

Selwyn District Council

# Annual Report

2018/19

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



*Cover: Extended library hours were introduced in 2018.*

# Contents

## Introduction

From the Mayor and Chief Executive .....	2
About the Annual Report .....	5
Māori involvement in decision making .....	5

## 2018/19 – The year in review

Financial performance .....	7
Service performance .....	8
Making progress on our Long-Term Plan .....	10
Service highlights 2018/19 .....	12
Residents survey – hearing from our community .....	14
How your rates were spent 2018/19 .....	16

## Significant activities

Introduction to the significant activities .....	19
Community facilities .....	20
Community services .....	30
Democracy .....	40
Environmental services .....	46
Transportation .....	56
Solid waste management .....	66
5 waters services .....	72
Izone Southern Business Hub .....	84
Internal council services .....	88

## Financial Reporting

Statement of compliance and responsibility .....	91
Funding impact statement .....	92
Financial highlights .....	94
Annual report disclosure statement .....	96
Statement of comprehensive revenue and expense .....	102
Statement of changes in equity .....	103
Statement of financial position .....	104
Statement of cash flows .....	105
Statement of accounting policies .....	107
Notes to the financial statements .....	123

## Financial interests ..... 166

Sicon Limited .....	167
Orion New Zealand Limited .....	168
Selwyn District Charitable Trust .....	171
Central Plains Water Trust .....	172
Tramway Reserve Trust .....	173

## Independent Auditor's Report ..... 174

## Council information ..... 176



# From the Mayor and Chief Executive

Dear Selwyn ratepayers and residents

Around the time we were putting this Annual Report together, the first release of 2018 Census data was issued – with confirmation that Selwyn has continued to be one of the fastest-growing districts in New Zealand. In mid-2019 we estimate our population at 63,000 and we're forecasting this to grow to over 80,000 by 2029. This continued strong population growth has been great news for our district, as people, especially young families, have embraced all Selwyn has to offer as a rural district with growing towns, new facilities and great schools, close to Christchurch.

We're seeing consistently high consent numbers for housing – over 300 new houses each quarter – and for commercial activity. Economic data shows Selwyn regularly ranks among the fastest-growing economies in the country, outstripping other areas in Canterbury, and we currently have the lowest unemployment rate in the country. We have a diverse economy, mixing farming with a growing industrial area in Rolleston's Izone and inland port, retail and Lincoln University. Manufacturing, building and agriculture remain the three biggest employers in the district, and small businesses continue to grow and thrive.

The Council has been responding constructively to growth over a number of years. In this Annual Report we're pleased to see the ongoing success of the long-term, strategic approach to planning that we've taken. The district-wide approach to the provision and funding of our assets, including water, wastewater, halls, community centres and reserves, is providing greater certainty for the future of our assets, and helps us plan with confidence.

Financial results for the year have been positive. Expenditure was slightly below forecast, and revenue was higher than budgeted, largely due to population growth. Development contributions, fees and charges and vested asset revenue were also ahead of budget. We were especially pleased this year to receive a credit rating of AA+ from rating agency Fitch Ratings – the highest credit rating of any council in New Zealand. The rating is a reflection of the strength of our financial management and of the district's economy, and recognises the Council's prudent financial forecasting and management.

Across the district we issued 2,218 building consents and 603 resource consents during 2018/19, slightly down on last year but still a strong level of demand. Many local townships and communities have enjoyed new services and facilities, such as new community centres at West Melton, Lakeside and Weedons, a skate park at Lincoln, campground improvements and new public toilets, and a park-and-ride facility in Rolleston. We have extended library opening hours, launched a new community fund, and celebrated each other's successes with our revamped Selwyn Awards.

We have made good progress on major projects such as the Rolleston town centre and Te Ara Ātea, and planning is well advanced for the extension of Selwyn Aquatic Centre and new indoor facilities at Foster Park – where a functional approach to design means we can provide a highly-usable facility at moderate cost. Our partnership with Te Taumutu Rūnanga has continued to grow in importance, with Selwyn's cultural heritage increasingly reflected in the designs of new buildings and in the services we provide. Relationships with other agencies including Environment Canterbury and the Department of Conservation are also important, especially in working together to address climate change concerns.

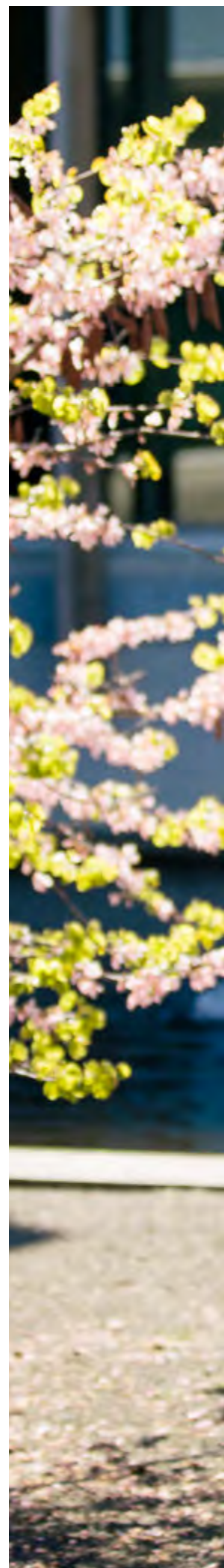
To all our residents, elected members and staff – thanks for your contribution to our thriving district. We are privileged to be able to lead for Selwyn's future, by listening to our community, and implementing good decisions for the long-term benefit of the district.



Sam Broughton, Mayor



David Ward, Chief Executive









*Upper Waimakariri River at Bealey Bridge*

# 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 first year of the Selwyn District Council Long term Plan 2018-2028 that was adopted on 20 June 2018.

## 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 quarterly meetings to engage with and share information with Te 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, Christchurch City Council and the Department of Conservation, 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

---

**\$106 million**  
**TOTAL EXPENDITURE**  
(COMPARED WITH BUDGET OF \$108 MILLION)

**\$57.4 million**  
**RATES REVENUE LEVIED**  
(COMPARED WITH BUDGET OF \$56.2 MILLION)

**\$22.9 million**  
**RECEIVED IN DEVELOPMENT  
CONTRIBUTIONS REVENUE**  
(COMPARED WITH BUDGET OF \$15.9 MILLION)

**\$1.66 billion**  
**TOTAL COUNCIL NET ASSETS**  
(2018 \$1.58 BILLION)





## Financial performance

Selwyn has continued to experience high levels of population and economic growth during the 2018/19 financial year. The financial results for the year reflect the success of the district as a whole.

**Expenditure for the year was \$106 million compared with the budget of \$108 million. The main variances compared with budget were:**

- Employee benefit expenditure \$1 million below budget due to the timing of recruitment of staff.
- Finance costs \$900,000 below budget, due to a reduced borrowing requirement due to positive cash flows and some capital projects that have not yet been completed.
- Depreciation and amortisation expenditure \$2.5 million below budget due to the timing of completion of some significant capital projects.
- Cost of sales \$1.3 million higher than budget due to the recognition of the cost of land sold in the Izone Southern Business Hub.
- Subsidised maintenance and operational expenditure \$864,000 higher than budget.

**Revenue for the year was \$166 million compared with the budget of \$146 million. The main variances compared with budget were:**

- Rates revenue was \$1.3 million above budget due to higher levels of population growth in the district compared with those projected in the budget. This increase in revenue is partially offset by an increase in related expenditure.

