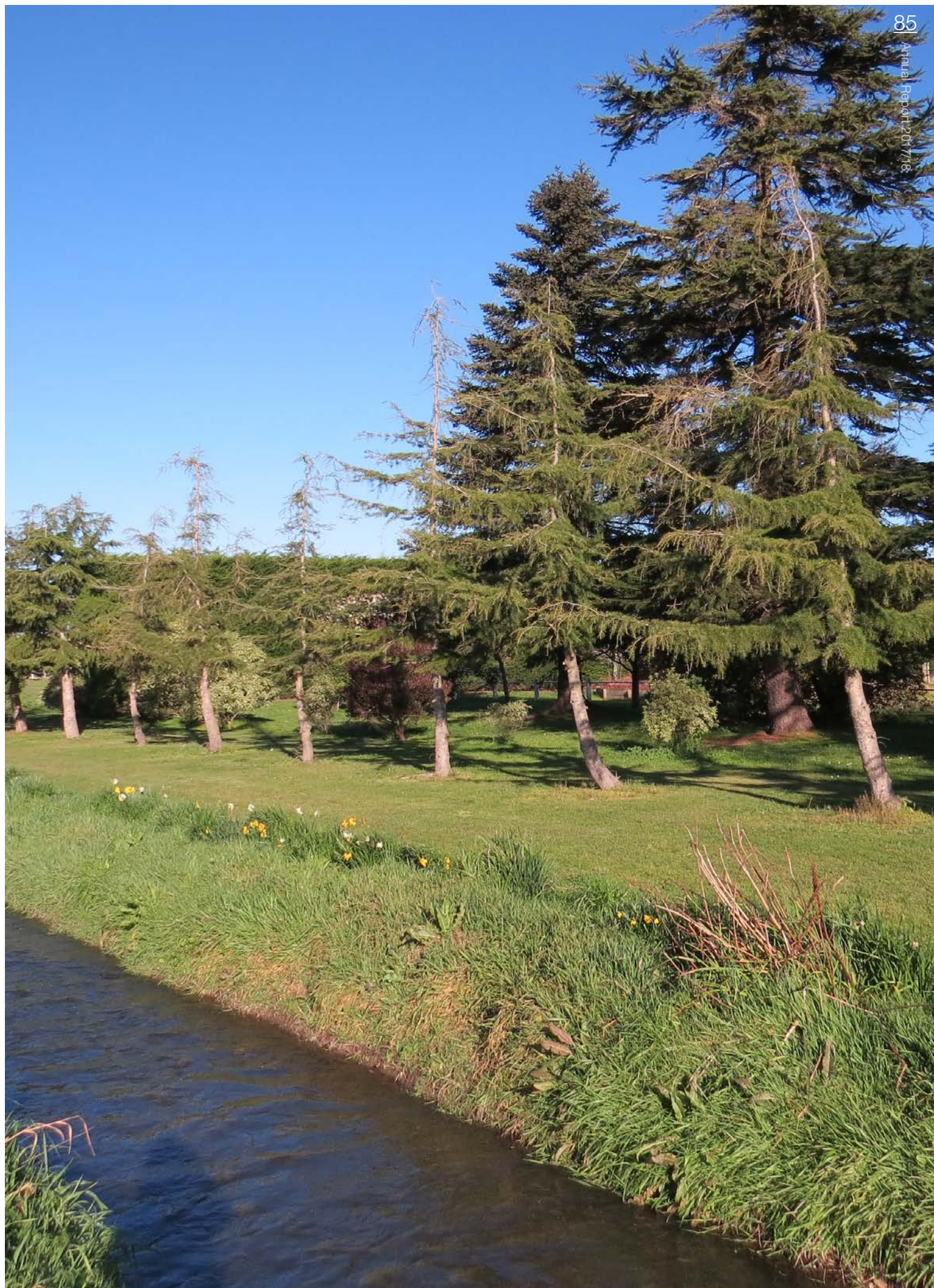
/Explanations for significant variances between actual and the Long-Term Plan (LTP):

Note 1 Capital expenditure to meet additional demand is higher than the LTP due to work being completed to improve the stormwater system in Lincoln.

Water races and land drainage funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	40	45	44	
Targeted rates	2,330	2,244	2,110	
Subsidies and grants for operating purposes	5	-	-	
Fees and charges	378	338	315	
Internal charges and overheads recovered	354	342	335	
Other operating funding	-	-	-	
Total operating funding (A)	3,107	2,969	2,804	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	2,354	2,247	2,192	
Finance costs	-	-	-	
Internal charges applied	709	684	669	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	3,063	2,931	2,861	
Surplus/(deficit) of operating funding (A-B)	44	38	(57)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	-	-	-	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	3	-	-	
Capital expenditure to improve the level of service	1,665	1,497	-	
Capital expenditure to replace existing assets	75	107	-	
Increase/(decrease) in reserves	293	(1,457)	561	
Increase/(decrease) of investments	(1,992)	(109)	(618)	
Total applications of capital funding (D)	44	38	(57)	
Surplus/(deficit) of capital funding (C-D)	(44)	(38)	57	
Funding balance (A-B) + (C-D)	-	-	-	

There are no significant variances to explain between actual results and the Long Term Plan.



Izone Southern Business Hub

Progress this year...

STAGES 8 and 9 RELEASED

21 SMALL LOTS





Key results

SOLD **11.6**
HECTARES SOLD



Izone Southern Business Hub

Overview

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

The development, which commenced in 2001, initially comprised 130 hectares but since that time a further 70 hectares have 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.

Statement of service performance

The Council has achieved the budgeted sales target of 10 hectares on average per year. The Council brought forward the development of Izone and has continued the development during 2017/18. Demand continues to be strong with high sales activity during the 2017/18 financial year.

Businesses in Izone continue to be major employers in the district with more jobs being created as the development progresses. The employment opportunities being created for the district at Izone demonstrate how this activity is helping to achieve the community outcome, 'a prosperous community'.

Service targets for Izone Southern Business Hub

Objective	Performance measure	Service target	Achievement
To provide employment opportunities by selling an average of 10ha of land on an annual basis.	Sale of 10 ha on average per year.	10 ha	Achieved 11.6 h.a. of land was sold during the year with 31 h.a. sold in 2016/17, 6.4 h.a sold in 2015/16 and 28 h.a. sold in 2014/15. On average the Council has sold 19.3 h.a per year over the last three years. (2017: Achieved 21.8 h.a. on average)

Izone Southern Business Hub funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	-	-	-	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	175	32	31	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
Total operating funding (A)	175	32	31	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	1,111	1,479	1,502	Note 1
Finance costs	-	-	-	
Internal charges applied	-	-	-	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	1,111	1,479	1,502	
Surplus/(deficit) of operating funding (A-B)	(936)	(1,447)	(1,471)	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	16,126	11,440	14,440	Note 2
Total sources of capital funding (C)	16,126	11,440	14,440	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	1,597	-	-	Note 3
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	-	-	-	
Increase/(decrease) of investments	13,593	9,993	12,969	
Total applications of capital funding (D)	15,190	9,993	12,969	
Surplus/(deficit) of capital funding (C-D)	936	1,447	1,471	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 These costs are directly linked to the sale of land at the Izone Southern Business Hub. Costs are projected to decrease to \$409,000 for the 2018/19 financial year as the Izone development nears completion.

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.

Note 3 Capital expenditure to meet additional demand is higher than the LTP due to the timing of construction of Stage 8 and Stage 9.





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: CEO's department, Finance function, Information services, Records management, Asset management and service delivery.

The Internal Council Services activity also covers the Council's corporate revenue, including dividends, interest and property leases. Because it includes corporate revenue, the Internal Council Services activity generates a surplus. This surplus is used to reduce the general rate requirement so that all ratepayers benefit from this revenue. As a result, the general rates line in the funding impact statement represents a reduction to general rates rather than funding from general rates.

Working in collaboration with others

We collect rates on behalf of the Canterbury Regional Council (Environment Canterbury) and in return they pay 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

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
SOURCES OF OPERATING FUNDING				
General rates	(8,091)	(7,919)	(7,662)	
Targeted rates	498	543	562	
Subsidies and grants for operating purposes	61	137	133	
Fees and charges	1,825	2,554	2,489	Note 1
Internal charges and overheads recovered	15,134	12,662	12,294	Note 2
Other operating funding	10,444	9,061	8,681	Note 3
Total operating funding (A)	19,871	17,038	16,497	
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	13,435	11,656	11,270	
Finance costs	125	766	781	
Internal charges applied	1,789	1,448	1,433	
Other operating funding applications	75	151	148	
Total application of operating funding (B)	15,424	14,021	13,632	
Surplus/(deficit) of operating funding (A-B)	4,447	3,017	2,965	
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	(24,811)	(252)	(232)	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	(24,811)	(252)	(232)	
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	453	578	564	
Capital expenditure to improve the level of service	411	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	51	82	79	
Increase/(decrease) of investments	(21,279)	2,105	1,990	
Total applications of capital funding (D)	(20,364)	2,765	2,633	
Surplus/(deficit) of capital funding (C-D)	(4,447)	(3,017)	(2,865)	
Funding balance (A-B) + (C-D)	-	-	-	

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

Note 1 Fees and charges are lower than the LTP due to the sale of an investment property during the 2013/14 financial year leading to lower levels of rental income received. The LTP assumed that the investment property would be replaced with a similar investment.

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

Note 3 Other operating funding revenue is higher than the LTP due to higher interest revenue received on cash balances held than forecast. Dividend revenue is also higher than forecast in the LTP.

Note 4 Payments to staff and suppliers is higher than the LTP due to the increased costs required to cope with the demands of rapidly developing district, including specialist project management resources to oversee and coordinate the large capital projects.

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

Financial reporting





Introduction

Statement of compliance and responsibility

Compliance

The Council and management of Selwyn District Council confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

The Council and management of Selwyn District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of Selwyn District Council accept responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Selwyn District Council, the annual financial statements for the year ended 30 June 2018 fairly reflect the financial position and operations of the Selwyn District Council.



Sam Broughton
Mayor of Selwyn District



David Ward
Chief Executive



Greg Bell
Corporate Services Manager

10 October 2018

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

	2017/18	2017/18	2016/17	2016/17
	ACTUAL	ANNUAL PLAN	ACTUAL	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charge, rate penalties	17,822	17,509	16,140	15,735
Targeted rates	33,762	33,260	30,194	29,608
Subsidies and grants for operating purposes	4,012	3,352	4,009	3,107
Fees and charges	16,707	17,017	15,479	15,884
Interest and dividends from investments	10,384	9,574	9,997	8,873
Other operating funding	1,105	359	7,185	642
Total operating funding (A)	83,792	81,071	83,004	73,849
APPLICATION OF OPERATING FUNDING				
Payments to staff and suppliers	70,214	70,404	68,328	67,178
Finance costs	1,471	3,313	2,159	4,114
Other operating funding applications	893	500	411	623
Total application of operating funding (B)	72,578	74,217	70,898	71,915
Surplus/(deficit) of operating funding (A-B)	11,214	6,854	12,106	1,934
SOURCES OF CAPITAL FUNDING				
Subsidies for capital expenditure	5,652	6,155	3,107	3,672
Development and financial contributions	14,996	12,308	19,539	12,426
Increase/(decrease) in debt	(20,000)	33,483	(15)	45,381
Gross sales proceeds from sale of assets	18,435	17,572	36,356	16,709
Total sources of capital funding (C)	19,083	69,518	58,987	78,188
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure to meet additional demand	28,552	50,990	26,013	67,030
Capital expenditure to improve the level of service	14,757	24,626	9,385	18,618
Capital expenditure to replace existing assets	9,472	12,652	9,219	8,864
Increase/(decrease) in reserves	(5,332)	(15,849)	(1,531)	(12,365)
Increase/(decrease) of investments	(17,152)	3,953	28,007	(2,025)
Total applications of capital funding (D)	30,297	76,372	71,093	80,122
Surplus/(deficit) of capital funding (C-D)	(11,214)	(6,854)	(12,106)	(1,934)
Funding balance (A-B) + (C-D)	-	-	-	-

Financials – financial highlights

Introduction

Selwyn District Council continued to experience high levels of population and economic growth during the 2017/18 financial year. The financial results for the year are a reflection of the success of the district as a whole.

Expenditure

Expenditure for the year was \$100.6 million compared with the budget of \$99.0 million. The main variances compared with budget were:

- Employee benefit expenditure \$1.5 million below budget due to the timing of recruitment of staff.
- Finance costs \$2.2 million below budget, due to a reduced borrowing requirement due to positive cash flows and some capital projects that have not yet been completed.
- Depreciation and amortisation expenditure \$1.4 million below budget due to the timing of completion of some significant capital projects.
- Cost of sales \$2.8 million higher than budget due to the sale of land in the Izone Southern Business Hub being significantly ahead of budget.
- Environmental services costs \$900,000 higher than budget largely due to Council's desire to accelerate the District Plan review.
- Subsidised maintenance and operational expenditure \$2.1 million higher than budget. Additional expenditure was incurred to repair damage caused by irrigation construction activity and rain events, and also to improve roads that had become unsafe.

Revenue

Revenue for the year was \$146.0 million compared with the budget of \$128.6 million. The main variances compared with budget were:

- Dividend revenue \$1.0 million above budget due to higher dividend revenue received from our investments in Orion New Zealand Limited, Sicon Limited and Transwaste Canterbury Limited.
- Rates revenue was \$0.8 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 \$2.7 million above budget as the level of housing development in the district continues to be more rapid than expected. Development contributions are retained in a separate account to fund new infrastructure and are not available to reduce the level of rates.
- Vested asset revenue \$4.8 million higher than budget due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- Land sales revenue was ahead of budget by \$5.5 million due to the sale of land in the Izone Southern Business Hub being ahead of budget.
- Gains from the movement in the fair value of investment property and forestry assets were \$1.1 million above budget.

Cashflow

The Council has a positive **operating** cash flow of \$51 million. The operating cash flow is used to fund the capital expenditure programme and repay debt.

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

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

Equity

- The value of the Council's net assets increased by \$45 million for the year ended 30 June 2018.
- The increase was due to the surplus of \$45 million.
- The value of the Council's net assets is \$1.548 billion (2017: \$1.503 billion).

Assets

- **Cash** and cash equivalents held at year end is higher than budgeted by \$7.0 million.
- **Inventory** is higher 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 lower than budget by \$2 million.
- **Investment in council controlled organisations** is higher than budget by \$22.9 million largely due to the increase in the value of the Council's investment in Orion New Zealand and Sicon Limited & Group during the 2017 financial year.
- **Property, plant and equipment** is lower than budget by \$6.8 million due to the timing of completion of some large capital projects.

Liabilities

- **Borrowings** are lower than budget by \$53.5 million because the budget included higher borrowing levels in the current year to fund capital projects which have been funded using existing cash reserves or have been carried forward for completion in future periods.

Financials – annual report disclosure statement for year ending 30 June 2018

What is the purpose of this statement?

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

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

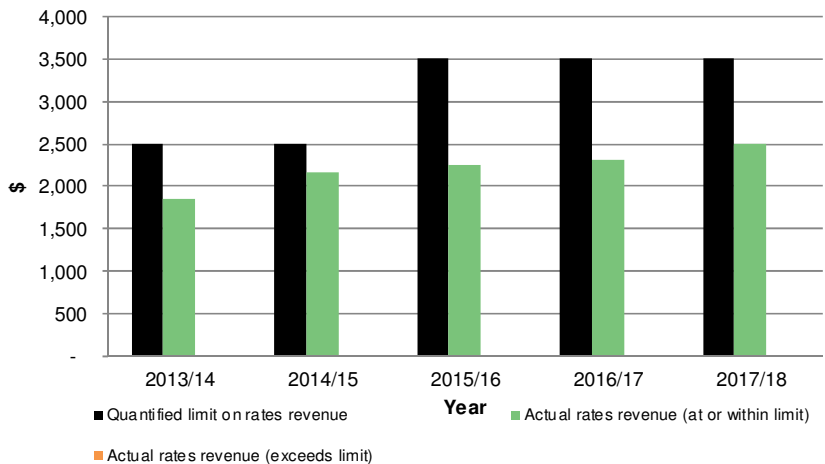
Rates affordability benchmark

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.