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

- Development contributions revenue \$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.
- Fees and charges revenue \$2.3 million above budget due to building and resource consent revenue being higher than forecast due to growth in the district.
- Vested asset revenue \$8.9 million higher than budget due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- Land sales revenue was lower than budget by \$4.5 million due to the sale of land in the Izone Southern Business Hub being below what was budgeted.
- Gains from movement in the fair value of investment property were \$2.4 million above budget, largely due to the movement in the valuation of the new Sicon building in Izone.
- Gains on the disposal of property, plant and equipment and property intended for sale were \$1.2 million above budget.



# Service performance



**403,088**  
VISITS TO COUNCIL POOLS  
AND SELWYN AQUATIC CENTRE



**7.63 million**  
CUBIC METRES OF WATER  
SUPPLIED TO HOUSEHOLDS



**74.2km**  
ROAD RESEALING COMPLETED

**69%**

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



Southbridge Community Pool





## Our services

Throughout the 2018/19 year, the Council has continued to provide services that help make Selwyn a great place to live. Some of the things we do every day include:

- Maintaining around 2,500 kilometres of roads.
- Providing rubbish and recycling services to more than 21,000 households. More than 92% of residents rated these services as good or very good.
- Providing and maintaining 455 reserves and playgrounds, and 706 hectares of recreation reserves. 82% of people living in Selwyn visited a park last year.
- Providing and running the Selwyn Aquatic Centre and community pools. A total of 403,088 admissions were recorded at Selwyn Aquatic Centre, Southbridge Pool and Darfield Pool – equivalent to 6.4 swims for each Selwyn resident.
- Providing and maintaining 27 community centres and halls. 72% of residents have used a community centre or hall this year.
- Operating a district network of libraries in Darfield, Lincoln, Leeston, Rolleston and a mobile outreach service, and assisting two volunteer libraries. 83% of residents rated libraries services as good or very good.
- Issuing building and resource consents. 98% of resource consents and 94% of building consents were issued on time. The average time to process a building consent in the past year was 13 working days compared to the statutory timeframe of 20 working days.
- Operating 30 community water supplies, supplying clean, safe drinking water to 81% of the district's population.

# Making progress on our Long-Term Plan

In our Long-Term Plan 2018–2028 we consulted with the community on a number of significant new projects. Here's how these have progressed during the year to 30 June 2019.

## District-wide rating for community centres, halls and reserves

The new rate introduced in 2018/19 is helping the Council to increase support for local facilities including a centralised booking system, more consistent charging, streamlined processes for maintenance and renewal, and improved systems and processes for budgeting, employment and health and safety matters.

## Selwyn Aquatic Centre extension

Construction will start soon on the new 10-lane, 25-metre pool facility, which will more than double the current lane capacity and accommodate increasing demand from aquafitness, casual swimming, deep water and other activities.

The project also includes refurbishing the existing pool and expanding changing rooms and administration space.

## Foster Park indoor courts

Planning and design is in progress for the multi-purpose indoor courts and sports hub complex. It will include four indoor courts built to competition standards, plus four covered courts for sports such as netball, tennis, basketball and futsal, and space for community events. The project also incorporates administration areas and a sports hub to accommodate changing rooms, toilets, storage and meeting space.

## Water quality improvements

The Council completed a comprehensive risk assessment of water supplies across the district, to identify those most at risk of possible contamination. Improvements completed this year include a new water supply bore at Southbridge, treatment upgrades at Lake Coleridge, Malvern Hills-Hartleys Rd and Hororata rural water supply, installation of pipework in preparation for the connection of Johnson Road and Edendale water supplies to West Melton, and storage upgrades at Dunsandel and Upper Selwyn Huts.

Design work is under way for treatment plant upgrades for schemes at Leeston, Lincoln, Tai Tapu, Te Pirita, Springston, Springfield, Kirwee, Acheron, Darfield, Claremont, Castle Hill, Arthur's Pass, Sheffield, Waddington, Raven Drive, Rakaia Huts, and Malvern Hills-Dalethorpe. These works will span over two financial years.

## Changes to community grants

The new Selwyn Community Fund was launched in 2018 and just under \$40,000 was allocated to community groups in the first funding round.



## New community centres

Initial consultation is under way with the Leeston community on the township's proposed new community centre and planning will start soon on new facilities for Prebbleton and Hororata.

## Rolleston Council offices and parking

A new park-and-ride facility next to the Council offices in Rolleston opened in 2019. It provides 79 public car spaces as well as extra capacity for Council staff and visitors. Work is well under way on the planned extension to the building which will include a new centralised customer services area, and seismic enhancements for civil defence purposes.

## Walking and Cycling Strategy

The first stage of the new Doyleston to Leeston Cycleway will be completed in the current year. Over the next two years work will continue to construct six kilometres of missing or additional township footpaths, identified in this strategy's action plan as part of an ongoing programme.



Tai Tapu Community Centre

# Service highlights 2018/19

## Region-leading growth

Selwyn's sustained economic and population growth has continued over the past year – putting it at the forefront of the Canterbury region. The fastest-growing district in New Zealand over the past 10 years, Selwyn's population has now reached an estimated 63,000 people, and is forecast to grow to pass 80,000 in 10 years' time.

The Council sees this growth reflected in the levels of building consents and resource consents issued during the year. While the recent strong growth curve is showing signs of returning to normal levels, the numbers are still strong. In 2018/19 a total of 2,218 building consents were issued, and 603 resource consent applications processed. Non-residential building consent numbers have increased, with significant business development continuing in Rolleston's industrial and commercial areas in and adjacent to the Council's Izone business park development.

The district's wider economy also continues to outpace regional and national averages, with gross domestic product (GDP) growing at 4.7% for the year to 30 June 2019 – significantly ahead of Canterbury (1.7%) and New Zealand (2.5%) averages. Manufacturing, agriculture and construction continue to be the major contributors to economic activity. Unemployment in Selwyn averaged 2.1% for the financial year, almost half the national rate of 4.1% and well below the Canterbury regional average of 3.7%. It is estimated there are around 6,700 businesses in Selwyn, with around 21,500 full time employees.

A further indicator of Selwyn's economic activity is the growth in consumer spending, which increased by 11.7% over the year, compared to a 4% increase nationally. Similarly tourism expenditure grew by 10.5%, more than double the Canterbury level of 4.5%. House sales in Selwyn increased by 0.4% compared with the previous year. Growth outperformed relative to New Zealand, where sales decreased by 0.9%.

## Setting future directions

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 undertaken extensive consultation with affected landowners and stakeholders on detailed draft rules and policies across a range of topics relevant to business, rural or residential communities. Most of the proposed detailed policies and rules for the Proposed Plan have now been drafted and consulted on. It's expected that the Proposed District Plan will be notified for formal public consultation in early 2020 and be fully in place, subject to any Environment Court appeals, in mid-2022.

## Services at the heart of communities

As Selwyn's population grows, so too does the demand for facilities, services, events and programmes that meet the needs of an increasingly diverse community. New research received this year indicates that a large proportion of the district's recent growth (59%) has come from regional migration, and a further 26% from international migration – and young families make up a significant part of the newcomer population.

The Council is continuing to invest strongly in programmes that help to build strong and cohesive communities, and it's pleasing to see that residents continue to rate community connectedness highly. A total of 12,573 residents attended the 141 different events held during the 2018/19 year, ranging from teddy bears' picnics to skate jams and a popular new programme marking Matariki.

During the year we welcomed 281 new citizens at our monthly citizenship ceremonies, from as far afield as Bhutan, India, Nigeria, Ireland and Uzbekistan. CultureFest continues to grow as a spectacular, colourful celebration of the district's cultural diversity through performance, food and community activity.

Celebrating Success in Selwyn was the theme of the biennial Selwyn Awards which culminated in a Gala evening in August 2018. The Council has developed its Business Directory to encourage local businesses and residents to "think local" when buying goods or services. We are also working with local and regional partners to attract visitors to the Selwyn district. This year, Council hosted the second Selwyn Tourism Sector Forum, and has begun redeveloping the website and associated brand that promotes Selwyn as a destination.

Facilities provided by the Council have a major impact on both the social and cultural quality of life for Selwyn residents. New facilities opened during 2018/19 included community centres in West Melton, Lakeside, Tai Tapu and Weedons – modern, multi-purpose facilities that provide a valuable local hub but also contribute to the wider district-wide network of facilities. Planning and design has also continued on the Rolleston town centre and Te Ara Ātea, with construction expected to start on this cornerstone district facility later in 2019.



Also opened this year were a skate park in Lincoln, seven public toilet facilities and campground improvements, some funded through the Tourism Infrastructure Fund. Anzac Day provided the backdrop for a rewarding project that saw the installation of new feature lighting on many local township war memorials.

Extended library hours, including longer weekend opening, were introduced in early 2019 in response to customer demand and have been well received. The number of visits, programmes and activities has increased markedly from previous years.

## Infrastructure

The sustained level of population and economic growth in Selwyn continues to put pressure on the Council to ensure adequate provision is made for core infrastructure to meet current and future demand. In the year to June 2019 traffic flows in Selwyn increased by 1.6%, double the Canterbury regional rate of 0.8%. Responding to this growth, the Council has completed a number of roading upgrades including Dynes Road and Dunns Crossing Road in Rolleston, while Robinsons Road was sealed to connect to the new Southern Motorway. In Prebbleton the Tosswill Road domain frontage was upgraded and in Lincoln, West Belt North underwent additional seal widening, and Birchs Road was upgraded to cater for the new housing developments.

Good progress was made this year on the ongoing replacement of around 5,800 old and inefficient street lights with new, energy efficient LED versions. In partnership with Environment Canterbury, the Council supported a trial of new bus services connecting Darfield and Leeston with Christchurch. A new park and ride facility was also opened in Rolleston, adjacent to the Council headquarters.

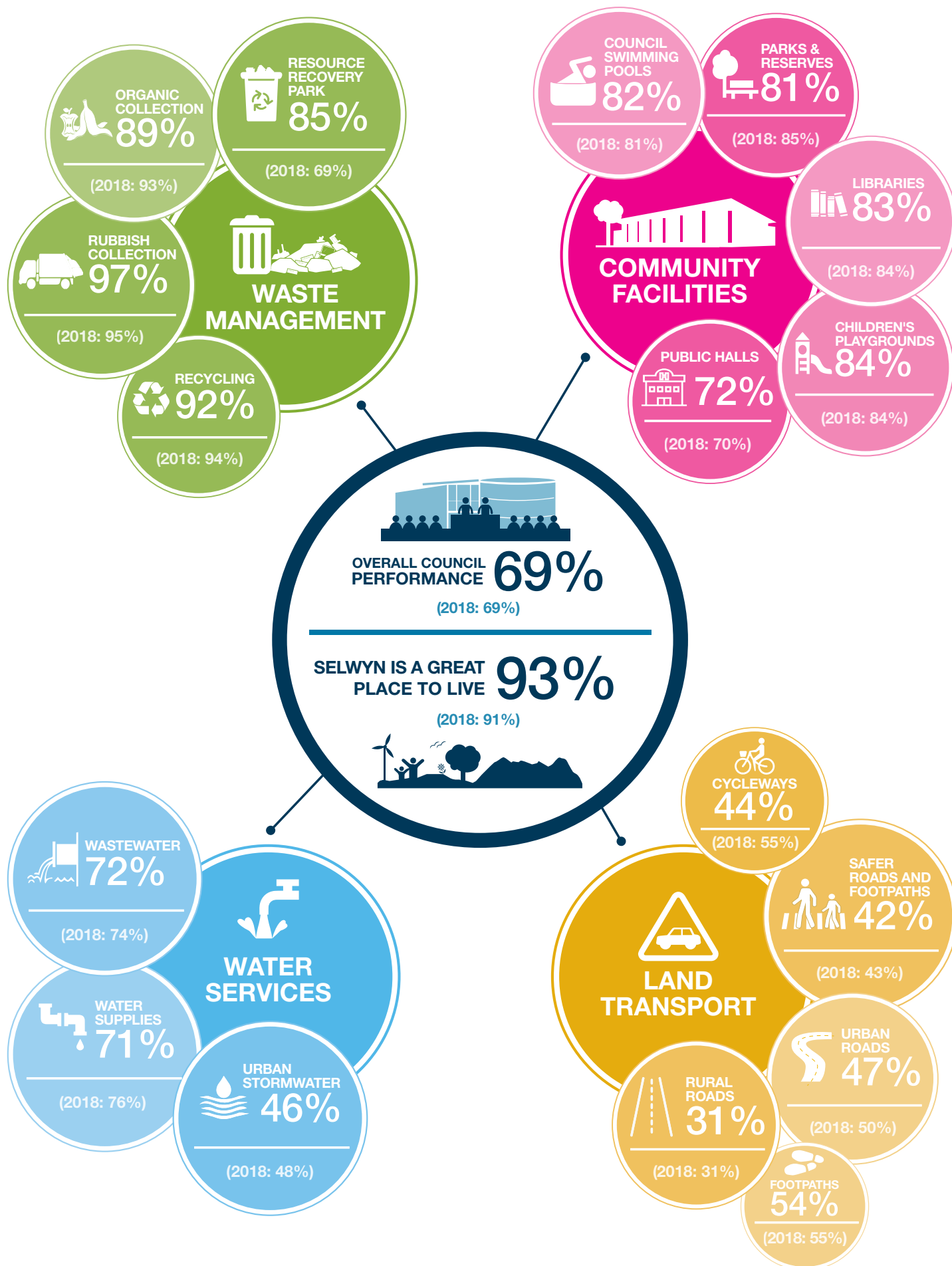
Community consultation, planning and design work has progressed for the street and intersection upgrades needed for the Rolleston town centre development, which is planned to commence later in 2019. In addition to the Council's investment, around 19km of new roads and 9.5km of new footpaths were vested in the Council by developers from new subdivisions and developments in 2018/19.

The Council continues to provide comprehensive solid waste management regime and is making good progress in reducing overall waste. Selwyn residents are using their organic bins a lot more, resulting in strong growth in organic waste tonnes, with nearly 1200 tonnes or 22% more organic waste received than at this time last year. The total amount of residual waste sent to landfill decreased by 8% per capita during the 2018/19 year.

Community water supplies nationwide have been under close scrutiny since the Havelock North water contamination event in 2017 and the Council has continued its programme of water quality and water treatment improvements. As signaled in the 2018-2028 Long-Term Plan, the Council has completed a comprehensive risk based assessment of the district's water supply schemes. Protection of schemes with filtration, UV treatment and chlorination, where needed, is currently being progressed.



West Melton Community and Recreation Centre



**2019**  
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, the same as in 2018. The overall performance rating has risen steadily from 58% in 2013.

In questions about living in Selwyn, 93% of people said Selwyn was a great place to live, 1% less than in the last survey.

Across 26 services or facilities surveyed for residents' opinion of satisfaction, two recorded no change from last year, 11 recorded an increase in satisfaction, and 13 recorded a decrease in satisfaction.