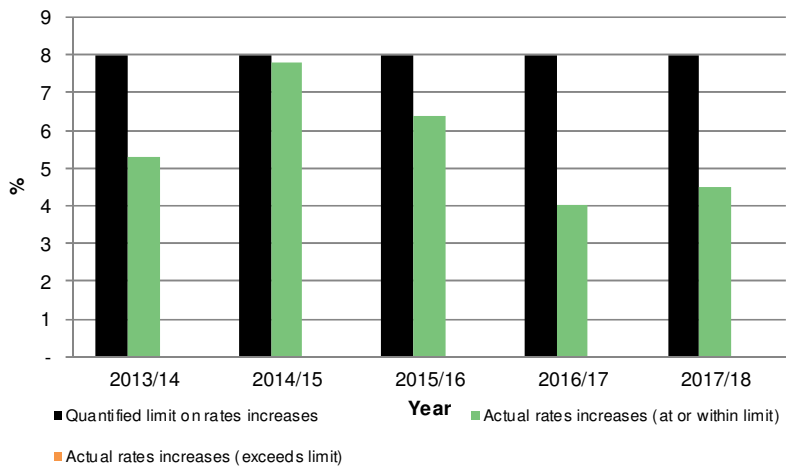
Rates (revenue) affordability

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 (excluding GST) will not exceed \$3,500 per ratepayer.



Rates (increases) affordability

The following graph compares the Council's actual average rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 8% per annum.

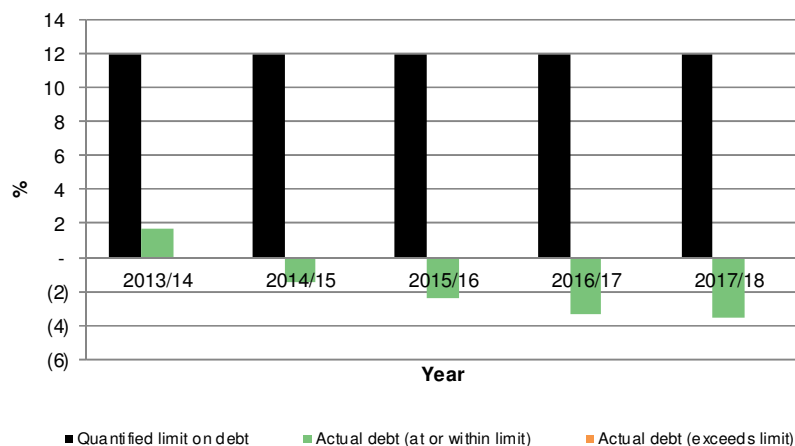


Debt affordability benchmark

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

Net borrowing as percentage of equity

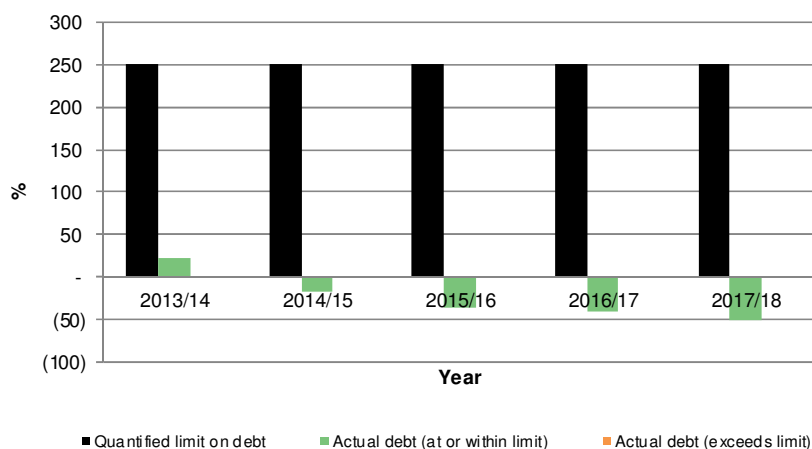
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net borrowing as a percentage of equity will be less than 12%.



2014/15 to 2016/17 –The Council is in a net investment position with investments now exceeding borrowing levels.

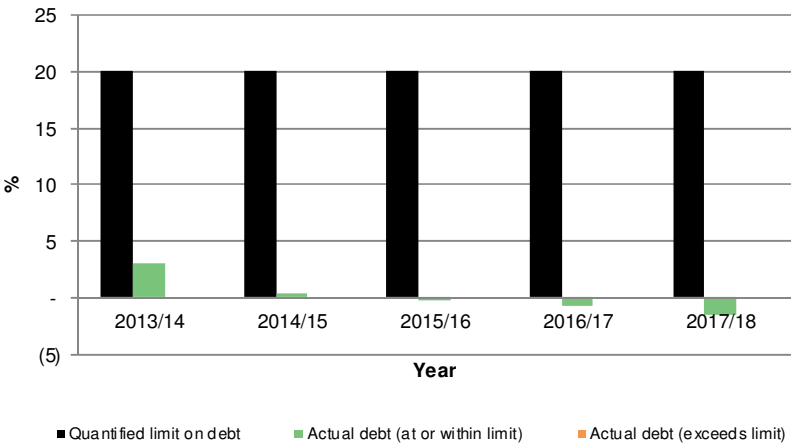
Net borrowing as percentage of revenue

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 250%.



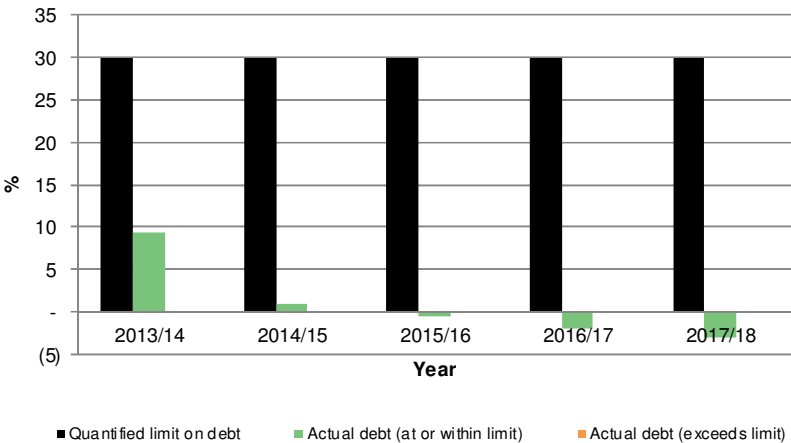
Net interest as percentage of revenue

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 20%.



Net interest as percentage of rates revenue

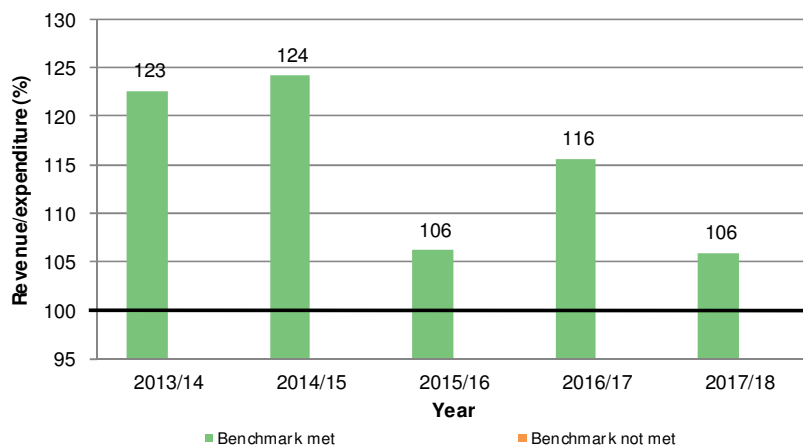
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest as a percentage of rates revenue will be less than 30%.



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.

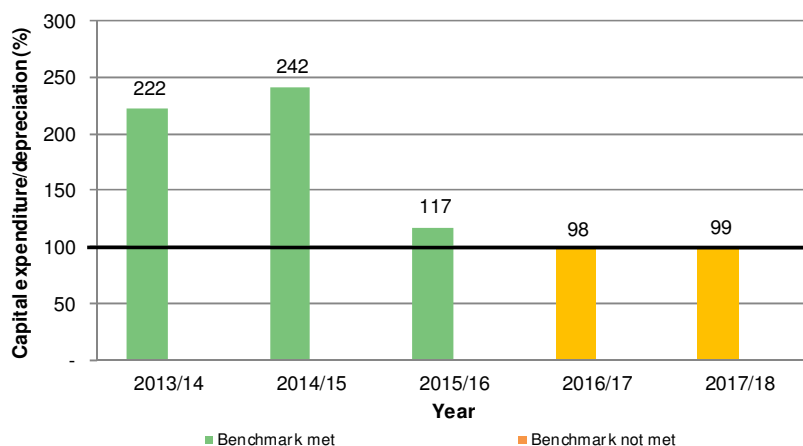


2013/14 –The Council met the balanced budget benchmark largely due to a non-cash accounting adjustment of \$24.9 million, as a result of Council liquidating its former investment in Selwyn Investment Holdings Limited in September 2013. This is a technical accounting recognition of previous movements in the value of Council's investment in SIHL, and does not increase the Council's overall equity.

Essential services benchmark

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

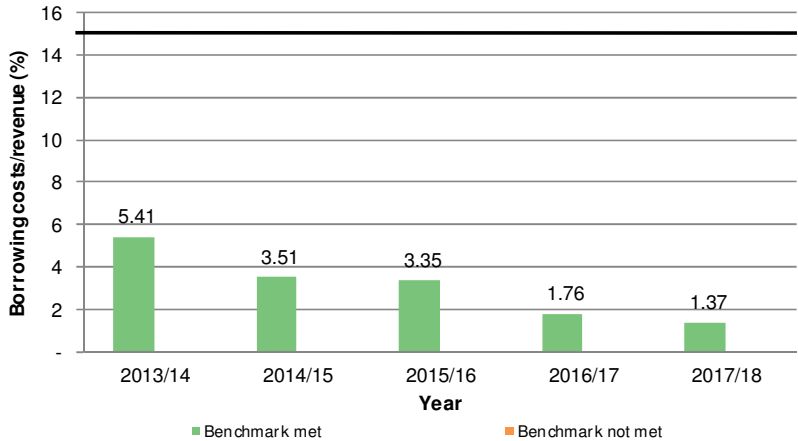
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

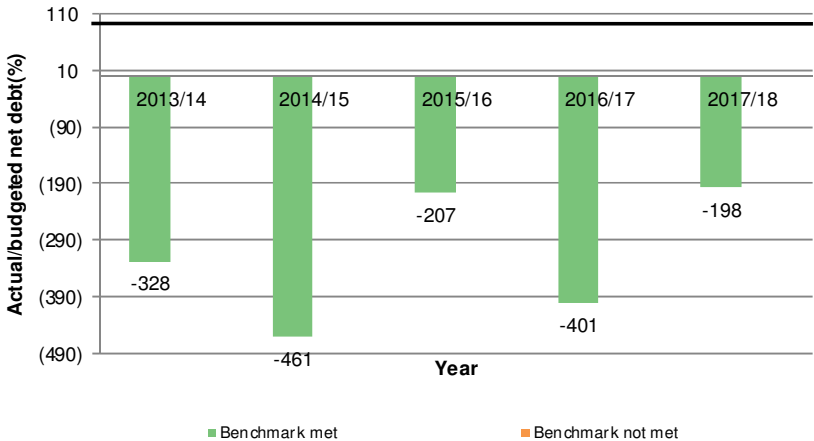
Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it means the debt servicing benchmark if it's borrowing costs equal or are less than 15% of its revenue.



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).

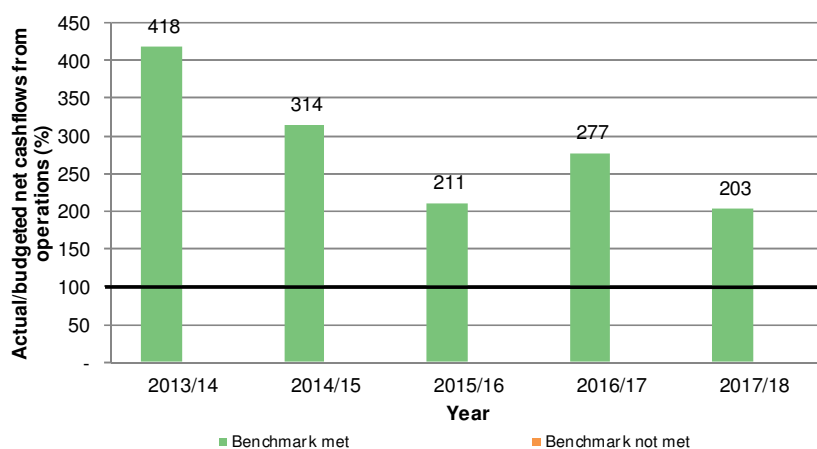
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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: 26,659
- The total capital value of rating units within the district at the end of the preceding financial year: \$21.6 billion
- The total land value of rating units at the end of the preceding financial year: \$11.4 billion

Insurance of assets

- The total value of all assets that are covered by insurance contracts: \$878 million
- The maximum amount to which assets are insured: \$378 million.
- The maximum amount to which assets are covered by financial risk sharing arrangements: \$500 million
- The total value of the Council's self-insurance fund: \$12.2 million

The total value of all assets covered by insurance contracts is \$878 million. \$550 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 2018 \$11.6 million.
- General insurance reserve as at 30 June 2018: \$0.6 million.

Financials – statement of comprehensive revenue and expense for the year ended 30 June 2018

	Note	Council 2017/18 \$000	Council Budget \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Revenue						
Rates	2	51,584	50,769	46,334	51,579	46,330
Fees and charges	3	16,707	17,017	15,479	16,497	15,269
Development and financial contributions		14,996	12,308	19,539	14,996	19,539
Subsidies and grants		9,664	9,507	7,116	9,664	7,116
Other revenue	4	51,607	38,700	79,464	93,999	117,296
Gains	5	1,398	300	1,872	1,672	2,222
Total revenue	1	145,956	128,601	169,804	188,407	207,772
Expenditure						
Employee benefit expenses	6	20,169	21,655	18,702	36,763	30,254
Depreciation and amortisation expense	7	24,764	26,189	24,845	28,265	27,586
Other expenses	8	54,602	47,799	60,412	74,587	80,929
Finance costs		1,100	3,313	1,210	1,208	1,279
Total operating expenditure	1	100,635	98,956	105,169	140,823	140,048
Operating surplus/(deficit) before taxation		45,321	29,645	64,635	47,584	67,724
Share of associate surplus/(deficit)		-	-	-	-	-
Surplus/(deficit) before taxation		45,321	29,645	64,635	47,584	67,724
Income taxation expense/(benefit)	9	36	-	40	1,042	1,147
Surplus/(deficit) after taxation		45,285	29,645	64,595	46,542	66,577
<i>Surplus/(deficit) attributable to:</i>						
Selwyn District Council		45,285	29,645	64,595	46,694	66,750
Minority interest		-	-	-	(152)	(173)
Surplus/(deficit) after taxation		45,285	29,645	64,595	46,542	66,577
Other comprehensive revenue and expense						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Financial assets at fair value	21	-	-	25,032	-	15,782
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(loss) on infrastructure assets revaluation	15	-	-	23,980	-	23,980
Gain/(loss) on land and building revaluation	15	-	-	-	(15)	65
Total other comprehensive revenue and expense		-	-	49,012	(15)	39,827
Total comprehensive revenue and expense		45,285	29,645	113,607	46,527	106,404
<i>Total comprehensive revenue and expense attributable to:</i>						
Selwyn District Council		45,285	29,645	113,607	46,679	106,577
Minority interest		-	-	-	(152)	(173)
Total comprehensive revenue and expense		45,285	29,645	113,607	46,527	106,404

The accompanying notes form part of these financial statements.

Financials – statement of changes in equity for the year ended 30 June 2018

	Note	Council 2017/18 \$000	Council Budget \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Balance at 1 July		1,502,855	1,449,128	1,389,248	1,500,554	1,390,400
Total comprehensive revenue and expense for the year		45,285	29,645	113,607	46,527	106,404
Contributions from minority interest		-	-	-	-	3,750
Balance at 30 June	20-23	1,548,140	1,478,773	1,502,855	1,547,081	1,500,554
<i>Total comprehensive revenue and expense for the year is attributable to:</i>						
Selwyn District Council		45,285	29,645	113,607	46,679	106,577
Minority interest		-	-	-	(152)	(173)
Total comprehensive revenue and expense		45,285	29,645	113,607	46,527	106,404

The accompanying notes form part of these financial statements.

Financials – statement of financial position as at 30 June 2018

	Note	Council Actual 2017/18 \$000	Council Budget 2017/18 \$000	Council Actual 2016/17 \$000	Group Actual 2017/18 \$000	Group Actual 2016/17 \$000
Current assets						
Cash and cash equivalents		9,753	2,761	6,818	13,163	8,410
Receivables	10	11,424	13,060	12,319	16,817	17,517
Inventory	12	4,351	3,198	6,242	5,203	7,224
Other financial assets	13	66,865	805	84,040	66,865	84,040
Income taxation receivable	9	3	-	-	-	-
Property held for sale		822	1,970	1,809	822	1,903
Investment in joint venture		-	-	-	(1)	7
Total current assets		93,218	21,794	111,228	102,869	119,101
Non-current assets						
Receivables	10	301	329	300	301	300
Other financial assets	13	4,014	72,141	9,971	4,014	9,971
Investment in council controlled organisations	13	111,706	88,818	112,026	89,456	89,776
Investment in associates		-	-	-	-	-
Investment property	14	13,965	14,819	12,975	13,255	12,250
Forestry assets		311	162	162	311	162
Property, plant and equipment	15	1,360,017	1,366,782	1,311,591	1,375,290	1,328,312
Deferred tax	9	-	-	-	60	104
Intangible assets	15a	497	206	156	3,070	3,205
Total non-current assets		1,490,811	1,543,257	1,447,181	1,485,757	1,444,080
Total assets		1,584,029	1,565,051	1,558,409	1,588,626	1,563,181
Current liabilities						
Payables and deferred revenue	16	16,814	15,399	16,271	19,356	19,216
Employee benefit liabilities	17	2,063	-	1,664	3,439	2,900
Other provisions	18	50	-	270	366	729
Income taxation payable	9	-	-	22	324	400
Derivative financial instruments	11	487	-	534	487	534
Borrowings	19	15,000	772	20,000	16,241	22,200
Total current liabilities		34,414	16,171	38,761	40,213	45,979
Non-current liabilities						
Employee benefit liabilities	17	118	-	118	128	126
Other provisions	18	429	394	423	429	423
Deferred tax	9	153	-	153	-	-
Derivative financial instruments	11	575	1,802	899	575	899
Borrowings	19	200	67,911	15,200	200	15,200
Total non-current liabilities		1,475	70,107	16,793	1,332	16,648
Equity						
General funds	20	903,907	873,712	851,979	912,510	859,173
Fair value through other comprehensive revenue	21	65,577	42,368	65,577	52,326	52,326
Special funds	22	57,742	54,098	63,074	57,742	63,074
Asset revaluation reserve	23	520,914	508,595	522,225	521,078	522,404
Minority interest		-	-	-	3,425	3,577
Total equity		1,548,140	1,478,773	1,502,855	1,547,081	1,500,554
Total liabilities and equity		1,584,029	1,565,051	1,558,409	1,588,626	1,563,181

The accompanying notes form part of these financial statements.

Financials – statement of cash flows for the year ended 30 June 2018

	Note	Council Actual 2017/18 \$000	Council Budget 2017/18 \$000	Council Actual 2016/17 \$000	Group Actual 2017/18 \$000	Group Actual 2016/17 \$000
Operating activities						
<i>Cash was provided from:</i>						
Receipts from customers		112,949	88,510	114,275	155,780	149,452
Agency receipts		1,689	1,450	1,810	1,689	1,810
Interest received		3,155	3,231	3,332	3,165	3,417
Dividends received		7,115	6,343	7,265	6,515	6,665
Goods and services taxation (net)		(1,237)	-	88	(1,328)	(7)
		123,671	99,534	126,770	165,821	161,337
<i>Cash was applied to:</i>						
Payments to suppliers and employees		69,227	69,454	72,749	106,145	103,062
Agency payments		1,689	1,450	1,810	1,689	1,810
Income taxation		61	-	17	1,075	841
Interest paid		1,391	3,313	2,159	1,499	2,228
		72,368	74,217	76,735	110,408	107,941
Net cash flow from operating activities	24	51,303	25,317	50,035	55,413	53,396
Investment activities						
<i>Cash was provided from:</i>						
Sale of property, plant & equipment		2,941	1,929	1,962	3,740	2,780
Sale of property intended for sale / investment property		-	15,643	-	-	-
Proceeds from investments		84,493	11,842	59,220	84,493	59,220
		87,434	29,414	61,182	88,233	62,000
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		54,342	86,817	37,358	56,474	40,329
Purchase of intangible assets		419	-	57	419	57
Purchase of investments and goodwill		61,041	-	82,769	61,041	82,769
Purchase of development property		-	1,452	-	-	-
		115,802	88,269	120,184	117,934	123,155
Net cash flow from investing activities		(28,368)	(58,855)	(59,002)	(29,701)	(61,155)

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The accompanying notes form part of these financial statements.

Financials – statement of cash flows for the year ended 30 June 2018 (continued)

	Note	Council Actual 2017/18 \$000	Council Budget 2017/18 \$000	Council Actual 2016/17 \$000	Group Actual 2017/18 \$000	Group Actual 2016/17 \$000
Financing activities						
<i>Cash was provided from:</i>						
Loans raised		-	33,483	-	-	-
		-	33,483	-	-	-
<i>Cash was applied to:</i>						
Settlement of loans		20,000	-	14	20,000	14
Purchase of acquisition assets		-	-	-	-	8,477
		20,000	-	14	20,000	8,491
Net cash flow from financing activities		(20,000)	33,483	(14)	(20,000)	(8,491)
Net increase/(decrease) in cash and cash equivalents		2,935	(55)	(8,981)	5,712	(16,250)
Plus: opening cash and cash equivalents		6,818	2,816	15,799	6,210	22,460
Cash, cash equivalents at the end of the year		9,753	2,761	6,818	11,922	6,210
<i>Summary of cash resources:</i>						
Cash and bank		9,745	2,761	6,810	13,155	8,402
Short term deposits maturing within 3 months		8	-	8	8	8
Bank overdrafts		-	-	-	(1,241)	(2,200)
Cash, cash equivalents at the end of the year		9,753	2,761	6,818	11,922	6,210

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% owned), Blakely Construction Limited (70%), the Selwyn District Charitable Trust (100% controlled) 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 2018. The financial statements were authorised for issue by Council on 10 October 2018.

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

Impairment of Revalued Assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards.

Under the amendment, a revalued asset can be impaired without having to revalue the entire class-of asset to which the asset belongs. This amendment is effective for the 30 June 2020 financial statements, with early adoption permitted.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for financial years beginning on or after 1 January 2021, with earlier application permitted. The main changes under the standard 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.

The Council has not yet assessed in detail the impact of the new standard. Based on an initial assessment, the Council anticipates that the standard will not have a material effect on the Council's financial statements.

Standards on interests in other entities

IPSAS 34 Separate Financial Statements, PBE IPSAS 35 Consolidated Financial Statements, PBE IPSAS 36 Investments in Associates and Joint Ventures, PBE IPSAS 38 Disclosure of Interests in Other Entities. These new standards will replace PBE IPSAS 6 Consolidated and Separate Financial Statements, PBE IPSAS 7 Investments in Associates, and PBE IPSAS 8 Interest in Joint Ventures. They amend the definition of control, introduce a new classification of joint arrangement, and require additional disclosures for interests in other entities. These new standards are effective from the year ending 30 June 2020.

The Council has not yet assessed in detail the impact of the new standard. Based on an initial assessment, the Council anticipates that the standard will not have a material effect on the Council's financial statements.

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 all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Associate

The Council's associate investment is accounted for in the group financial statements using the equity method. 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. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, 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 Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate 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.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is carried at cost in the Council's parent entity financial statements.

Joint venture

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

Sicon Limited accounts for its interest in jointly controlled entities 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 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.

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	20 – 180 years	0.6% - 5%
Heritage	20 – 180 years	0.6% - 5%
Heavy plant and machinery	10 years	10%
Other plant and machinery	5 years	20%
Motor vehicles	4 years	25%
Furniture and fittings	10 years	10%
Library books	7 years	14.3%
Computer equipment	4 years	25%

Roads

Formation / sub-grade	Not depreciated	
Sub-base (sealed roads only)	Not depreciated	
Base course	13 – 99 years	1.0% - 7.7%
Surface (sealed roads)	1 – 18 years	5.6% - 100%
Surface (unsealed roads)	40 years	2.5%
Kerb & channelling	50 years	2%
Footpaths base and surface	40 years	2.5%
Culverts	50 – 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%

Water races

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

Land drainage

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

Water supplies

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

Sewerage systems

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

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

Sicon Limited

Depreciation is provided using a mix of both straight-line and diminishing value methods on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset class	Useful life	Annual depreciation rate
Buildings	10 – 33 years	3% - 10%
Improvements	10 – 50 years	2% – 10%
Plant and machinery	2 - 12 years	8.3% - 50%
Motor vehicles	6 – 10 years	10% - 16.7%
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 2016.

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 2016.

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 2017 by Mike Tapper (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 30 June 2017 by Amy Paterson-Horner NZ Dip Eng, Dip Civil Eng Applied, CertETN a valuer at Stantec New Zealand Limited.

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 2018, 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 and Customer Contracts

Brand Name, Customer List and 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 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 2018 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 2018.

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

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

Value in use for non-cash generating units

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

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

Value in use for cash-generating assets

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

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss of that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill), the reversal of impairment loss is recognised in the surplus or deficit.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the Inland Revenue Department, including the GST relating to the investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Payables

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

Borrowings

Borrowings are initially measured at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term employee entitlements

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

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

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

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

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

The Council and Sicon Limited belong to a Defined Benefit Plan Contribution Scheme ('the Scheme') which is managed by the Board of Trustees of the National Provident Fund. The Scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the Scheme, the extent to which the surplus/deficit will affect contributions by individual employers, as there is no prescribed basis for allocation. The Scheme is therefore accounted for as a defined contribution scheme.

Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Landfill aftercare provision

A provision for future landfill site restoration and aftercare costs is recognised when the activities giving rise to the need for site restoration and aftercare have commenced. The provision is stated at the present value of the future cash outflows expected to be incurred which increases each period due to the passage of time. Any increase in the provision due to the change in present value is recognised in the surplus or deficit as a time value adjustment.

Future landfill site restoration and aftercare costs provided for are initially capitalised in the statement of financial position. Any change in the provision for future landfill site restoration and aftercare costs arising from a change in estimate of those costs is also recognised in non-current assets in the statement of financial position.

Future landfill site restoration and aftercare costs capitalised in the statement of financial position are depreciated at rates that match the pattern of benefits expected to be derived from the landfill including power generation using landfill gas.

Restricted and council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council's decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

The Council objectives, policies and processes for managing capital are described in Note 32.

Budget figures

The budget figures are those approved by the Council at the beginning of the year in the Annual Budget/Long Term Plan (LTP). The budget figures have been prepared in accordance with NZ GAAP using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Cost allocation

The Council has derived the cost of service for each significant activity of the Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

There are assumptions and estimates used when performing valuations of investments about the future maintainable earnings of investments and the earnings multiple used in these valuations. Experienced valuers perform the valuation of the Council's investments.

Impairment of goodwill

BCL determines whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the single cash-generating unit of BCL, using a value in use discounted cash flow methodology, to which the goodwill is allocated. The Directors of BCL estimated the forecast trading performance of 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 BCL have assumed that cash flows associated with the brand name and customer relationships will continue over 15 years and 3 years respectively.

Infrastructural assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. For example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes which are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated.
- The possible impact of the Canterbury earthquakes.

These estimates can be affected by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Selwyn District Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Selwyn District Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Selwyn District Council's asset management planning activities which gives Selwyn District Council further assurance over its useful life estimates.

The Selwyn District Council has no evidence that the Canterbury earthquakes of 2010 and 2011 have impacted on the remaining use of lives of assets and no adjustment has been made as a result of the earthquakes. It is possible that information will come to light at a later date that will change this assumption.

Experienced independent valuers perform Selwyn District Council's infrastructural asset revaluations.

Provisions

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

Financials – notes to the financial statements

Note 1: Summary of cost of service

	Council 2017/18 \$000	Council Budget \$000	Council 2016/17 \$000
Revenue			
Democracy	878	791	895
Community facilities	19,994	15,988	18,856
Community services	36	127	7,139
Environmental services	6,777	6,105	6,317
Transportation	11,520	12,047	9,871
Solid waste management	9,426	9,116	8,534
Community water supplies	8,589	8,361	7,522
Community waste water supplies	13,328	12,891	15,579
Stormwater	1,356	1,208	1,440
Water races and land drainage	2,712	2,721	2,286
Izone southern business hub	16,302	10,649	34,685
Total activity revenue	90,918	80,004	113,124
General rates	17,521	17,509	15,853
Rates penalties	301	315	287
Other corporate revenue	13,273	11,674	12,904
Vested assets	23,943	19,099	27,636
Total revenue	145,956	128,601	169,804
Expenditure			
Democracy	4,444	4,785	4,248
Community facilities	22,468	23,787	20,458
Community services	3,325	2,451	9,667
Environmental services	13,760	12,867	10,770
Transportation	23,096	20,358	20,474
Solid waste management	7,955	8,534	8,306
Community water supplies	7,573	8,908	7,813
Community waste water supplies	9,648	9,892	8,859
Stormwater	1,810	1,970	1,886
Water races and land drainage	3,396	3,428	3,209
Izone southern business hub	3,978	1,046	10,173
Other corporate expenditure	(818)	930	(694)
Total activity expenditure	100,635	98,956	105,169
Total operating expenditure	100,635	98,956	105,169

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 expenditure is negative in 2017 and 2018 due to reduction in the interest rate swap liability). 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 2017/18 \$000	Council Actual 2016/17 \$000	Group Actual 2017/18 \$000	Group Actual 2016/17 \$000
General rates	17,521	15,853	17,516	15,849
Rates penalties	301	287	301	287
Metered water supply	1,620	1,049	1,620	1,049
<i>Targeted rates attributable to activities:</i>				
Community facilities	8,988	7,901	8,988	7,901
Democracy	788	728	788	728
Solid waste management	6,506	5,922	6,506	5,922
Community waste water supplies	6,048	5,569	6,048	5,569
Community water supplies	5,226	5,096	5,226	5,096
Stormwater	1,023	751	1,023	751
Transportation	1,233	1,177	1,233	1,177
Water races and land drainage	2,330	2,001	2,330	2,001
Total rates	51,584	46,334	51,579	46,330

Rates remissions

Rates revenue is shown net of rates remissions. The Council's 'Rates Remission Policy' allows for rates remission on condition of a ratepayer's extreme financial hardship and allows for rates remission for

- community, sporting and other organisations
- sewerage rates for schools
- vacant land
- Plunket branches, scout group halls
- masonic lodges
- properties and open space covenants
- school and service club endowment land
- land protected for natural, historic or cultural conservation.

A copy of the Council's 'Rates Remission Policy' is included in the Long Term Plan 2015–2025.