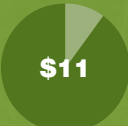
Among the highest rated services were rubbish collection (97% rated good or very good), organics collection (89%), recycling (92%), playgrounds (84%), libraries (83%), swimming pools (82%), parks and reserves (81%) and sewerage and wastewater (72%). The Pines Resource Recovery Park was rated good or very good by 85% of people who had used the facility.

Community facilities continue to be well used and enjoyed by residents. Public halls have been used at least once in the past year by 72% of respondents, while 82% have visited a park or reserve and 62% 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 2019 by an independent research company, and surveyed 401 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 +/-4.9%.

# How your rates were spent 2018/19

Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
<b>Community Facilities</b> 	<b>\$21.9m</b> (including renewal)	<b>\$19.1m</b> (excluding depreciation)	RATES 61% OTHER 39%	<b>\$32</b> 
<b>Community Services</b> 	<b>\$0m</b> (including renewal)	<b>\$2.5m</b> (excluding depreciation)	RATES 93% OTHER 7%	<b>\$4</b> 
<b>Democracy</b> 	<b>\$0m</b> (including renewal)	<b>\$5.1m</b> (excluding depreciation)	RATES 99% OTHER 1%	<b>\$7</b> 
<b>Environmental Services</b> 	<b>\$0m</b> (including renewal)	<b>\$14.3m</b> (excluding depreciation)	RATES 53% OTHER 47%	<b>\$11</b> 



Area of spend	Capital spend	Operating spend	How costs are funded	Rates spend per \$100
<b>Five Waters Service</b> 	<b>\$13.7m</b> (including renewal)	<b>\$16.9m</b> (excluding depreciation)	RATES 54% OTHER 46%	<b>\$22</b> 
<b>Izone</b> 	<b>\$0m</b> (including renewal)	<b>\$0.7m</b> (excluding depreciation)	RATES 0% OTHER 100%	<b>\$0</b> 
<b>Solid Waste Management</b> 	<b>\$0.1m</b> (including renewal)	<b>\$9.6m</b> (excluding depreciation)	RATES 72% OTHER 28%	<b>\$10</b> 
<b>Transportation</b> 	<b>\$13.6m</b> (including renewal)	<b>\$11.1m</b> (excluding depreciation)	RATES 51% OTHER 49%	<b>\$14</b> 



# Significant activities







Teddy Bears' Picnic 2019

## 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 2018/19 financial year were set out in the Selwyn District Council Long-Term Plan 2018-2028 (LTP).

The purpose of this section of the Annual Report is to report on the degree to which the Council achieved what it set out to do for each significant activity in both financial and non-financial terms, and its actual performance for the year.

This section of the Annual Report provides the following information for each activity:

- An overview of the group of activities that summarises services included in the group and what the Council has achieved during the financial year
- An explanation of why the Council is involved in providing the group of activities
- A summary of how the activity helps achieve the Council's community outcomes
- Details of how the Council manages changing demand for any service, including the impact of population changes
- Performance measures that illustrate the level of service the Council has provided against levels set out in the Council's LTP
- A funding impact statement that shows how the group of activities has been paid for. More information on the funding impact statement is provided below.

*Note: negative numbers are shown in brackets ( ).*



Community  
facilities



# This year the Council provided...

**706** hectares of recreation reserves

**455** reserves and playgrounds

**27** community centres and halls

**19** cemeteries

## Key results



**83%** of residents are satisfied with libraries



**84%** of residents are satisfied with playgrounds



**403,088** visitors to selwyn aquatic centre and district pools



**81%** of residents are satisfied with parks and reserves



**82%** of residents used a park or playground

# Community facilities

## Services covered

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

<b>Recreation reserves</b>	30 main recreation reserves (706 ha) and 24 conservation reserves (425 ha)	<b>Township reserves and streetscapes</b>	455 reserves and playgrounds covering over 112 ha
<b>Cemeteries</b>	19 cemeteries (two closed)	<b>Rental housing</b>	24 houses
<b>Public toilets</b>	32 facilities	<b>Gravel reserves</b>	23 operational sites
<b>Community centres and halls</b>	27 facilities	<b>Forestry</b>	57 sites with a total area of 98.6 ha
<b>Swimming pools</b>	1 District Aquatic Centre (Selwyn Aquatic Centre) 2 sub-district pools 4 community pools	<b>Property and buildings</b>	District headquarters 14 strategic properties 12 heritage buildings
<b>Libraries</b>	At Rolleston, Lincoln, Leeston, Darfield plus two volunteer libraries	<b>Total asset value</b>	\$240 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 strengthen 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 (ECan) on the development of the Waimakariri River Regional Park with the creation of the West Melton Equestrian Park and, during 2018/19, the completion of stage one and opening of The Willows recreation area. We have also worked closely with the Department of Conservation (DOC) on managing the impact of camping and visitors to the high country reserves and lakes as well as on conservation projects such as a joint plan on the management of Tarerekautuku/Yarrs Lagoon.

In terms of collaboration in our service delivery, over the last year Lincoln University Students Association has joined the collaborative working group planning CultureFest and Te Taumutu Rūnanga was a key partner in the Matariki celebrations in Selwyn. Both celebrations involve community centres, libraries and service centres and Selwyn Aquatic Centre (SAC).

## Activity goal

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 community outcomes:**

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

## Negative effects on the wellbeing of the community

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

## Internal borrowings

Internal borrowings are disclosed in Note 19: Borrowings.

## Statement of service performance

Many people choose to live in 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. Selwyn's population growth has averaged 6.2% per annum over the last four to six years compared with 1.9% nationally. 59% of Selwyn's population growth has been driven by regional migration from other parts of New Zealand. Much of the migration initially came from Christchurch as people sought safe and modern housing options within commuting distance to Christchurch. Auckland has been the second largest contributor to regional migration. Net regional migration to Selwyn is characterised by high net inflows from young adults and their children. This growth has led to increasing demand for community facilities, activities 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 associated with wellbeing that 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 Community Services and Facilities Team operates the Council-managed aquatic facilities and the main facility, the Selwyn Aquatic Centre, employs around 30 staff in full-time equivalent roles which include customer service assistants, lifeguards, learn to swim and aqua-fitness instructors, swim coaches, and management and administration roles. The number of swims per capita was 6.65 which is well in excess of the target of 4.5 with a total of over 385,544 admissions recorded at Selwyn Aquatic Centre alone, 10,461 admissions recorded at Southbridge Pool and 7,083 admissions recorded at Darfield Pool. At Selwyn Aquatic Centre there were 7,681 enrolments in learn to swim programmes across the terms of the year (excluding lessons delivered to school groups) and 3,304 aqua fitness class attendees across the year. A new initiative targeted at people with health, disability or recovery challenges proved popular. A range of events delivered from Selwyn Aquatic Centre attracted great numbers with the Dive-In Movie (Moana) attracting 300 attendees, the Children's Day Pool Party attracting 357, the Christmas Pool Party attracting 448, the Selwyn Aquatic Centre-based Floatchella (live music pool event) attracting 772 attendees over the day.

While Selwyn Aquatic Centre has annually been achieving 100% Poolsafe accreditation from New Zealand Recreation Association, this year the Council also applied for assessment for both its Darfield and Southbridge Pools (managed and operated by the Council for the summer season) and these pools both achieved this Poolsafe accreditation for the first time ever. The Council continues to provide lifeguarding services at the smaller seasonal Sheffield community pool, while Leeston, Killinchy and Halkett pools continue to be managed by groups of dedicated community volunteers.