	Council Actual 2017/18 \$000	Council Actual 2016/17 \$000	Group Actual 2017/18 \$000	Group Actual 2016/17 \$000
Total gross rates	51,621	46,371	51,616	46,367
<i>Rates remissions:</i>				
Sports bodies	16	16	16	16
Churches	17	17	17	17
Other social and cultural organisations	4	4	4	4
Total remissions	37	37	37	37
Rates (net of remissions)	51,584	46,334	51,579	46,330

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 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Building consents	4,831	4,355	4,831	4,355
Connection and irrigation fees	325	169	325	169
Dog registration	447	437	447	437
Gravel royalties	64	8	64	8
Leases	681	602	539	460
LIM revenue	312	327	312	327
Rental and hire charges	875	864	875	864
Rental income from investment properties	1,025	984	957	916
Resource consent fees	929	1,100	929	1,100
Selwyn Aquatic Centre	1,562	1,419	1,562	1,419
Solid waste fees and charges	2,745	2,612	2,745	2,612
Other fees and charges	2,911	2,602	2,911	2,602
Total fees and charges	16,707	15,479	16,497	15,269

Note 4: Other revenue

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Dividend revenue	7,315	6,965	6,515	6,665
Interest revenue	3,069	3,032	3,081	3,121
Land sales	16,126	34,642	16,126	34,642
Petroleum tax	690	207	690	207
Port Hills fire recovery	-	6,910	-	6,910
Vested land and infrastructure from property development	23,943	27,636	23,943	27,636
Other income - Council	464	72	464	72
Other trading income - Sicon Group	-	-	43,180	38,043
Total other revenue	51,607	79,464	93,999	117,296

Note 5: Other gains

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Gain on changes in fair value of forestry	149	-	149	-
Gain on disposal of property, plant and equipment	244	622	518	1,037
Gain on changes in fair value of investment property (Note 14)	1,005	1,250	1,005	1,185
Total gains	1,398	1,873	1,672	2,223

Note 6: Employee benefit expenses

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Salaries and wages	19,409	18,246	35,460	29,061
Employer contributions to superannuation plans	361	328	741	653
Employer contributions to other plans & benefits	-	-	21	16
Increase/(decrease) in employee liabilities	399	128	541	524
Total employee benefit expenses	20,169	18,702	36,763	30,254

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

Council employee numbers and remuneration

	Council 30 June 2017/18
Number of employees employed by Selwyn District Council	446
Number of full-time employees at Selwyn District Council	194
Full-time equivalent number of all other employees	86
<i>Number of employees receiving total annual remuneration:</i>	
Less than \$60,000	293
\$60,001 - \$80,000	74
\$80,001 - \$100,000	42
\$100,001 - \$120,000	21
\$120,001 - \$140,000	6
\$140,001 - \$200,000	7
\$200,001 - \$340,000	3
Number of employees employed by Selwyn District Council	446

	Council 30 June 2016/17
Number of employees employed by Selwyn District Council	424
Number of full-time employees at Selwyn District Council	193
Full-time equivalent number of all other employees	79
<i>Number of employees receiving total annual remuneration:</i>	
Less than \$60,000	275
\$60,001 - \$80,000	72
\$80,001 - \$100,000	40
\$100,001 - \$120,000	20
\$120,001 - \$140,000	7
\$140,001 - \$200,000	7
\$200,001 - \$320,000	3
Number of employees employed by Selwyn District Council	424

At balance date, the Council employed 194 (2017: 193) full-time employees, with the balance of staff representing 86 (2017: 79) full-time equivalent employees. The disclosure includes full-time, part-time and casual employees. A full-time employee is determined on the basis of a minimum of a 37.5 hour working week. Total remuneration includes non-financial benefits provided to employees.

Note 7: Depreciation and amortisation

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Operational assets (Note 15a and 15b)	4,459	4,308	7,432	6,582
Infrastructural assets (Note 15c)	20,227	20,430	20,227	20,430
Intangible assets	78	107	606	574
Total depreciation and amortisation	24,764	24,845	28,265	27,586

Depreciation and amortisation by group of activity

	Council 2017/18 \$000	Council Budget \$000	Council 2016/17 \$000
<i>Directly attributable depreciation and amortisation expense by group of activity:</i>			
Community facilities	3,838	3,794	3,639
Community services	61	40	135
Democracy	3	8	-
Environmental services	96	142	127
Internal Council services	505	549	490
Izone southern business hub	34	29	27
Solid waste management	151	150	185
Stormwater	640	733	733
Transportation	12,306	12,551	11,885
Wastewater	3,609	4,093	3,762
Water races and land drainage	687	479	449
Water supply	2,834	3,621	3,413
Total depreciation and amortisation	24,764	26,189	24,845

Note 8: Other expenses

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
<i>Fees to auditors:</i>				
- fees to Audit New Zealand for audit of the financial statements	142	141	285	253
- fees to Audit New Zealand for other services	4	4	4	4
- fees to Audit New Zealand for audit of the 2018 - 2028 LTP	84	-	84	-
Bad debts written off	59	3	59	383
Cost of sales	2,832	8,864	2,832	8,864
Directors' and members' remuneration	564	565	760	723
Grants	251	246	251	246
Impairment of receivables	14	49	60	429
Impairment of property, plant and equipment	-	-	-	12
Loss on changes in fair value of investment property (Note 14)	15	-	-	-
Loss on disposal of assets	792	1,493	899	1,516
Minimum lease payments under operating leases	192	206	854	608
Port Hills fire expenses	-	7,024	-	7,024
Refuse contract payments	3,318	2,748	3,318	2,748
Refuse transfer station operations	4,388	4,286	4,388	4,286
Roading	10,532	8,379	10,532	8,379
Valuation services	258	240	258	240
Other operating expenses	31,157	26,164	50,003	45,214
Total other expenses	54,602	60,412	74,587	80,929

Note 9: Income taxation

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Relationship between taxation expense and accounting profit				
Surplus/(deficit) before tax continuing activities	45,321	64,635	47,584	67,724
Taxation at 28%	12,690	18,098	13,324	18,963
<i>Plus/(less) tax effect of:</i>				
Permanent adjustments (non-taxable revenue)	(12,654)	(18,060)	(12,282)	(17,816)
Prior year adjustment	-	2	-	-
Taxation expense	36	40	1,042	1,147
Components of tax expense				
Current taxation expense	36	38	1,011	1,242
Prior year adjustments	-	2	-	(14)
Deferred taxation expense	-	-	31	(81)
Taxation expense	36	40	1,042	1,147
Taxation expense attributable to:				
Continuing operations	36	40	1,042	1,147
Total taxation expense/(benefit)	36	40	1,042	1,147
Taxation receivable/(provision)				
Opening balance 1 July	(22)	1	(400)	26
Less: current taxation expense	(36)	(38)	(1,011)	(1,242)
Prior period adjustments	-	(2)	13	(4)
Plus: taxation paid	61	17	1,074	820
Taxation receivable / (provision)	3	(22)	(324)	(400)

Deferred taxation assets/(liabilities)

	Opening Balance 1 July 2017 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Closing Balance 30 June 2018 \$000
Parent				
Deferred tax liabilities				
Investment property	(141)	(1)	-	(142)
Property, plant & equipment	(13)	1	-	(12)
Deferred taxation liabilities	(153)	-	-	(153)
Net deferred taxation balance	(153)	-	-	(153)

	Opening Balance 1 July 2016 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Closing Balance 30 June 2017 \$000
Parent				
Deferred taxation liabilities				
Investment property	(144)	3	-	(141)
Property, plant & equipment	(10)	(3)	-	(13)
Deferred taxation liabilities	(153)	-	-	(153)
Net deferred taxation balance	(153)	-	-	(153)

	Opening Balance 1 July 2017	Charged to Surplus	Charged to other comp- rehensive income	Closing Balance 30 June 2018
	\$000	\$000	\$000	\$000
Group				
Deferred tax liabilities				
Property, plant & equipment	(153)	-	-	(153)
Trade and other receivables	(79)	30	-	(49)
Retentions	(69)	(98)	-	(167)
Deferred taxation liabilities	(301)	(68)	-	(369)
Deferred tax assets				
Property, plant & equipment	67	(11)	-	56
Trade and other payables	145	(3)	-	142
Employee benefits and other accruals	193	25	-	218
Doubtful debt provision	-	13	-	13
Deferred taxation assets	405	24	-	429
Net deferred taxation	104	(44)	-	60
<i>Deferred taxation attributable to:</i>				
Continuing operations				60
Net deferred tax balance				60

	Opening Balance 1 July 2016	Charged to Surplus	Charged to other comp- rehensive income	Closing Balance 30 June 2017
	\$000	\$000	\$000	\$000
Group				
Deferred taxation liabilities				
Property, plant & equipment	(153)	-	-	(153)
Trade and other receivables	(55)	(24)	-	(79)
Retentions	-	(69)	-	(69)
Deferred taxation liabilities	(208)	(93)	-	(301)
Deferred tax assets				
Property, plant & equipment	58	9	-	67
Trade and other payables	10	135	-	145
Employee benefits and other accruals	144	49	-	193
Deferred taxation assets	212	193	-	405
Net deferred taxation	4	100	-	104
<i>Deferred taxation attributable to:</i>				
Continuing operations				104
Net deferred taxation				104

Note 10: Receivables

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Rates receivables	1,775	1,794	1,775	1,794
<i>Other receivables:</i>				
- Other	3,861	3,921	9,689	9,392
- Related party receivables (Note 27)	177	174	251	112
Community loans	301	300	301	300
Dividend receivable	500	300	-	-
Port Hills fire National Rural Fire Authority receivable	-	3,063	-	3,063
Sundry receivables & prepayments	5,159	3,160	5,196	3,249
Gross receivables	11,773	12,712	17,212	17,910
Less: provision for impairment	(48)	(93)	(94)	(93)
Total receivables	11,725	12,619	17,118	17,817
Less: non - current community loans	(301)	(300)	(301)	(300)
Current portion	11,424	12,319	16,817	17,517
<i>Total 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>	4,505	3,192	4,079	2,830
Receivables from exchange transactions <i>(this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)</i>	7,268	9,520	13,133	15,080

Community loans have been valued at amortised cost, which approximates the loan's fair value. The face value of community loans is \$328,000 (2017: \$326,000).

Fair value

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

Impairment

The Council does not provide for any impairment on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

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

The carrying amount of receivables that would otherwise be past due or impaired and whose terms have been renegotiated is \$nil (2017 \$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 2017/18 \$000	Impairment 2017/18 \$000	Council Net 2017/18 \$000	Gross 2016/17 \$000	Impairment 2016/17 \$000	Council Net 2016/17 \$000
Not past due	2,659	-	2,659	2,881	-	2,881
Past due 1 - 30 days	201	-	201	257	-	257
Past due 31 - 60 days	296	-	296	117	-	117
Past due > 61 days	2,480	(48)	2,432	2,460	(93)	2,367
Total	5,636	(48)	5,588	5,715	(93)	5,622

	Gross 2017/18 \$000	Impairment 2017/18 \$000	Group Net 2017/18 \$000	Gross 2016/17 \$000	Impairment 2016/17 \$000	Group Net 2016/17 \$000
Not past due	8,123	-	8,123	8,060	-	8,060
Past due 1 - 30 days	268	-	268	441	-	441
Past due 31 - 60 days	356	-	356	190	-	190
Past due > 61 days	2,717	(94)	2,623	2,495	(93)	2,402
Total	11,464	(94)	11,370	11,186	(93)	11,093

As of 30 June 2018 and 2017, 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 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Opening balance 1 July	(93)	(47)	(93)	(67)
Additional provisions made during the year	(14)	(49)	(60)	(429)
Provisions reversed during the year	-	-	-	20
Receivables written-off during the period	59	3	59	383
Closing balance 30 June	(48)	(93)	(94)	(93)

Note 11: Derivative financial instruments

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Current liability portion				
Interest rate swaps - cash flow hedges	487	534	487	534
Total current liability portion	487	534	487	534
Non-current liability portion				
Interest rate swaps - cash flow hedges	575	899	575	899
Total non-current liability portion	575	899	575	899
Total derivative financial instrument liabilities	1,062	1,433	1,062	1,433

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 \$18 million (2017: \$23 million) and for the group \$18 million (2017: \$23 million). As at 30 June, the Council's fixed interest rates of cash flow hedge interest rate swaps varied from 4.87% to 5.585% (2017: 4.87% to 5.585%) and the group rates varied from 4.87% to 5.585% (2017: 4.87% to 5.585%).

Note 12: Inventory and work in progress

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Gravel stocks	-	-	137	116
Izone Southern Business Hub - land held for sale	4,334	6,215	4,334	6,215
Other direct materials	-	-	360	280
Selwyn Aquatic Centre	17	27	17	27
Work in progress	-	-	355	586
Total inventory	4,351	6,242	5,203	7,224

There is no inventory pledged as security for liabilities (2017: \$nil), there is no inventory subject to retention of title clauses (2017:\$nil), nor has there been any write-down of inventory (2017: \$nil).

Sicon Group bank borrowings are secured over all assets of Blakely Construction Limited (BCL), including inventory. BCL's inventory as at 30 June 2018 is \$197,000 (2017: \$141,000). Otherwise, no inventory is pledged as security for liabilities.

Note 13: Other financial assets

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Current portion				
<i>Loans and receivables</i>				
Term deposits with maturities of 4-12 months*	61,000	78,081	61,000	78,081
Finance lease receivable **	247	228	247	228
Loan receivable **	5,618	5,731	5,618	5,731
Total loans and receivables	66,865	84,040	66,865	84,040
Total current portion	66,865	84,040	66,865	84,040
Non - current portion				
<i>Loans and receivables</i>				
Finance lease receivable **	951	1,198	951	1,198
Loan receivable **	2,636	8,368	2,636	8,368
Total loans and receivables	3,587	9,566	3,587	9,566
<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 ***	87,529	87,529	87,529	87,529
Sicon Limited ***	22,250	22,250	-	-
Local Government Funding Agency ***	427	747	427	747
Central Plains Water Limited ***	427	405	427	405
Total fair value through other comprehensive revenue and expense	112,133	112,431	89,883	90,181
Total non - current portion	115,720	121,997	93,470	99,747

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 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Balance at 1 July	112,431	87,230	90,181	74,230
Purchase of new assets	22	169	22	169
Realisation of assets	(320)	-	(320)	-
Gains / (losses) in other comprehensive revenue and expense	-	25,032	-	15,782
Balance at 30 June	112,133	112,431	89,883	90,181

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 2017 completed by Ernst & Young Corporate Transaction Advisory Services Limited, Wellington. 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 2017 completed by Ernst and Young Corporate Transaction Advisory Services Limited, Wellington. The valuation was completed based on maintainable earnings.

Local Government Funding Agency and Central Plains Water Limited

The carrying value approximates fair value.

Transwaste Canterbury Limited (TCL)

The TCL investment relates to the Council's contribution to the construction of a regional landfill. TCL has issued, but uncalled, capital of \$4.0 million of which the Council has a 3% shareholding. The valuation is based on the length of TCL's resource consent, discounted cashflows, adjusted for debt and surplus assets.

Loan receivable

The Council entered into a deferred settlement agreement for the sale of a large parcel of land at the Izone Southern Business Hub (Izone). The agreement allows for settlement to be spread over a three year period with 6 monthly instalment payments. This deferred settlement secured the sale of a substantial parcel of land at Izone. As at 30 June 2018 the face value of loan receivables was \$8.9 million (2017:\$14.9 million). The loan is secured by a first ranking mortgage over land titles associated with the sale. The carrying value approximates fair value.

Note 14: Investment property

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Opening balance 1 July	12,975	11,725	12,250	11,065
Net fair value gains/(losses) on valuation (Note 5 & Note 8)	990	1,250	1,005	1,185
Closing balance 30 June	13,965	12,975	13,255	12,250

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 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 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Operational assets (Note 15 a & b)	291,163	273,876	306,436	290,597
Infrastructural assets (Note 15 c)	1,068,854	1,037,715	1,068,854	1,037,715
Total property, plant and equipment	1,360,017	1,311,591	1,375,290	1,328,312

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 2016.

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 2017 by Mike Tapper 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 30 June 2017 by Amy Paterson-Horner NZ Dip Eng, Dip Civil Eng Applied, CertETN a valuer at Stantec New Zealand Limited.