## Reserves and open spaces

Open space in the townships, along streams, together with the larger parks in the rural areas, provides 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. Parks and reserves were the most popular community facility noted in the Selwyn District Council Residents Survey 2019, used by 82% of residents at least once in the last 12 months and residents' satisfaction rating remains high with 81% 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 72% rating community centres and halls good or very good. This reflects the Council's investment in improving and renewing facilities with a new community centre at West Melton and the rebuilding of the memorial hall at Lakeside being completed in 2018/19. The Council's Community Services and Facilities Team continues with the operational management of Lincoln Event Centre (LEC) and Rolleston Community Centre (RCC). The team now also has the operational management responsibilities of the newly-opened West Melton Community and Recreation Centre (WMCRC) and Tai Tapu Community Centre as well as the Dunsandel Community Centre, built in the previous year. Fitness/wellbeing classes delivered by the Council over the year at LEC, RCC and WMCRC totalled 41,197 participants. Visits to LEC, RCC and WMCRC over the year totalled 288,318. The majority of visits were to LEC with 189,182, with RCC at 78,354 and the WMCRC, which opened in December 2018, has had 20,782 visits since opening.

## Cemeteries

The Council did not achieve its service target of 10 complaints or less in relation to cemeteries, with a total of 12 complaints received during the year. However, the residents' satisfaction rating has increased markedly from 55% in 2018 to 70% in 2019. This has resulted from a review of maintenance standards for cemeteries and working with the maintenance contractor to improve service quality.

## 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 Council has responded to this situation by investing in additional toilets and renewing facilities. This programme has been supported with funding received from central government via the Tourism Infrastructure Fund. In total seven facilities have been installed during 2018/19 and the waste water system at Arthurs Pass toilets has been upgraded.

This investment is reflected in the overall level of satisfaction increasing from 54% in 2018 to 60% in 2019. It is also pleasing to note that the reasons for dissatisfaction with the public toilet service, especially in terms of provision and cleanliness have reduced significantly.

The target to achieve six or less failures via the independent audit process was not achieved. The facilities are audited against a number of criteria including cleanliness, consumable supplies, litter, and exterior maintenance and being fully operational. Failures are defined as less than 90% compliance with the audit criteria and 23 of the 60 sites audited did not meet the target level. The compliance failures reflect the high level of use that some facilities receive and the Council continues to work with the contractor to review the servicing schedules to address this issue.

## Libraries and service centres

The Community Services and Facilities Team has now introduced extended operating hours across the Council's library/service centre network along with a range of new programmes. Rolleston, Lincoln, Darfield and Leeston libraries/service centres are all open Monday to Friday from 9am to 6pm and Saturdays 10am to 4pm. In addition, Rolleston and Lincoln libraries both have late nights on Thursday until 8pm and are both open 10am to 4pm on Sundays. 309,590 visits took place across the library network throughout the year and a total of 373,701 digital visits or Wi-Fi sessions (in one of the facilities), website visits and access to one of the various databases available. The total number of digital visits increased by approximately 30% from the previous year. This year 355,428 books or print items were loaned, 20,836 e-books, 11,316 e-audios and 7,190 e-magazines. Along with the 19,130 items loaned that are non-print (puzzles, DVDs), there was a grand total of 413,900 loans for the year.



This year we broadened the range of programmes delivered and the times and days programmes were delivered. This year we had 25,129 participants in our programmes compared with 16,958 participants in the previous year. Programmes have included the ever popular Storytimes and Rhymetimes for little people, book clubs, LEGO®, poetry sessions, digital photo workshops, STARS Ozbot sessions, Love Your Life workshops, flax weaving sessions, Daddy and Daughter Hair-Ups, Fun with Make Up, Teen Art space, Patternmaking and Dressmaking workshops, Games and Cubing Clubs as well as hosting a range of guest speakers on topics of interest. With the recent addition of more resources, including 3D printers and telescopes, we are confident of further broadening our programme offering in the coming year.

In the arts and heritage space we have held a series of Artists residencies in the different library/service centres across the year including a Ngā Toi Māori Residency at Darfield, Street Art Residency at Rolleston and a Digital Residency at Leeston. Other features of the year included the painting of a Mural to “colour the space” at Darfield Pool (undertaken with some Darfield High School students) as well as a Street Art installation event at Rolleston Skate Park.

This year we ran an annual user survey across each library service centre and are pleased with the increased satisfaction expressed. Darfield Library Service Centre achieved 100% user satisfaction, Leeston Library Service Centre achieved 100%, Lincoln Library Service Centre achieved 99% and Rolleston Library achieved 100%. While we are satisfied with this improvement we will be looking to increase the frequency of customer surveys to get an overall trend and we will also be refining the questions to let us know how we can further improve the customer experience.



## Service targets for community facilities

Objective	Performance measure	Service target	Achievement
<b>RECREATION RESERVES</b>			
Residents have opportunities to enjoy healthy, active lifestyles including provision of recreational open space and community facilities.	The proportion of residents rating the performance of parks and reserves in the Residents Survey as good or very good.	≥80%	Achieved 81% (2018: Achieved 86%)
	Hectares per 1000 population is above the average for similar sized district authorities (Minimum 3 ha/1000).	≥3 ha	Achieved 3.73 ha (2018: Not achieved)
	Percentage of residents who have used or visited a public park or reserve in the past 12 months.	≥80%	Achieved 82% (2018: Achieved 84%)
<b>TOWNSHIPS RESERVES AND STREETSCAPES</b>			
Township reserves and streetscapes enhance the landscape character of the District and unique identity of township environments and provide places for recreational activities and social contact.	Percentage of townships where all residents are serviced by a reserve within 500 metres.	≥70%	Achieved 80% (2018: Achieved 72%)
	The proportion of residents rating the performance of playgrounds in the Residents Survey as good or very good.	≥80%	Achieved 84% (2018: Achieved 84%)
<b>COMMUNITY CENTRES AND HALLS</b>			
Community centres and halls provide local venues for social, cultural, recreational and educational uses.	The proportion of residents rating the performance of community centre/halls in the Residents Survey as good or very good.	≥70%	Achieved 72% (2018: Achieved 70%)
	The percentage satisfaction from annual user surveys for: a) Lincoln Event Centre (LEC) b) Rolleston Community Centre (RCC) c) West Melton Community Centre (WMCC).	≤90%	Achieved 96.4% = LEC 97.5% = RCC 93.75% = WMCC (note this facility was only opened in December 2018) 95.8% = overall average (2018: Not a measure)
	Number of visits per annum at LEC, RCC and WMCC (combined)	≥150,000	Achieved 189,182 = LEC 78,354 = RCC 20,782 = WMCC (note this facility was only opened in December 2018) (2018: Not a measure)
<b>SWIMMING POOLS</b>			
Public swimming pools contribute to Selwyn district being an attractive place to live and provide opportunities for residents to enjoy healthy, active lifestyles and to learn life skills such as swimming.	The percentage satisfaction with SAC from user survey.	≥90%	Not achieved Achieved 96% satisfaction (2018: Not a measure)
	SAC achieves 100% compliance with New Zealand Recreation Association Pool Safe accreditation.	100%	Achieved Achieved 100% for SAC, Darfield and Southbridge Pools (2018: Not a measure)
	Number of swims per capita of district population per year recorded at the Selwyn Aquatic Centre, Darfield and Southbridge pools.	≥4.5	Achieved 6.4 (2018: Achieved 5.31)
	Number of visits per annum at the Selwyn Aquatic Centre.	≥300,000	Achieved 403,088 = Total 385,544 = SAC 10,461 = Southbridge 7,083 = Darfield (2018: Not a measure)



Objective	Performance measure	Service target	Achievement
<b>PUBLIC TOILETS</b>			
Provision of public toilets helps to promote a healthy living environment for district residents and has economic benefits in supporting local businesses and visitor destinations	The proportion of residents rating the performance of public toilets in the Residents Survey as good or very good.	≥50%	Achieved 60% (2018: Achieved 54%)
	Number of facility compliance failures per annum identified by independent audit.	≤6	Not achieved (23 compliance failures) (2018: Not achieved)
<b>CEMETERIES</b>			
A network of cemeteries is provided to meet the District's burial and remembrance needs.	The proportion of residents rating the performance of cemeteries in the Residents Survey as good or very good.	≥65%	Achieved 70% (2018: Not achieved 55%)
	Number of complaints received per annum related to cemetery service	≤10	Not achieved 12 complaints were received during the year. (2018: Achieved 6 complaints)
<b>LIBRARIES</b>			
An educated community – Libraries provide for lifelong learning and education.	The proportion of users rating the performance of Libraries in the Residents Survey as good or very good.*	≥90%	Not achieved 85% (*99.4% achieved in in-house user surveys, Darfield Library/Service Centre achieved 100% Leeston Library/Service Centre achieved 100% Lincoln Library/Service Centre achieved 99% Rolleston Library achieved 100%) (2018: 89% in Residents Survey)
	The proportion of residents rating the performance of Libraries in the Residents Survey as good or very good.	≥90%	Not achieved 85% (Malvern 86%; Selwyn Central 75%; Springs 88%; Ellesmere 91%) (2018: 84% in Residents Survey)
	The average number of visits per annum to Selwyn public libraries exceeds the national average per capita; population divided by visitors per month.	≥8.38	Not achieved Physical visits: 309,590 divided by 63,000 = 4.91 National figure = 7.83 (2018: Not a measure)
	The number of digital sessions (either logged in to library website, using a library computer or using Wi-Fi and own device) per annum	≥50,000	Achieved Website sessions alone = 67,582 (Wi-Fi sessions = 160,989 Database access = 145,110) (2018: Not a measure)
	The number of events/sessions per annum, delivered in libraries and/or by library staff.	≥1,500	Not achieved 1,490 events 25,129 = programme participants (2018: Not a measure)

# Community facilities funding impact statement

	2018/19	2018/19	2017/18	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	14,199	14,117	7,170	
Targeted rates	10,564	10,369	8,225	
Subsidies and grants for operating purposes	308	37	24	Note 1
Fees and charges	5,008	4,035	3,566	Note 2
Internal charges and overheads recovered	-	-	-	
Other operating funding	13	-	20	
<b>Total operating funding (A)</b>	<b>30,092</b>	<b>28,558</b>	<b>19,005</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	14,634	16,074	11,111	Note 3
Finance costs	112	1,530	1,684	Note 4
Internal charges applied	4,322	4,322	2,956	
Other operating funding applications	65	174	164	
<b>Total application of operating funding (B)</b>	<b>19,133</b>	<b>22,100</b>	<b>15,915</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>10,959</b>	<b>6,458</b>	<b>3,090</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	799	-	-	Note 5
Development and financial contributions	9,830	6,097	2,304	Note 6
Increase/(decrease) in debt	(7,353)	39,907	3,500	Note 7
Gross sales proceeds from sale of assets	4,150	1,680	1,929	Note 8
<b>Total sources of capital funding (C)</b>	<b>7,426</b>	<b>47,684</b>	<b>7,733</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	12,851	39,972	13,595	Note 9
Capital expenditure to improve the level of service	7,338	14,762	4,788	Note 10
Capital expenditure to replace existing assets	1,740	2,034	854	
Increase/(decrease) in reserves	8,495	(4,869)	484	
Increase/(decrease) of investments	(12,039)	2,243	(8,898)	
<b>Total applications of capital funding (D)</b>	<b>18,385</b>	<b>54,142</b>	<b>10,823</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(10,959)</b>	<b>(6,458)</b>	<b>(3,090)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Subsidies and grants for operating purposes is higher than the long term plan due to grants received from the Ministry of Business, Innovation & Employment being higher than anticipated. The Council received a \$230,000 Tourism Facilities Development Grant to assist with promoting responsible camping in the district.

**Note 2** Fees and charges revenue is higher than the LTP due to more fees and charges revenue being received from the Selwyn Aquatic Centre swim school and timber sales from forestry and plantations being ahead of budget.

**Note 3** Payments to staff and suppliers is lower than the LTP largely due to lower staffing costs due to timing of opening planned community facilities in the district, including the extension to the Selwyn Aquatic Centre. Township maintenance costs are also lower than budget.

**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** 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 and Tai Tapu Community Centre.

**Note 6** Development contributions revenue is higher than the LTP due to substantial growth in the district being higher than forecast.

**Note 7** Debt has decreased largely due to the timing of borrowing required to fund major capital projects being carried forward to the 2019/20 financial year.

**Note 8** Gross sale proceeds is higher than the LTP due to the timing of disposal of Council properties classified as held for sale as at 30 June 2018.

**Note 9** Capital expenditure to meet additional demand is lower than the LTP largely due to the timing of the planning, design work and construction associated with the Rolleston Library and other large community projects. These projects have been carried forward for completion in the 2019/20 financial year.

**Note 10** Capital expenditure to improve the level of service is lower than the LTP as a number of projects have been undertaken have been delayed including the facility extension for Selwyn Aquatic Centre, development of Rolleston Town Centre and Foster Park Sports Pavilion. These projects have been carried forward for completion in the 2019/20 financial year.









# Community services



# This year the Council provided...

141

community events

attended by

12,573

Funding for

51

initiatives through the Selwyn Community Fund

20

initiatives promoting arts, culture and heritage

## Key results



93%

of residents think Selwyn is a great place to live



73%

of residents feel a sense of community



591

people attended community capacity-building initiatives



72%

of residents participate in community groups



# Community services

## Overview

The role of the Community Services and Facilities team is to deliver, facilitate, coordinate and/or promote a wide range of community activities events and programmes which make Selwyn district a great place to live, work, play and visit. 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 services, 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
- Economic and community wellbeing.

The Council's vision for the Community Services and Facilities team is delivering and facilitating "outstanding customer and community experiences".

We deliver this vision through facilitating opportunities, 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 community groups, clubs 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.
- Fostering opportunities for people to get involved in volunteering 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
- Informing central government and non-government organisations of residents' wellbeing, health, and education needs and challenges and encouraging relevant service responses
- Encourage awareness of wellbeing, health, and education services available to local residents
- Promoting arts and culture and facilitating opportunities for involvement
- Delivering outstanding customer services and programmes at times and locations that meet the needs of community
- Delivering accurate, timely, accessible and relevant information about Council services and community programmes
- Supporting local businesses
- Encouraging visitors.



## Why is the Council involved?

The role of the Council, in the delivery of community and economic development, some community events, libraries/ service centres, and aquatics as well as some community centre operations is about meeting 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 (and sometimes stay and live here).

There is evidence of an association between strong, vibrant, connected communities and desirable social outcomes including economic growth, social cohesion, improved health, more vibrant and relevant 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 are well placed to strengthen 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, facilitating community social, recreational, arts and cultural activities and events. Community centres and libraries/service centres provide a focal point for townships and communities and contribute to these communities' identity.