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: \$13,063,000 (2017: \$13,310,000)

Value of assets constructed by Selwyn District Council: \$367,000 (2017: \$968,000)

Value of assets transferred to Selwyn District Council: \$nil (2017: \$nil)

Estimate of replacement cost: \$22,616,000 (2017: \$22,249,000)

Water supply (other assets)

Closing book value: \$94,458,000 (2017: \$91,199,000)

Value of assets constructed by Selwyn District Council: \$2,286,000 (2017: \$3,588,000)

Value of assets transferred to Selwyn District Council: \$3,192,000 (2017: \$2,867,000)

Estimate of replacement cost: \$132,384,000 (2017: \$126,906,000)

Sewerage treatment plants and facilities

Closing book value: \$43,947,000 (2017: \$45,555,000)

Value of assets constructed by Selwyn District Council: \$nil (2017: \$1,432,000)

Value of assets transferred to Selwyn District Council: \$nil (2017: \$nil)

Estimate of replacement cost: \$61,981,000 (2017: \$61,981,000)

Sewerage (other assets)

Closing book value: \$158,334,000 (2017: \$153,557,000)

Value of assets constructed by Selwyn District Council: \$1,901,000 (2017: \$4,276,000)

Value of assets transferred to Selwyn District Council: \$4,868,000 (2017: \$4,603,000)

Estimate of replacement cost: \$186,864,000 (2017: \$180,095,000)

Stormwater drainage

Closing book value: \$55,384,000 (2017: \$51,100,000)

Value of assets constructed by Selwyn District Council: \$555,000 (2017: \$4,091,000)

Value of assets transferred to Selwyn District Council: \$4,370,000 (2017: \$5,034,000)

Estimate of replacement cost: \$61,600,000 (2017: \$56,675,000)

Roads and footpaths

Closing book value: \$572,767,000 (2017: \$563,086,000)

Value of assets constructed by Selwyn District Council: \$12,090,000 (2017: \$9,579,000)

Value of assets transferred to Selwyn District Council: \$9,896,000 (2017: \$10,098,000)

Estimate of replacement cost: \$750,308,000 (2017: \$728,322,000).

a. Operational Assets - Parent

Gross carrying amount:

	Land \$000	Farm land \$000	Buildings \$000	Heritage Assets \$000	Plant and Machinery \$000	Library Books \$000	Work in Progress \$000	Total \$000
Balance at 1 July 2016	168,863	4,430	69,042	65	23,768	3,174	1,858	271,199
Additions	16,384	-	5,229	-	1,346	322	1,524	24,805
Disposals	(1,201)	-	(446)	-	(233)	-	-	(1,880)
Transfers	385	-	556	-	103	-	(1,044)	-
Balance at 30 June 2017	184,431	4,430	74,381	65	24,984	3,497	2,338	294,124
Additions	5,372	-	9,548	-	1,214	354	7,700	24,188
Disposals	(2,321)	-	(828)	-	(1,835)	-	-	(4,984)
Transfers	651	-	302	-	37	-	(990)	-
Transfers (to)/from assets held for sale	1,409	-	(455)	-	-	-	-	954
Balance at 30 June 2018	189,542	4,430	82,948	65	24,400	3,851	9,048	314,282

Accumulated depreciation:

	Land	Farm land	Buildings	Heritage Assets	Plant and Machinery	Library Books	Work in Progress	Total
Balance at 1 July 2016	-	-	(156)	-	(13,329)	(2,700)	-	(16,184)
Disposals	-	-	39	-	205	-	-	244
Depreciation expense	-	-	(2,276)	(3)	(1,957)	(72)	-	(4,308)
Balance at 30 June 2017	-	-	(2,393)	(3)	(15,081)	(2,773)	-	(20,248)
Disposals	-	-	13	-	1,542	-	-	1,555
Transfers to/(from) assets held for sale	-	-	33	-	-	-	-	33
Depreciation expense	-	-	(2,362)	(2)	(1,977)	(118)	-	(4,459)
Balance at 30 June 2018	-	-	(4,709)	(5)	(15,516)	(2,891)	-	(23,119)
Net carrying amount at 30 June 2017	184,431	4,430	71,988	62	9,903	724	2,338	273,876
Net carrying amount at 30 June 2018	189,542	4,430	78,239	60	8,884	960	9,048	291,163

b. Operational Assets - Group
Gross carrying amount:

	Land	Farm land	Buildings	Heritage Assets	Plant and Machinery	Library Books	Work in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2016	168,866	4,430	70,738	65	43,813	3,173	1,858	292,943
Additions	16,384	-	5,229	-	4,880	322	1,524	28,339
Acquired 1 February 2017	-	-	-	-	8,596	-	-	8,596
Disposals	(1,201)	-	(466)	-	(2,309)	-	-	(3,976)
Net revaluation increase/(decrease)	-	-	65	-	-	-	-	65
Transfers	385	-	556	-	103	-	(1,044)	0
Transfers to assets held for sale	-	-	-	-	(251)	-	-	(251)
Balance at 30 June 2017	184,434	4,430	76,122	65	54,832	3,495	2,338	325,716

Additions	5,372	-	9,548	-	3,295	354	7,700	26,269
Disposals	(2,321)	-	(828)	-	(3,942)	-	-	(7,091)
Impairment	-	-	-	-	-	-	-	-
Net revaluation increase/(decrease)	-	-	(15)	-	-	-	-	(15)
Transfers	651	-	302	-	37	-	(990)	-
Transfers (to)/from assets held for sale	1,409	-	(455)	-	-	-	-	954

Balance at 30 June 2018	189,545	4,430	84,674	65	54,222	3,849	9,048	345,833
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Accumulated depreciation:

Balance at 1 July 2016	-	-	(1,154)	-	(26,746)	(2,699)	-	(30,599)
Disposals	-	-	59	-	1,857	-	-	1,916
Net adjustments on asset revaluation/transfers	-	-	-	-	146	-	-	146
Depreciation expense	-	-	(2,278)	(3)	(4,229)	(72)	-	(6,582)
Balance at 30 June 2017	-	-	(3,373)	(3)	(28,972)	(2,771)	-	(35,119)

Disposals	-	-	13	-	3,108	-	-	3,121
Transfers to/(from) assets held for sale	-	-	33	-	-	-	-	33
Depreciation expense	-	-	(2,364)	(2)	(4,948)	(118)	-	(7,432)
Balance at 30 June 2018	-	-	(5,691)	(5)	(30,812)	(2,889)	-	(39,397)

Net carrying amount at 30 June 2017	184,434	4,430	72,749	62	25,860	724	2,338	290,597
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Net carrying amount at 30 June 2018	189,545	4,430	78,983	60	23,410	960	9,048	306,436
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c. Infrastructure Assets - Council & Group

Gross carrying amount:										
Balance at 1 July 2016	549,568	112,792	43,002	184,406	41,873	86,217	5,045	5,231	1,028,134	
Additions	19,573	6,097	6,241	9,778	5	181	236	2,835	44,946	
Disposal	-	-	-	-	-	-	(1,363)	-	(1,363)	
Net revaluation increase/(decrease)	(6,158)	(15,709)	(1,027)	4,374	824	(15,012)	-	-	(32,708)	
Transfers	104	1,329	2,884	553	-	-	-	(4,870)	-	
Balance at 30 June 2017	563,087	104,509	51,100	199,111	42,702	71,386	3,918	3,196	1,039,009	
Additions	21,982	5,637	4,914	6,564	17	1,969	-	10,343	51,426	
Disposal	-	-	-	-	-	-	(60)	-	(60)	
Transfers	4	208	10	215	-	676	-	(1,113)	-	
Balance at 30 June 2018	585,073	110,354	56,024	205,890	42,719	74,031	3,858	12,426	1,090,375	
Accumulated depreciation:										
Balance at 1 July 2016	(22,064)	(5,802)	(1,038)	(6,648)	(42)	(852)	(1,433)	-	(37,879)	
Disposal	-	-	-	-	-	-	327	-	327	
Net adjustments on asset revaluation	33,949	9,215	1,771	10,410	63	1,280	-	-	56,688	
Depreciation expense	(11,885)	(3,413)	(733)	(3,762)	(21)	(428)	(188)	-	(20,430)	
Balance at 30 June 2017	-	-	-	-	-	-	(1,294)	-	(1,294)	
Depreciation expense	(12,306)	(2,834)	(640)	(3,609)	(15)	(672)	(151)	-	(20,227)	
Balance at 30 June 2018	(12,306)	(2,834)	(640)	(3,609)	(15)	(672)	(1,445)	-	(21,521)	
Net carrying amount at 30 June 2017	563,087	104,509	51,100	199,111	42,702	71,386	2,624	3,196	1,037,715	
Net carrying amount at 30 June 2018	572,767	107,520	55,384	202,281	42,704	73,359	2,413	12,426	1,068,854	

Note 15a: 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 2017	1,340	1,357	1,357	1,234	42	3,266	7,256
Accumulated amortisation/impairment	(1,184)	(1,186)	(57)	(405)	(7)	(2,396)	(4,051)
Opening balance at 1 July 2017	156	171	1,300	829	35	870	1,076
Additions	419	471	-	-	-	-	471
Amortisation charge	(78)	(102)	(136)	(366)	(2)	-	(606)
Closing balance at 30 June 2018	497	540	1,164	463	33	870	941
Closing cost at 30 June 2018	1,759	1,828	1,357	1,234	42	3,266	7,727
Accumulated amortisation/impairment	(1,262)	(1,288)	(193)	(771)	(9)	(2,396)	(4,657)
Closing balance at 30 June 2018	497	540	1,164	463	33	870	3,070

	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 2016	1,283	1,439	-	-	42	2,396	3,877
Accumulated amortisation/impairment	(1,077)	(1,229)	-	-	(5)	(2,396)	(3,630)
Opening balance at 1 July 2016	206	210	-	-	37	-	247
Additions	57	72	-	-	-	-	72
Acquired 1 February 2017	-	-	1,357	1,234	-	870	3,461
Amortisation charge	(107)	(110)	(57)	(405)	(2)	-	(574)
Impairment	-	(1)	-	-	-	-	(1)
Disposals	-	(154)	-	-	-	-	(154)
Closing balance at 30 June 2017	156	17	1,300	829	35	870	3,051
Closing cost at 30 June 2017	1,340	1,357	1,357	1,234	42	3,266	7,256
Accumulated amortisation/impairment	(1,184)	(1,186)	(57)	(405)	(7)	(2,396)	(4,051)
Closing balance at 30 June 2017	156	171	1,300	829	35	870	3,205

Note 16: Payables and deferred revenue

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
<i>Payables and deferred revenue under exchange transactions</i>				
Trade payables	8,893	7,748	11,907	11,101
Deposits, retentions and accrued expenses	5,321	6,148	6,665	6,872
Amounts due to subsidiaries and associates	1,979	1,858	163	726
<i>Payables and deferred revenue under non-exchange transactions</i>				
Rates revenue received in advance	621	517	621	517
Total payables and deferred revenue	16,814	16,271	19,356	19,216

Trade and other payables are non-interest bearing and are normally settled on 30-day terms therefore the carrying value of trade and other payables approximates their fair value.

Note 17: Employee entitlements

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Accrued pay	839	533	1,314	959
Annual leave	1,212	1,119	2,074	1,876
Long service leave	118	118	121	131
Retirement gratuities	-	-	7	6
Sick leave	12	12	51	54
Total employee entitlements	2,181	1,782	3,567	3,026
<i>Comprising:</i>				
Current	2,063	1,664	3,439	2,900
Non - current	118	118	128	126
Total employee entitlements	2,181	1,782	3,567	3,026

Note 18: Other provisions

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Current portion				
Contractual rework	-	-	316	88
Onerous contracts	-	-	-	371
Weathertightness	50	270	50	270
Total current provisions	50	270	366	729
Non-current portion				
Landfill provision	429	423	429	423
Total non-current provisions	429	423	429	423

Council and group	Contractual rework \$000	Onerous contracts \$000	Weather- tightness \$000	Landfill \$000
2017/18				
Opening balance 1 July	88	371	270	423
Additional provisions made during the year	228	-	-	6
Amounts used during the year	-	(371)	(220)	-
Closing balance 30 June	316	-	50	429
2016/17				
Opening balance 1 July	-	-	200	394
Additional provisions made during the year	88	371	70	29
Amounts used during the year	-	-	-	-
Closing balance 30 June	88	371	270	423

Council*Weather tightness*

The Council is aware of three potential claims in relation to the weathertightness of homes in the area at year end (2017: one claim). 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 Killinchy and Hawkins landfills and was initially recognised as a current liability of \$300,000 in the year ended 30 June 2002. The landfill provision was reclassified as a non-current provision with no expenditure being charged against the provision in 2018 (2017: \$nil).

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 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Current				
Bank overdraft and flexible credit facilities	-	-	1,241	2,200
Secured loans	15,000	20,000	15,000	20,000
Total current borrowings	15,000	20,000	16,241	22,200
Non-current				
Secured loans	200	15,200	200	15,200
Total non-current borrowings	200	15,200	200	15,200
Total borrowings	15,200	35,200	16,441	37,400

Council*Secured loans*

The Council's secured borrowings of \$15.2 million (2017: \$35.2 million) include floating rate borrowings of \$15 million and fixed borrowings of \$200,000. 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 3.00%.

The Council's loans are secured over either separate or general rates of the Council.

The total amount of the borrowings approximates its fair value.

Internal borrowings

Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Movements in internal borrowings are as follows:

	Opening balance \$000	Repayment of borrowings \$000	New borrowings \$000	Closing balance \$000	Interest on borrowings \$000
2017/18					
Community facilities					
Broadfield Loan Reserve	45	(6)	-	39	-
Dunsandel Community Centre Loan	-	-	748	748	-
Halkett Community Centre 25 Year Loan Reserve	39	(5)	-	34	-
Kirwee Pavillion/Hall Reserve Loan Reserve	69	(13)	-	56	-
Lincoln Library Loan	3,918	(109)	445	4,254	-
McHughs Plantation Loan Reserve	1,339	(56)	-	1,283	-
Rhodes Park Community Centre Loan	-	-	1,213	1,213	-
Selwyn District Park Loan	-	(83)	2,744	2,661	-
	5,410	(272)	5,150	10,288	-
2016/17					
Community facilities					
Broadfield Loan Reserve	50	(5)	-	45	-
Halkett Community Centre 25 Year Loan Reserve	44	(5)	-	39	1
Kirwee Pavillion/Hall Reserve Loan Reserve	81	(12)	-	69	4
McHughs Plantation Loan Reserve	1,367	(49)	21	1,339	80
Lincoln Library Loan	-	-	3,918	3,918	-
	1,542	(71)	3,939	5,410	85

Note 20: General funds

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Opening balance 1 July	851,979	781,869	859,173	786,908
<i>Transfers to:</i>				
Special funds	(18,183)	(14,774)	(18,183)	(14,774)
<i>Transfers from:</i>				
Revaluation reserve on disposal of property, plant and equipment	1,311	1,270	1,311	1,270
Special funds	23,515	19,019	23,515	19,019
Surplus for the year attributable to parent	45,285	64,595	46,694	66,750
Closing balance 30 June	903,907	851,979	912,510	859,173

Note 21: Fair value through other comprehensive revenue reserve

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Opening balance 1 July	65,577	40,545	52,326	36,544
Valuation gains/(losses) to other comprehensive revenue and expense	-	25,032	-	15,782
Closing balance 30 June	65,577	65,577	52,326	52,326
<i>Represented by:</i>				
Orion New Zealand Limited	51,306	51,306	51,306	51,306
Sicon Limited	13,251	13,251	-	-
Transwaste (Canterbury) Limited	1,020	1,020	1,020	1,020
Closing balance 30 June	65,577	65,577	52,326	52,326

Note 22: Special funds

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Opening balance 1 July	63,074	67,319	63,074	67,319
Transfers to general funds	(23,515)	(19,019)	(23,515)	(19,019)
Transfers from general funds	18,183	14,774	18,183	14,774
Closing balance 30 June	57,742	63,074	57,742	63,074

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 2017 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2018 \$'000
5 Waters					
Armack Drive Water Supply Special Fund	D	9	-	-	9
Arthurs Pass Water Supply Holding Capacity	D	(16)	-	-	(16)
Bealey River River Protection Reserve	D	23	1	-	24
Branthwaite Drive Water Supply Reserve	A	28	1	-	29
Burnham Water Supply Reserve	A	27	1	-	28
Castle Hill Water Supply Reserve	A	2	1	-	3
Darfield Water Supply Capital Rate Reserve	A	(1,473)	-	-	(1,473)
Darfield Water Supply Water Quality Upgrade	C	618	245	-	863
District Holding Capacity	D	(83)	-	-	(83)
Doyleston Sewerage Reserve	A	185	-	(185)	-
Doyleston Water Supply Capital Contribution Reserve	A	151	4	-	155
Dunsandel Water Supply Reserve	A	75	2	-	77
Edendale Water Supply Reserve	A	98	3	-	101
Ellesmere Sewerage Renewal Reserve	B	-	1,100	-	1,100
Ellesmere Water Race Renewal Reserve	B	86	33	(4)	115
Greenpark Land Drainage Reserve	A	22	-	-	22
Hororata River Land Drainage Reserve	A	17	-	-	17
Irwell Land Drainage Reserve	A	1	-	-	1
Johnson Road Capital Injection Special Fund	C	7	-	-	7
Johnson Road Water Supply Reserve	A	27	1	-	28
Jowers Road Water Supply Equipment Reserve	A	7	-	-	7
Kirwee Water Supply Equipment Reserve	A	541	16	-	557
L2 River Land Drainage De-silting Reserve from Surpluses	C	109	4	-	113
L2 River Land Drainage Machinery Reserve from Surpluses	C	297	9	(14)	292
Lake Coleridge Quality Upgrade Special Reserve	C	122	4	-	126

	Purpose of reserve fund	Opening 1 July 2017 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2018 \$'000
Lake Coleridge Sewerage Electricorp Payment Reserve	C	57	1	-	58
Leeston Land Drainage Reserve	C	40	1	-	41
Leeston Sewerage Reserve	A	751	-	(751)	-
Leeston Sewerage to Record Surpluses	C	11	-	-	11
Leeston Stormwater Reserve	A	155	4	-	159
Leeston Stormwater Renewals Reserve	B	8	5	-	13
Leeston Water Supply Reserve	A	1,035	48	(6)	1,077
Lincoln Sewerage Reserve	A	8	-	-	8
Lincoln Stormwater Renewal Reserve	B	13	3	-	16
Lincoln Water Supply Reserve	A	449	608	(221)	836
Malvern Area Water Race Renewal Reserve	B	378	181	(34)	525
Malvern Hills Rural Water Supply Reserve	A	569	17	-	586
Osbourne Land Drainage Renewal Reserve	B	(77)	7	(16)	(86)
Paparua Water Race Renewal Reserve	B	302	143	(21)	424
Prebbleton Sewerage Reserve	A	427	13	-	440
Prebbleton Stormwater Renewal Reserve	B	15	4	-	19
Prebbleton Water Supply Reserve	A	1,461	120	(36)	1,545
Rakaia Huts Water Supply Reserve	A	35	1	-	36
Rolleston Stormwater Renewal Reserve	B	78	15	-	93
Rolleston Water Supply Reserve	A	1,496	1,317	(1,759)	1,054
Selwyn Rural Water Supply Capital Rate Reserve	A	278	8	-	286
Sheffield Water Supply Reserve	A	237	7	-	244
Southbridge Sewerage Contributions	A	162	-	(162)	-
Sewerage Renewal Reserve	B	5,496	982	(472)	6,006
Southbridge Water Supply Reserve	A	127	1	(195)	(67)
Springfield Water Supply Capital Reserve	A	5	-	-	5
Springfield Water Supply Reserve	A	75	2	-	77
Springston Special Reserve	D	9	-	-	9
Springston/Aberdeen Subdivision Special Fund Reserve	D	69	2	-	71
Springston Stormwater Renewal Reserve	B	5	2	-	7
Springston Water Supply Reserve	A	224	7	-	231
Tai Tapu Sewerage Holding Capacity Reserve	D	(171)	213	-	42
Tai Tapu Sewerage Reserve	A	8	-	-	8
Tai Tapu Stormwater Renewal Reserve	B	40	1	-	41
Tai Tapu Water Supply Reserve	A	389	12	(2)	399
Tai Tapu/Otahuna Water Supply Reserve	A	115	3	-	118
Taumutu Culverts Land Drainage Reserve	A	49	2	-	51
Templeton/Claremont Capital Reserve	A	6	-	-	6
Templeton/Claremont Sewerage Reserve	D	(40)	40	-	-
Templeton/Claremont Water Supply Reserve	D	(37)	37	-	-
Templeton/Claremont Water Supply Reserve Surpluses	C	37	1	-	38
Wairiri Valley Land Drainage Reserve	A	4	1	-	5
West Melton Sewerage Reserve	A	(109)	-	-	(109)
Water Supplies Renewal Reserves	A	5,932	1,362	(828)	6,466
West Melton Water Supply Reserve	A	(74)	39	-	(35)
		20,927	6,635	(4,706)	22,856

	Purpose of reserve fund	Opening 1 July 2017 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2018 \$'000
Community facilities					
Albert Anderson Fund	D	7	-	(1)	6
Art Acquisition Reserve	D	53	7	(15)	45
Broadfield Loan Reserve	E	(45)	6	-	(39)
Coalgate/Glentunnel (Ex Land Subdivision) Recreation Reserve	A	4	-	(3)	1
Darfield (Tussock Square) Reserve	D	1	-	-	1
Darfield Christmas in the Park Reserve	D	10	1	(3)	8
Darfield Domain Reserve	A	48	2	-	50
Darfield Township Reserve	A	1,022	30	-	1,052
District Reserve Contributions Reserve	A	57	2	-	59
Doyleston Contributions Reserve	A	3	-	(2)	1
Dunsandel Community Centre Loan	E	-	-	(748)	(748)
Ellesmere Reserve Board Reserve	A	177	16	(33)	160
Ellesmere Cemetery Investment Reserve	D	9	-	(9)	-
Ellesmere RSA Reserve	D	10	-	(10)	-
Gallipoli Oaks Special Fund	D	4	1	-	5
Glentunnel Community Centre Reserve	A	56	2	-	58
Glentunnel/Coalgate Capital Equipment Reserve	A	37	1	-	38
Halkett Community Centre 25 Year Loan Reserve	E	(39)	5	-	(34)
Halkett Community Centre Ex Land Subdivision Reserve	C	17	-	(3)	14
Hororata Cross Country Course Reserve	D	56	4	-	60
Hororata Reserve Ex Land Subdivision Reserve	A	7	1	-	8
Hororata Township Reserve	A	1	-	(1)	-
Kimberley Reserve Timber Sales Reserve	C	36	2	-	38
Kirwee Operational Reserve	A	26	1	-	27
Kirwee Pavilion/Hall Reserve Loan Reserve	E	(69)	13	-	(56)
Ladbrooks Community Centre Investment Reserve	C	20	-	-	20
Lake Coleridge Township	A	2	-	-	2
Lakeside Community Centre Reserve	A	6	16	-	22
Leeston Progress League Reserve	D	2	-	-	2
Leeston Township Est NA Osbourne Reserve	D	75	2	-	77
Lincoln Community Centre Ex Paparua SF Reserve	A	9	-	-	9
Lincoln Library Ex Paparua Reserve	D	13	1	-	14
Lincoln Library Loan	E	(3,918)	109	(445)	(4,254)
McHughs Plantation Loan Reserve	E	(1,339)	56	-	(1,283)
Metal Pits Reserve	D	1,263	34	(262)	1,035
Plant Depreciation Replacement Reserve	B	14	1	-	15
Prebbleton Cell Tower Special Fund Reserve	D	75	2	(8)	69
Rolleston Com Centre Capital Fund	A	157	4	-	161
Rolleston Community Fund	D	202	6	-	208
Rolleston Headquarters Building Renewal Reserve	C	-	2,059	-	2,059
Reserve Contrib.Malvern Ward	A	1,434	277	(57)	1,654
Reserve Contrib.Springs Ward	A	11,432	1,805	(2,988)	10,249
Reserve Contrib.Ellesmere Ward	A	1,404	97	(249)	1,252
Reserve Contrib.Selwyn Central Ward	A	13,571	4,407	(7,045)	10,933
Rhodes Park Community Centre Loan	E	-	-	(1,213)	(1,213)
Selwyn District Park Loan	E	-	83	(2,744)	(2,661)
Sheffield Bowling Club Donation Reserve	D	6	-	-	6
Sheffield Hall Refurbishment Fund	A	4	3	-	7
Sheffield Res Ex Land Subdivision Reserve	A	7	1	-	8
Sheffield Reserve Special Funds Reserve	A	3	-	(1)	2
Southbridge Advisory Committee Reserve	A	27	1	-	28
Springston Cemetery Investment Reserve	D	4	-	(4)	-

	Purpose of reserve fund	Opening 1 July 2017 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2018 \$'000
Springston Ex Ellesmere Reserve	A	33	1	-	34
Springston Town ship	A	4	-	-	4
Springston Road Gravel Reserve	D	6	-	-	6
Tai Tapu ex Paparua Library Reserve	D	28	1	-	29
TaiTapu Contributions Reserve	A	30	-	(30)	-
Weedons Discretionary Fund Reserve	D	3	-	-	3
Weedons Reserve Ex Paparua Investment Reserve	A	9	-	-	9
Weedons Reserve Ex Paparua Reserve	A	16	-	-	16
Weedons Reserve Loan Repayment Reserve	A	45	6	-	51
Weedons Surplus Reserve	A	74	9	-	83
West Melton Community Centre Ex Paparua Reserve	A	118	25	-	143
West Melton Community Centre Scholarship Fund Reserve	C	46	1	(2)	45
West Melton Surplus Reserve	A	97	3	-	100
Whitecliffs Reserve Ex Land Subdivision Reserve	A	1	-	-	1
		26,471	9,104	(15,876)	19,699
Community services					
Ex Ellesmere - Ellesmere Clay Loan Reserve	A	20	-	(2)	18
Ex Ellesmere - Ellesmere Golf Loan Reserve	A	1	-	(1)	-
Ex Ellesmere - Leeston Ward Cash Reserve	A	321	-	(321)	-
Insurance Reserve Fund Reserve	A	651	19	(11)	659
Selwyn District Education Fund Reserve	D	156	5	(8)	153
		1,149	24	(343)	830
Democracy					
Barnett Bequest Reserve	D	1	-	-	1
		1	-	-	1
Environmental services					
Dog Account Surpluses	D	(400)	11	-	(389)
Weather Tightness Insurance Reserve	D	(375)	168	-	(207)
		(775)	179	-	(596)
Internal council services					
MAB Discretionary Fund Reserve	D	10	-	-	10
Earthquake Self Insurance Reserve	D	11,637	49	-	11,686
Pre 1989 Contributions Reserve	D	66	2	-	68
		11,713	51	-	11,764
Transportation					
Roading Contributions Reserve	A	3,114	2,061	(2,590)	2,576
Undergrounding Reserve	A	3,174	95	-	3,269
		6,288	2,156	(2,590)	5,845
Solid waste					
Operational Assets Replacement Fund Reserve	B	(2,711)	34	-	(2,677)
		(2,711)	34	-	(2,677)
Closing balance 30 June		63,074	18,183	(23,515)	57,742

Note 23: Asset revaluation reserves

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Opening balance 1 July	522,225	499,515	522,404	499,629
Net revaluation gains/(losses)	-	23,980	(15)	24,045
Impairment of revalued property, plant and equipment	-	-	-	-
Less: tax effect on buildings	-	-	-	-
Transfer to general reserves on disposal	(1,311)	(1,270)	(1,311)	(1,270)
Closing balance 30 June	520,914	522,225	521,078	522,404

Property revaluation reserves for each asset class consist of:

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Land and buildings	104,326	105,637	104,490	105,816
Farm land	2,919	2,919	2,919	2,919
Roading	204,041	204,041	204,041	204,041
Water supplies	46,219	46,219	46,219	46,219
Stormwater	12,758	12,758	12,758	12,758
Sewerage	72,206	72,206	72,206	72,206
Land drainage	22,133	22,133	22,133	22,133
Water races	56,312	56,312	56,312	56,312
Closing balance 30 June	520,914	522,225	521,078	522,404

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

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Surplus after taxation	45,285	64,595	46,542	66,577
<i>Add/(less) non-cash items:</i>				
Vested assets revenue	(23,943)	(27,636)	(23,943)	(27,636)
Deferred property settlement	-	(14,099)	-	(14,099)
(Gains)/losses on fair value of investment property	(990)	(1,250)	(1,005)	(1,185)
(Gains)/losses on fair value of forestry assets	(149)	-	(149)	-
Depreciation and amortisation	24,764	24,845	28,255	27,587
Non-current provisions	6	29	6	29
Movement in provision for doubtful debts	(45)	46	(177)	505
Land & building revaluation (increment/decrement)	-	-	-	-
Interest rate swap	(371)	(949)	(371)	(949)
Movement in deferred taxation	-	-	(49)	(100)
Share of joint venture (surplus)/deficit	-	-	9	(7)
	44,557	45,581	49,118	50,722
<i>Add/(less) movements in working capital items:</i>				
Trade and other receivables	933	(1,960)	617	(7,151)
Income tax	(25)	23	25	425
Inventory & work in progress	1,891	6,168	2,021	5,940
Movement in working capital acquired on acquisition	-	-	-	169
Trade and other payables	3,000	(776)	2,771	2,296
Employee benefit liabilities	399	128	480	515
	50,755	49,164	55,032	52,916
<i>Add/(less) items classified as investing or financing activities:</i>				
Net (gain)/loss on sale of property, plant and equipment	548	871	381	480
Net cash inflow/(outflow) from operating activities	51,303	50,035	55,413	53,396

Note 25: Capital commitments and operating leases

Capital commitments

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Community facilities	8,041	-	8,041	-
Property, plant & equipment	-	-	71	351
Transportation	1,482	1,278	1,482	1,278
Wastewater	1,413	9,509	1,413	9,509
Water supply	1,079	1,681	1,079	1,681
Total capital commitments	12,015	12,468	12,086	12,819

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 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Not later than one year	-	-	506	512
Later than one year and not later than five years	-	-	340	500
Later than five years	-	-	-	-
Total non-cancellable operating leases	-	-	846	1,012

Operating leases as lessor

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

	Council 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Not later than one year	961	166	961	166
Later than one year and not later than five years	1,267	209	1,267	209
Later than five years	443	496	443	496
Total non-cancellable operating leases	2,671	871	2,671	871

Note 26: Contingent liabilities and contingent assets

Contingent liabilities

Council

Financial guarantees

The Council has a contingent liability in respect of a guarantee that it has provided for a bank loan to the Rolleston Rugby Club. The loan is for a 15-year period commenced on 15 September 2008 and has a value of \$105,000. There is currently no indication that the guarantee will be called.

Unquantified claims

The Council is aware of three potential claims in relation to the weather tightness of homes in the area. As detailed in Note 18, a provision has been made for claims where a reliable estimate of the potential cost to the Council can be made.

The Council is exposed to potential future claims (which have not yet been advised) until the statutory limitation period expires. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims. The Council does not have insurance cover for any of the claims for which it has not made a provision. The Council is funding the cost of weather tightness claims through general rates and has allowed funding of \$150,000 in the 2017/18 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 weathertightness 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 30 shareholders of the NZLGFA. In that regard, it has uncalled capital of \$0.2 million (2017: \$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 2018, NZLGFA had borrowings totalling \$8.6 billion (2017: \$7.9 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 Killinchy and Hawkins landfills that were the two largest when operated as per Note 18.

The cost of closing the other landfills and on-going monitoring after-care of all landfills is not fully known at this time. The costs will be recognised and funding provided, as the costs become known.