The benefits of physical activity and participation in recreation, sport and active leisure 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 promoting the natural features and assets of the district and the various places for residents to visit and experience (walking, mountain biking, skiing, and playing golf). The Council also provides a range of recreation and wellbeing programmes, 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.

Residents have told the Council, through a number of surveys and community consultations, how important it is to them to belong to safe, active, caring and cohesive communities.

## Activity goal

### **Community Service and Facilities 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 access, participation and empowerment by providing information, advice and support
- Delivering services directly where it makes sense to do so
- Collaborating with central government, community groups and/or community funders to deliver services, programmes and initiatives
- Encouraging funders and service providers to deliver and/or fund services within the district
- Fostering volunteer participation where opportunities present
- Encouraging, facilitating and sometimes funding 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 and Facilities team delivered 141 different events across the district that 12,573 residents participated in. Initiatives included Summer in Selwyn (with Teddy Bear Picnics, Skate/Scooter Jams, Outdoor Movie Nights, Picnics in the Park and 3x3 basketball Jams), KidsFest and also CultureFest taking place across the district. This year the Council teams joined forces to provide a range of events celebrating Matariki, which proved very popular and the Council intends to build on the initial popularity in the year ahead.

591 volunteers and residents participated in capacity-building opportunities delivered or facilitated by the Council. Topics for some of the workshops included Funding, Governance, Shoestring Marketing, Social Media and Event Management. Of the 151 residents that participated in six (6) of the key workshops, 100% were satisfied or very satisfied with 99% stating they would attend again.

The Council recognises the importance of volunteers and volunteering and this year, for the first time, Council staff donated some of their own time to a series of corporate volunteering opportunities organised.

The Selwyn Community Grants Fund has been established for community-led initiatives as part of the Long-Term Plan process. This year was its inaugural year. The target for initiatives to be funded was 25, however 51 initiatives were actually funded. Examples of what was funded included marketing and promotions, room hires at Council facilities, set-up costs for new community groups, training for volunteers as well as community education.

The Council continues to support initiatives that foster neighbourliness and community connectedness. 34 Meet Your Street opportunities occurred with 628 attendees. The Council is encouraging the move towards community-led Meet the Street opportunities and some funding is available to neighbourhoods to support these sorts of activities taking place at a street or neighbourhood level.

This year, the Council has further developed its Business Directory to increase its functionality and relevance and to encourage local businesses and residents to “think local” when buying goods or services. (See [www.selwyn.govt.nz/services/business/selwyn-directory](http://www.selwyn.govt.nz/services/business/selwyn-directory))

The biennial Selwyn Awards Gala evening took place in August 2018, “Celebrating Success in Selwyn” and 335 people attended the evening. The Council appreciates the commitment that successful local businesses and companies demonstrate with support for this event, as this evening and the Awards rely heavily on sponsorship and in-kind partners.

The Council is continuing to work with local and regional partners to attract visitors to the Selwyn district. This year, the Council hosted the second Selwyn Tourism Sector Forum. The Council is working with the Department of Conservation to develop a shared Walking, Biking and Camping in Selwyn brochure and has spent time redeveloping the website and associated brand that promotes Selwyn district as a destination. The new website will be launched in late 2019. Selwyn district as a destination with plenty of things to see and do, was presented at TRENZ, the Christchurch Food Show and also at Canterbury’s A&P Show.

In 2018, the Council introduced district-wide rates for community centres, halls and reserves. The initial focus has been on halls and community centres. This introduction means all ratepayers now contribute towards all Council’s community centres and halls. This is a significant departure from the past, when individual townships only, contributed towards the costs associated with a specific facility. Work has taken place this year, with community committees of Council; introducing some consistency associated with employment roles serving these committees, establishing consistent terms and conditions for centre/hall hires, providing regular communication between the Council and committees so that the Council’s expectation of committees is clear (Committee Call) and ensuring appropriate systems and processes are known and followed to gather and record expenditure and revenue.

The Council is keen to better meet residents’ and public as well as corporate demands for some of its centres and halls while also increasing the utilisation of other of its under-utilised community centres and halls. To increase the profile and utilisation of the many community centres and halls, to provide a more consistent approach, as well as offer a simpler, more straightforward way for residents and members of the public to find out about booking community centres and halls, the Council has introduced an online centralised bookings system. The new system profiles 30 Council-owned community centres, halls and facilities that have suitable spaces for community and corporate hire; nine of which are Council-managed. Both the ‘showcase’ and ‘general enquiry’ functions are now live while the Council further develops the attached invoicing and payment system. Location, and the physical building itself, influence demand, but with improved profiling through the showcase function and the introduction of options for enquirers, the Council expects to better meet residents’ and public as well as corporate demands for centres and halls. (See <https://eservices.selwyn.govt.nz/facilities/search>)

The Creative Communities Scheme continues to be administered by the Council on behalf of Creative New Zealand supporting local arts and cultural activities. 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 and 19 years. It helps school and club sports teams participate in local sporting competitions.

The Arts, Culture and Lifelong Learning team primarily operate from Council’s library/service centre network across the district; at Rolleston, Lincoln, Darfield and Leeston and this team plays an important role in the Council’s Community Services and Facilities team. Much of this team’s achievements and successes are described in the Community Facilities section of this report. Similarly, the Aquatics team, along with the Council-operated community centres, both valuable members of the Community Services and Facilities team, have their achievements and successes described in the Community Facilities section of this report.





Devils Punchbowl, Arthur's Pass



## Service targets for community services

Objective	Performance measure	Service target	Achievement
Continue to provide community development services and advice to Selwyn residents	Residents' sense of community with their local neighbourhood.	≥75%	Not achieved 73% (2018: Achieved 71%)
A healthy community – Residents have opportunities to enjoy healthy, active lifestyles and have access to appropriate health, social and community opportunities and services	Percentage of Selwyn residents who consider Selwyn a great place to live.	≥90%	Achieved 93% (2018: Not measured)
	Percentage of Selwyn residents a member of a community group (sports club, community or voluntary group, hobby or interest group).	≥85%	Not achieved 72% (2018: Achieved 70%)
A safe place to live, work and play – We know our neighbours	Percentage of Selwyn residents who are volunteers.	≥50%	Achieved 54% (2018: Not achieved 56%)
A prosperous community – Selwyn has a strong economy which fits within and complements the environmental, social and cultural environment of the district	Business excellence in Selwyn district celebrated through a bi-annual event.	1 event	Achieved 1x Selwyn Awards Gala (2018: Not measured)
	Sensational Selwyn website usage.	≥10% increase p.a.	Achieved 81% increase (2018: Not measured)

Objective	Performance measure	Service target	Achievement
A community which values its culture and heritage – cultural activities and events allow residents to experience the arts and culture	Community capacity-building initiatives are delivered to more than 500 representatives of community clubs, groups and committees per annum.	≥500 participants	Achieved 591 participants (2018: Not measured)
	Community events are delivered or facilitated per annum (targeting youth, families with children, and older people ) with more than 10,000 attendees	≥100 events	Achieved 141 (2018: Not measured)
	Initiatives targeted at newcomers take place annually	≥12 initiatives	Achieved 12 (2018: Not measured)
	Arts, culture and heritage initiatives take place annually	≥12 initiatives	Achieved 20 (2018: Not measured)
	Initiatives that foster neighbourliness take place annually	≥12 initiatives	Achieved 34 (2018: Not measured)
	Visitor promotion initiatives take place annually	≥12 initiatives	Achieved 15 (2018: Not measured)
	Visitor promotion campaigns per annum	≥1 initiative	Achieved 1 Tourism Summit (2018: Not measured)
	Youth consultation activities take place annually	≥6 initiatives	Achieved 9 (2018: Not measured)
	Community capacity-building participants are satisfied/very satisfied with programmes and services delivered (participant surveys)	≥90%	Achieved 100% (2018: Not measured)
	Arts, culture and heritage programme/event participants are satisfied/very satisfied with programme/event delivered (participant surveys)	≥90%	Achieved 100% (limitation –only one event had an evaluation undertaken this year) (2018: Not measured)
	Participants in 25 community events are satisfied/very satisfied with event delivered (participant surveys)	≥90%	Achieved 91% (2018: Not measured)
	Community grants funding will enable community based initiatives per annum.	≥25 community initiatives	Achieved 51 (2018: Not measured)