Ministry of Education and Carter Holt Harvey

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

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

During the current year the Councils sought to strike out CHH's claims against them. The High Court declined the strike out of the claim, but struck out proceedings in relation to 28 school buildings built outside the 10 year long stop contained within the Building Act 2004. Further, CHH applied for trial staging, with proceedings to commence in relation to 20 buildings. MoE opposed the application, seeking a trial on the determination of whether shadowclad is inherently defective. The High Court accepted the MoE proposal. CHH has appealed this decision.

At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Group

Sicon Group (SG)

From time to time SG has performance bonds and bonds in lieu of retentions to third parties. Bonds to the value of \$510,000 (2017 - \$510,000) are committed as at 30 June 2018.

SG 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 SG has a policy of promptly returning to the site and fixing the customers concerns.

SG has a contingent liability in respect of a guarantee that it has provided for a bank facility to Blakely Construction Limited. The facility has a limit of \$3.3 million, and is subject to review by the bank on 28th February each year. The facility has the value of \$0.12 million as at 30 June 2018 (2017: \$0.73 million). There is currently no indication that the guarantee will be called.

Following reports in the media of payroll-related breaches of the Holidays Act due to misinterpretation of the requirements, SG took advice from the Companies Payroll Software provider.

Our initial assessment following this advice and our confidence in our highly trained payroll team has confirmed our position in that we are confident that we have no payroll-related breaches and therefore there is no potential contingent liability.

Other than the above SG has no contingent liabilities as at 30 June 2018.

Contingent assets

Council

The Council has no contingent assets as at 30 June 2018 (2017: \$nil).

Group

Sicon Group (SG)

SG has no contingent assets at 30 June 2018 (2017: nil).

Note 27: Related party transactions

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

Related party transactions with subsidiaries and associates

Selwyn District Charitable Trust

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

	2018 \$000	2017 \$000
Donations received from the Trust	173	262
Accounts receivable	63	127

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 \$4,555 (2017: \$4,487).

There were no commitments with the Selwyn District Charitable Trust as at 30 June 2018 (2017: \$nil).

Orion New Zealand Limited

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

	2018 \$000	2017 \$000
Dividend revenue	5,952	5,899
Rates revenue received	242	229
Accounts receivable	-	-

There were no commitments with Orion New Zealand Limited as at 30 June 2018 (2017: \$nil).

Sicon Group

The Council entered into transactions with Sicon Group during the year. All transactions with the company were on terms equivalent to those that prevail in arm's-length transactions.

	2018 \$000	2017 \$000
Rates, royalties, interest and lease revenue received	209	211
Dividend revenue	800	300
Contract services received from Sicon Group	14,007	13,659
Accounts receivable	16	11
Accounts payable	1,979	1,858

There were no commitments with Sicon Group as at 30 June 2018 (2017: \$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.

	2018 \$000	2017 \$000
Payments to suppliers on behalf of the Trust	62	85
Accounts receivable	98	36

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 2018 (2017: \$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.

	2018 \$000	2017 \$000
Payments to suppliers on behalf of the Trust	-	-
Grant paid to the Trust	-	-

During the year, the Council provided accounting services to the Tramway Reserve Trust at no charge and will pay the audit fee on behalf of the Trust totalling \$1,792 (2017: \$1,769).

There were no commitments with the Tramway Reserve Trust as at 30 June 2018 (2017: \$nil).

Transactions with key management personnel

Key Management Personnel Compensation

	2018	2017
<i>Councillors</i>		
Remuneration	\$524,000	\$507,000
Full-time equivalent members	12	12
<i>Senior Management Team, including the Chief Executive</i>		
Remuneration	\$1,646,000	\$1,402,000
Full-time equivalent members	8	7
Total key management personnel remuneration	\$2,170,000	\$1,909,000
Total full-time equivalent personnel	20	19

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 (2017: \$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:

	2018 Base salary \$	2018 Hearing fees \$	2018 Total remuneration \$	2017 Base salary \$	2017 Hearing fees \$	2017 Total remuneration \$
<i>Council</i>						
Mayor Sam Broughton	118,227	200	118,427	92,715	-	92,715
Councillor Malcolm Lyall	40,797	700	41,497	38,626	-	38,626
Councillor Debra Hasson	35,581	800	36,381	34,986	620	35,606
Councillor Mark Alexander	35,581	1,000	36,581	34,986	-	34,986
Councillor Jeff Bland	35,581	700	36,281	34,986	-	34,986
Councillor John Morten	35,581	800	36,381	34,986	-	34,986
Councillor Pat McEvedy	35,581	600	36,181	34,986	-	34,986
Councillor Grant Miller	35,581	600	36,081	34,986	-	34,986
Councillor Bob Mugford	35,581	800	36,381	24,829	-	24,829
Councillor Nicole Reid	35,581	800	36,381	24,829	-	24,829
Councillor Craig Watson	35,581	900	36,481	24,829	-	24,829
Councillor Murray Lemon	35,581	1,000	36,581	24,829	-	24,829
Mayor Kelvin Coe (till Oct '16)	-	-	-	33,774	-	33,774
Councillor Sarah Walters (till Oct '16)	-	-	-	11,646	-	11,646
Councillor Nigel Barnett (till Oct '16)	-	-	-	10,157	-	10,157
Councillor Peter Hill (till Oct '16)	-	-	-	10,157	-	10,157
<i>Malvern Community Board</i>						
Jenny Gallagher (Chairperson)	17,116	-	17,116	16,830	-	16,830
Judith Pascoe	8,558	-	8,558	8,415	-	8,415
Kerry Pauling	8,558	-	8,558	8,415	-	8,415
Megan Hands	8,558	-	8,558	5,972	-	5,972
Karen Meares	8,558	-	8,558	5,972	-	5,972
Mary Ireland (till Oct '16)	-	-	-	2,443	-	2,443
Bob Mugford (till Oct '16)	-	-	-	2,443	-	2,443
<i>Selwyn Central Community Board (disestablished 15 Oct '16)</i>						
Diane Chesmar (Chairperson)	-	-	-	2,932	-	2,932
Alan French	-	-	-	2,932	-	2,932
Bruce Russell	-	-	-	2,932	-	2,932

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.

	2018	2017
<i>Sicon Limited</i>		
Councillor John Morten	32,000	28,667
Councillor Pat McEvedy	32,000	31,500
<i>Selwyn Waihora Zone Committee</i>		
Megan Hands	2,000	-

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 \$326,766 (2017: \$306,870). This included a non-taxable allowance of \$nil (2017:\$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 2018, the Council made no severance payments to Council employees (2017: four payment totalling \$72,237).

The value of each of the severance payments was (2017: \$24,737, \$17,000, \$16,000 and \$14,500).

Note 29: Construction contracts – Group

	Group 2017/18 \$000	Group 2016/17 \$000
<i>For contracts in progress as at 30 June:</i>		
Contract costs incurred	5,540	5,976
Recognised profits	1,069	358
Progress billings	6,608	6,124
Gross amount due from customers	7,560	2,183
Retentions receivable	297	347
Retentions payable	(1)	(3)

Note 30: Events after balance date

Council

There were no significant post balance date events. (2017: On 1 July 2017 the Council transferred its 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.).

Group

Sicon Group

On 2 July 2018 Blakely Construction Limited was amalgamated into Sicon Limited, following Sicon Limited purchasing the remaining 30% shareholding from Woody B Limited, on 2 July 2018. The amalgamation was undertaken due to both entities having the same primary objective, to contracting services.

Blakely Construction Limited was disestablished on 2 July 2018.

On amalgamation, Sicon will apply the amalgamation date accounting approach, incorporating the assets and liabilities and results of operations of Blakely Construction Limited from the date of amalgamation.

The following assets and liabilities were amalgamated into Sicon:

	Group 2017/18 \$000
Assets	
Current assets	
Cash and cash equivalents	1,122
Trade and other receivables	2,308
Tax receivable	2
Inventories	197
Total current assets	3,629
Non-current assets	
Property, plant and equipment	7,953
Intangible assets	2,497
Deferred tax asset	67
Total non-current assets	10,517
Total assets	14,146
Liabilities	
Current liabilities	
Trade and other payables	873
Bank overdraft	1,240
Employee benefit liabilities	464
Provisions	151
Total current liabilities	2,728
Total liabilities	2,728
Net assets	11,418

All assets, liabilities and commitments were transferred to Sicon for nil consideration.

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 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Cash and cash equivalents	9,753	6,818	13,163	8,410
Receivables	19,259	28,144	24,652	33,342
Term deposits	61,000	78,081	61,000	78,081
Total credit risk	90,012	113,043	98,815	119,833

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 2017/18 \$000	Council 2016/17 \$000	Group 2017/18 \$000	Group 2016/17 \$000
Counterparties with credit ratings				
<i>Cash at bank and term deposits</i>				
Continuing operations AA- & A	70,753	84,899	74,163	86,491
Total cash at bank and term deposits	70,753	84,899	74,163	86,491
Counterparties without credit ratings				
<i>Community and related party loans</i>				
Existing counterparty with no defaults in the past	301	300	301	300
Total loans to related parties	301	300	301	300

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 2018, the Council has a multi-option credit facility of \$10 million (2017: \$10 million) against which it had drawn \$nil (2017: \$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 facility of \$3.45 million (2017: \$3.5 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
Council 2018					
Payables	16,193	16,193	16,193	-	-
Secured loans	15,200	15,599	15,370	24	205
Net settled derivatives (interest rate sw ap)	1,062	1,179	520	659	-
Group 2018					
Payables	18,735	18,735	18,735	-	-
Bank overdraft and flexible credit facilities	1,241	1,241	1,241	-	-
Secured loans	15,200	15,599	15,370	24	205
Net settled derivatives (interest rate sw ap)	1,062	1,179	520	659	-
Council 2017					
Payables	15,754	15,754	15,754	-	-
Secured loans	35,200	36,402	20,823	15,369	210
Net settled derivatives (interest rate sw ap)	1,433	1,818	631	1,187	-
Group 2017					
Payables	18,699	18,699	18,699	-	-
Bank overdraft and flexible credit facilities	2,200	2,200	2,200	-	-
Secured loans	35,200	36,402	20,823	15,369	210
Net settled derivatives (interest rate sw ap)	1,433	1,818	631	1,187	-

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
Council 2018					
Cash and cash equivalents	9,753	9,753	9,753	-	-
Receivables	19,259	20,203	15,908	4,295	-
Term deposits	61,000	62,624	62,624	-	-
Group 2018					
Cash and cash equivalents	13,163	13,163	13,163	-	-
Receivables	24,652	25,071	20,776	4,295	-
Term deposits	61,000	62,624	62,624	-	-
Council 2017					
Cash and cash equivalents	6,818	6,818	6,818	-	-
Receivables	28,144	29,415	18,767	10,648	-
Term deposits	78,081	80,082	80,082	-	-
Group 2017					
Cash and cash equivalents	8,410	8,410	8,410	-	-
Receivables	33,342	33,760	23,112	10,648	-
Term deposits	78,081	80,082	80,082	-	-

Sensitivity analysis for Interest rate risk

The table below illustrates the potential effect on the surplus or deficit and equity (excluding general funds) for reasonably possible market movements, with all other variables held constant, based on the Council and group's financial instrument exposures at balance date.

	Surplus \$000	-100bps Other equity \$000	Surplus \$000	+100bps Other equity \$000
Council 2018				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(98)	-	98	-
Term deposits	(610)	-	610	-
<i>Financial liabilities</i>				
Interest rate sw aps	(492)	-	468	-
Secured loans	150	-	(150)	-
Total sensitivity	(1,050)	-	1,026	-
Council 2017				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(68)	-	68	-
Term deposits	(781)	-	781	-
<i>Financial liabilities</i>				
Interest rate sw aps	(492)	-	468	-
Secured loans	350	-	(350)	-
Total sensitivity	(991)	-	967	-
	Surplus \$000	-100bps Other equity \$000	Surplus \$000	+100bps Other equity \$000
Group 2018				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(132)	-	132	-
Term deposits	(610)	-	610	-
<i>Financial liabilities</i>				
Interest rate sw ap	(492)	-	468	-
Secured loans	150	-	(150)	-
Bank overdraft	(12)	-	12	-
Total sensitivity	(1,096)	-	1,072	-
Group 2017				
Interest rate risk				
<i>Financial assets</i>				
Cash and cash equivalents	(84)	-	84	-
Term deposits	(781)	-	781	-
<i>Financial liabilities</i>				
Interest rate sw ap	(492)	-	468	-
Secured loans	350	-	(350)	-
Total sensitivity	(1,007)	-	983	-

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 (eg specific communities/townships)
- self-insurance reserves
- trust and bequest reserves.

Reserves for targeted rate activities are used where surpluses (or deficits) from the year's transactions are accumulated for use in the future by that group of ratepayers. Interest is added to the capital reserves and deductions are made where the funds are used for the purpose they were collected.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. Generally the release of these funds can only be approved by the Council.

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

Note 33: Business combination and non – controlling interests

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

On 1 February 2017, Ferguson Brothers (2012) limited purchased the trade and assets of Blakely Construction Limited and simultaneously changes its name to Blakely Construction Limited (BCL). On this day, a further 900 shares were issued, 600 of these to SL resulting in a total shareholding of 70%. BCL is a construction business, with its place of business in New Zealand. The purchase was made to add a construction capability to SL to further support both existing maintenance customers and establish SL in the construction market.

The directors have determined that SL controls BCL because it has the majority shareholding.

The following table summarises the consideration paid for the assets and business, the fair value of the assets acquired and liabilities assumed at acquisition date:

	Group 2017/18 \$000	Group 2016/17 \$000
Consideration		
Cash	-	8,471
BCL shares issued (300 shares)	-	3,750
Total consideration	-	12,221
Recognised amounts of identifiable assets acquired and liabilities assumed		
Property, plant and equipment	-	8,596
Retentions	-	119
Work in progress	-	60
Inventory	-	141
Employee entitlement liability	-	(156)
Brand name	-	1,357
Customer list	-	877
Customer contracts	-	357
Total identifiable net assets	-	11,351
Goodwill	-	870
Total	-	12,221

The goodwill is not deductible for tax purposes.

For the non-controlling interest in BCL, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

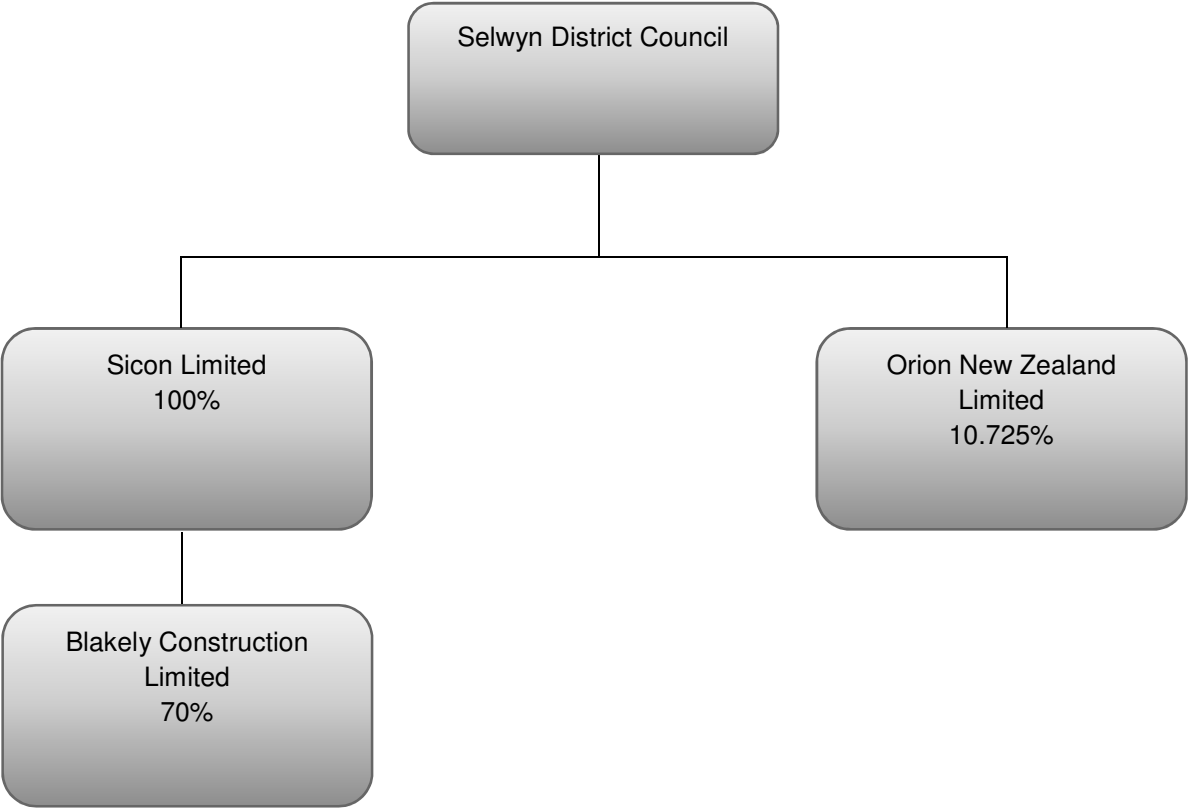
The revenue included in the consolidated statement of comprehensive income since 1 July 2017 contributed by BCL is \$21,950,000. BCL contributed a loss of \$485,000 over the same period.

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

As at 30 June 2018 the non-controlling interest holds 30% shareholding in BCL (2017 – 30%). The following table summarises the non-controlling interest financial interest in BCL as at 30 June:

	Group 2017/18 \$000	Group 2016/17 \$000
Revenue	6,585	2,756
Surplus/(deficit)	(152)	(173)
Total comprehensive revenue and expense	(152)	(173)
Current assets	1,230	1,498
Non-current assets	3,155	3,677
Current liabilities	959	1,588
Non-current liabilities	-	-

Financial interests



Community Trusts administered by the Council:

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

Financial interests – Sicon Limited and Blakely Construction 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 and Blakely Construction Limited are suppliers 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 2018 is set out below:

	Status	Actual 2018	Target 2018
Dividend paid	Achieved	\$800,000	≥\$300,000
Return after tax to opening equity	Achieved	15.2%	≥8.5%
Consolidated equity to total assets	Achieved	77.1%	≥69.7%
To maintain ISO 9001:2008 Quality Standard Certification	Achieved		
To maintain ACC WSMP Certification to Tertiary Level	Achieved		
Staff retention	Not achieved	77.6%	80%
Training & development as a % of payroll costs	Achieved	5.0%	≥2.0%

Summary of financial performance

	Actual 2018 \$000	Actual 2017 \$000
Revenue	57,472	52,206
Expenditure	54,425	48,740
Surplus/(deficit) before taxation	3,047	3,465
Surplus/(deficit) from discontinued operations	-	-
Surplus/(deficit) after taxation	2,042	2,347
Dividend	800	300

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 2018 is set out below:

Financial performance targets:

	Status	Actual 2018	Target 2018	Note
Net profit	Achieved	\$53.3m	\$46.8m	1,2
Net profit to average shareholders' equity	Achieved	7.9%	7.2%	1,2
Debt ratio	Achieved	29%	30%	3
Equity ratio	Achieved	71%	70%	3
Equity to total assets	Achieved	57%	56%	3
Fully imputed dividends	Achieved	\$55.0m	\$52.0m	

Note 1 – the group's net profit for the year ended 31 March 2018 was \$6.5 million above its SOI target due, primarily to the following favourable variances:

	\$m Post tax
Below budget expenses	3.7
Below budget interest expense	2.2
Above budget capitalised labour	1.9
Above budget tax adjustments	0.5
Below budget Connetics profit	(0.5)
Below budget network distribution revenue	(1.6)
Other	0.3
	6.5

Note 2 – the group's net profit for the year ended 31 March 2018 was \$1.5 million above last year's net profit due, primarily to the following variances:

	\$m Post tax
Higher network distribution revenue	3.6
Higher capitalised internal labour	1.9
Higher sundry revenues	0.6
Lower gain on investment	(0.5)
Lower Connetics profit	(0.5)
Lower revaluation through profit	(1.0)
Higher expenses	(1.1)
Lower interest rate swap revaluation revenue	(1.3)
Other	(0.2)
	1.5

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

Network reliability targets:

	Number of customer connections	Actual 2018*	Target 2018	Actual 2017*	Gazetted NZ Weighted Average 2017*
	31 March 2018				
Orion network interruptions in minutes per year per connected customer (SAIDI):					
- Urban	170,000	29	24	34	
- Rural	31,000	354	408	335	
- Overall	201,000	79	82	80	233

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

- Urban	170,000	0.6	0.7	0.4	
- Rural	31,000	3.1	2.7	2.9	
- Overall	201,000	1.0	1.0	0.8	2.0

Important notes:

- Natural disasters and other catastrophic events can cause significant numbers and/or durations of network supply interruptions. The future occurrence and/or severity of these events cannot be predicted.
- The Commerce Commission has set performance limits for our network reliability, pursuant to our customised price-quality path (CPP). The Commission assesses our actual performance against those limits, after normalising for the impacts of 'major events'. Our overall targets are consistent with our CPP limits for FY18. After applying the Commission's normalisation methodology, we achieved our network reliability limits in FY15-FY18.
- Columns marked with an asterisk (*) are stated gross – before normalisation.
- The industry averages are weighted averages for all 29 electricity distribution networks in New Zealand.
- SAIDI and SAIFI are standard international industry measures of network reliability performance. They include planned and unplanned interruptions, but exclude interruptions that:
 - Are caused by electricity generators or Transpower
 - Are caused in the low voltage (400V) network
 - Last for less than one minute.

- SAIDI: system average interruption duration index – the average duration of supply interruptions that each consumer experiences.
- SAIFI: system average interruption frequency index – the average number of supply interruptions that each consumer experiences.

SAIDI and SAIFI are standard industry measures for network reliability.

SAIDI: system average interruption duration index – the average duration of supply interruptions that each consumer experiences.

$$\text{SAIDI} = \frac{\text{Sum of (number of interrupted consumers x interruption duration)}}{\text{Average number of connected consumers}}$$

SAIFI: system average interruption frequency index – the average number of supply interruptions that each consumer experiences.

$$\text{SAIFI} = \frac{\text{Sum of number of interrupted consumers}}{\text{Average number of connected consumers}}$$

Network development targets:

- Work with the Christchurch City Council (CCC), Government agencies and property developers to support the Christchurch central city rebuild. *(Status: Achieved)*.
- Support the key regional quake recovery planning documents. *(Status: Achieved)*.
- Substantively complete our post-quake repair/recovery projects. *(Status: Achieved)*.
- Undertake network reinforcements to facilitate completion of the Sheffield irrigation scheme. *(Status: Achieved)*.

Environmental targets:

- Comply with applicable environmental legislation. *(Status: Achieved)*.
- Undertake and encourage demand side management (DSM). *(Status: Achieved)*.
- Keep annual SF6 gas losses below 1% per year. *(Status: Achieved)*.
- Keep non-contained transformer oil spills to nil. *(Status: Achieved)*.
- Support and sponsor Community Energy Action (CEA). *(Status: Achieved)*.
- Work with partners to expand the number of public electric vehicles (EV) charge stations in our region. *(Status: Achieved)*.
- Convert 30% of our operation passenger vehicle fleet to electric drive capability. *(Status: On track)*.
- Support the Christchurch City Council's sustainable energy strategy. *(Status: Achieved)*.
- Obtain global resource consents for earthworks in Christchurch. *(Status: Not achieved)*.

Health and safety targets:

- No serious safety events impacting our employees. *(Status: Not achieved)*.
- No serious safety events impacting our contractors. *(Status: Achieved)*.
- No accidents (excluding car versus pole traffic accidents) involving members of the public. *(Status: Not achieved)*.
- Promote our local public safety education and awareness programme in the safe use of electricity. *(Status: Achieved)*.

Community and employment targets:

- Achieve voluntary annual staff turnover of less than 5% for Orion and less than 10% for Connetics. *(Status: Not achieved)*.
- Ensure sustainable network asset management competence via our Orion engineering development programme. *(Status: Achieved)*.
- Ensure sustainable contracting skills competence via our Connetics apprentice scheme. *(Status: Achieved)*.
- Support the Ara Institute of Canterbury trades innovation centre. *(Status: Achieved)*.

Summary of financial performance

	Actual 2018 \$000	Actual 2017 \$000
Revenue	322,313	311,864
Expenditure	248,279	240,682
Surplus/(deficit) before taxation	74,034	71,182
Surplus/(deficit) after taxation	53,300	51,770
Ordinary dividend	55,000	55,000

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 2018 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 \$109,230 (2017: \$293,159) in donation revenue. The Trust has distributed \$173,197 (2017: \$262,113) 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 residents impacted by the Knights Road Fire, the Lakeside Hall, Springston Hall, and Dunsandel, Tai Tapu, and West Melton Community Centres.

At year end there was \$62,787 (2017: \$126,650) 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 2018 \$000	Actual 2017 \$000
Revenue	109	293
Expenditure	109	293
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 2018 is set out below:

- *Develop methods to effectively monitor the performance of CPWL in constructing, commissioning and operating all stages of the Scheme, and communicate the results to the public.*

The Trust has monitored progress with regard to the various resource consent applications, funding and other priority matters through regular reports, briefings and meetings between the company, the Trust, project management and consultants.

The Trust has also monitored legal matters undertaken by the company and where necessary has obtained independent legal advice, and has obtained and recorded copies of all agreements in relation to the Scheme which concern the Trust and the consent process and in relation to legal proceedings and settlements, and of other relevant documentation to which it is entitled.

The Trust has established a new website so that its annual Environmental Scheme Performance Report can be effectively published for public information and comment. This is now operational: www.cpwt.org.nz.

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

Two Environmental Management Funds are included in the resource consent conditions, as a result of the settlement agreement with Ngai Tahu. One specifically deals with Te Waihora, and the other with all of the other purposes of the EMF within the scheme area. Ngai Tahu manages and applies the funds required for Te Waihora. The Trust established a committee required for the wider area, which decides how the Fund is spent.

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

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

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

Financial statements were provided to the settlors for the quarters ending 31 December and 30 June. The Trust prepared a statement of intent and provided this to the settlors.

Summary of financial performance

	Actual 2018 \$000	Actual 2017 \$000
Revenue	58	48
Expenditure	58	48
Surplus/(deficit) before taxation	-	-

Financial interests – Tramway Reserve Trust

Relationship to the Council

Tramway Reserve Trust is a Council Controlled Organisation (CCO).

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 2018 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 2018 \$000	Actual 2017 \$000
Revenue	-	-
Expenditure	-	-
Surplus / (deficit) before taxation	-	-

Independent Auditor's Report

To the readers of Selwyn District Council and group's annual report for the year ended 30 June 2018

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, John Mackey, 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 10 October 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 98 to 99 and 106 to 169:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2018;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on pages 96 to 97, 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 19 to 93):
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2018, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 28 to 93, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long term plan; and
- the funding impact statement for each group of activities on pages 28 to 93, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's 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 100 to 105, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long term plan and annual plans.

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 and 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 17 and 170 to 177, but does not include the audited information and the disclosure requirements.

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

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

Independence

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

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the District Council's 2018-28 long term plan, and performed a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



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

Council information

Mayor and Councillors contact details

Mayor		Deputy Mayor	
Sam Broughton	(C) 027 223 8345 sam.broughton@selwyn.govt.nz	Malcolm Lyall	(C) 027 433 9964 malcolm.lyall@selwyn.govt.nz
Selwyn Central Ward		Springs Ward	
Mark Alexander	(C) 027 526 6388 (H) 03 347 6393 mark.alexander@selwyn.govt.nz	Debra Hasson	(C) 027 435 5055 (H) 03 329 5445 debra.hasson@selwyn.govt.nz
Jeff Bland	(C) 027 399 9206 (H) 03 347 4070 jeff.bland@selwyn.govt.nz	Grant Miller	(C) 027 381 7032 grant.miller@selwyn.govt.nz
Nicole Reid	(C) 027 548 6157 nicole.reid@selwyn.govt.nz		
Craig Watson	(C) 027 807 2097 craig.watson@selwyn.govt.nz		
Malvern Ward		Ellesmere Ward	
John Morten	(C) 027 200 2578 (H) 03 317 9001 john.morten@selwyn.govt.nz	Pat McEvedy	(C) 027 430 3818 pat.mcevedy@selwyn.govt.nz
Bob Mugford	(C) 027 511 0395 bob.mugford@selwyn.govt.nz	Murray Lemon	(C) 027 541 3305 murray.lemon@selwyn.govt.nz

Community Board Members contact details

Malvern Community Board			
Jenny Gallagher (Chairperson)	(C) 027 552 7403 (H) 03 318 1784 jenny.gallagher@selwyn.govt.nz	Judith Pascoe	(C) 021 152 2900 judith.pascoe@selwyn.govt.nz
Megan Hands	(C) 021 665 160 megan.hands@selwyn.govt.nz	Kerry Pauling	(C) 021 0225 5974 kerry.pauling@selwyn.govt.nz
Karen Meares	(C) 021 147 1824 karen.meares@selwyn.govt.nz		

Where to go for more information

The Annual Report is also available at www.selwyn.govt.nz or from any Selwyn District library or service centre (see list below).

Customer services	
For general enquiries, assistance and information, telephone (03) 347 2800 or (03) 318 8338	
Website	Selwyn District Council Offices
www.selwyn.govt.nz	2 Norman Kirk Drive PO Box 90 ROLLESTON 7643
Service Centres	
Leeston Library/Service Centre 19 Messines Street Private Bag 1 LEESTON Phone: (03) 347 2871	Darfield Library/Service Centre 1 South Terrace DARFIELD 7510 Phone: (03) 318 8338
Lincoln Library/Service Centre Gerald Street LINCOLN 7608 Phone: (03) 347 2876	Rolleston Library Rolleston Drive ROLLESTON 7614 Phone (03) 347 2880
Auditors	Bankers
Audit New Zealand PO Box 2 CHRISTCHURCH 8140 On behalf of the Auditor-General	Westpac PO Box 2721 CHRISTCHURCH 8140
Solicitors	Sister districts
Buddle Findlay PO Box 322 CHRISTCHURCH 8140	Akitakata City City Offices, Yoshida 791 Yoshida Cho, Hiroshima 731 0592 JAPAN
	Town of Yubetsu Minatomachi 31, Yubetsu-Cho Monbetsu-gun, hokkaido 099 640, JAPAN
	The Malvern Community Board has been delegated the authority to facilitate relationships with Yubetsu-Cho.
	Shandan County Government North Road No 3 Qingquan Town Shandan County Gansu Province CHINA 734100
	Coventry, Rhode Island, USA
	Toraja, Indonesia

Council controlled trading organisations

Council companies

Sicon Limited (100% owned by Selwyn District Council)	Blakely Construction Limited (70% owned by Sicon Limited)
3 South Terrace PO Box 40 DARFIELD 7541 Phone: (03) 318 8320 Fax: (03) 318 8578 Email: sicon@sicon.co.nz Website: www.sicon.co.nz	PO Box 36-322, Merivale, CHRISTCHURCH 8146 Phone: (03) 342 9853 Email: info@blakely.co.nz Website: www.blakely.co.nz
Board Peter Carnahan (<i>Chairperson</i>) Grant Lovell John Morten Pat McEvedy	Board Peter Carnahan (<i>Chairperson</i>) David Wilson Edward Blakely Steven Grave

Other council organisations

Central Plains Water Trust (50% owned by Selwyn District Council)	Izone Southern Business Hub Council committee established to develop an industrial park at Rolleston
PO Box 90 ROLLESTON 7643 Phone: (03) 347 2800 Fax: (04) 347 2799	PO Box 90 ROLLESTON 7643 Phone: (03) 347 2800 Fax: (03) 347 2799 Website: www.izone.org.nz
Trustees Denis O'Rourke (<i>Chairperson</i>) Doug Catherwood Richard Davison Viv Smart Olive Webb	Chief Executive RD Hughes Developments Limited Attention: Robin Hughes Phone: (03) 379 2609
	The Council Manager responsible Douglas Marshall – Property and Commercial Manager