## Community services funding impact statement

	2018/19	2018/19	2017/18	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	2,838	2,822	2,728	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	74	57	85	
Fees and charges	3	-	58	
Internal charges and overheads recovered	-	-	-	
Other operating funding	122	-	-	Note 1
<b>Total operating funding (A)</b>	<b>3,037</b>	<b>2,879</b>	<b>2,871</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	2,042	2,501	2,233	Note 2
Finance costs	-	-	-	
Internal charges applied	349	349	313	
Other operating funding applications	57	57	38	
<b>Total application of operating funding (B)</b>	<b>2,448</b>	<b>2,907</b>	<b>2,584</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>589</b>	<b>(28)</b>	<b>287</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	77	20	215	Note 3
Capital expenditure to improve the level of service	45	45	-	
Capital expenditure to replace existing assets	-	-	-	
Increase (decrease) in reserves	21	3	82	
Increase/(decrease) of investments	446	(96)	(10)	
<b>Total applications of capital funding (D)</b>	<b>589</b>	<b>(28)</b>	<b>287</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(589)</b>	<b>28</b>	<b>(287)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Other operating funding is higher than the LTP due to the final insurance payment associated with the Port Hills Complex Fire claim being received this year.

**Note 2** Payments to staff and suppliers is lower than LTP due to lower expected costs of staff employed at community services.

**Note 3** Capital expenditure to meet additional demand is higher than the LTP due to the development and promotion of a new website for the community services economic development team.



Democracy



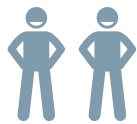
# This year the Council...

Supported **80** community committees

Administered **\$460,707** in total grant funding

## 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 statutory body 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 Boards, 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 Councils, 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.

	2018/19 Actual	2017/18 Actual
Banks Peninsula trotting	-	750
Community Environment Fund	17,813	-
Community Grant Fund	123,157	-
Community special events	-	49,239
Discretionary fund – Wards	83,630	64,239
Discretionary fund – Councillors	26,646	31,826
Education bursaries	18,000	18,000
Ellesmere Heritage Park	20,000	-
Lincoln Envirotown Trust	33,400	35,391
Mayoral fund	1,317	12,298
Selwyn Sports Trust	25,000	-
Summit Road protection authority	4,443	-
St John Funding	60,000	-
Te Ara Kakariki	25,000	25,000
Waihora Ellesmere trust	22,300	22,282
<b>Total grant funding</b>	<b>460,707</b>	<b>259,026</b>

In addition to the above grants, the Council also makes a grant to the Canterbury Museum Trust as per the Canterbury Museum Trust Board Act 1993 totalling \$541,839 (2018: \$498,840).

## Statement of service performance

The Council strives to provide opportunities for the community to participate in decision-making that contributes to a well-governed district by providing information, undertaking consultation and processing the community's input.

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

For many of the community outcomes, the Council has an advocacy role with government departments and other organisations. The Council takes every practical opportunity to undertake this advocacy role whether it is through formal meetings, submissions or informal gatherings at elected member or staff level. In this way, the Council has an impact on the social wellbeing 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 2017/18 Annual Report is prepared within statutory timeframes and with an unmodified audit opinion.	Achieved The 2017/18 annual report was adopted on 10 October 2018 with an unmodified audit opinion. (2018: Achieved)
	The Annual Plan is prepared within statutory timeframes.	The 2019/20 Annual Plan is prepared within statutory timeframes.	Achieved The 2019/20 annual plan was adopted on the 12 June 2019. (2018: Achieved)
	The proportion of residents rating the overall performance of Council in the Residents Survey as good or very good.	≥65%	Achieved 69% (2018: Achieved 69%)



## Democracy funding impact statement

	2018/19	2018/19	2017/18	
	Actual	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	4,345	4,320	3,095	
Targeted rates	815	824	902	
Subsidies and grants for operating purposes	1	50	-	
Fees and charges	15	4	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	5	
<b>Total operating funding (A)</b>	<b>5,176</b>	<b>5,198</b>	<b>4,002</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	2,073	2,084	1,746	
Finance costs	-	-	-	
Internal charges applied	2,867	2,867	2,235	
Other operating funding applications	132	139	126	
<b>Total application of operating funding (B)</b>	<b>5,072</b>	<b>5,090</b>	<b>4,107</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>104</b>	<b>108</b>	<b>(105)</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	-	-	-	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	(1)	(1)	2	
Increase/(decrease) of investments	105	109	(107)	
<b>Total applications of capital funding (D)</b>	<b>104</b>	<b>108</b>	<b>(105)</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(104)</b>	<b>(108)</b>	<b>105</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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



# Environmental services





# This year the Council...

Processed **603** resource consent applications

Issued **2,218** building consents

Issued **1,954** code compliance certificates

Registered **13,659** of the district's dogs

## Key results



**98%** of resource consents issued on time



**94%** of building consents issued on time



**95%** of building applicants satisfied with process



**100%** of known dogs registered



# Environmental services

## Overview

The environmental services group of activities contributes to the wellbeing 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 maintains its accreditation as a Building Consent Authority through biennial accreditation reviews conducted 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 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 or if there is a breach of resource consent conditions. 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.





*Acland Park subdivision, Rolleston*

## 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 to the Council 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. A full District Plan Review is currently under way to move to a second generation District Plan. This is scheduled to be publicly notified for submissions around mid-2020.

## 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. Microchipping 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 22 out of 26 performance measures in the 2018/19 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 4 hours and 100% of non-urgent callouts within 72 hours.

## Building and resource consent teams

Building and resource consent activity has continued to show high demand over the past year. In the year to June 2019, a total of 2,218 building consents were issued. The number of resource consent applications processed was also high at 603. 98% of resource consent applications received in the past year were processed within 20 working days. The Council processed 94% of building consents within statutory timeframes of 20 working days. The average time taken to process building consents was 13 working days (2018: 9 working days). A total of 752 resource consent and other applications were received which was an increase of 26 (4%) from the previous year.

## Environmental health and sale of alcohol

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

Alcohol licences were all issued within the timeframes set out in our performance targets. The Sale and Supply of Alcohol Act 2012 (the Act) provides for Police and the Ministry of Health (MOH) to file a report within 15 working days. There is no timeframe for the Licensing Inspector to report in the Act. If no reports are returned after 20 working days then the District Licensing Committee (DLC) can assume no opposition and issue the licence. The timing of these reports influences the ability of the Council to issue alcohol 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
<b>STRATEGY AND POLICY</b>			
Planning and providing for the sustainable management, development and protection of natural and physical resources of the district as required by Section 5 of the Resource Management Act 1991 and to develop, amend, and review the Selwyn District Plan to reflect the strategic direction, and meet statutory requirements.	The District Plan is up to date and in line with legislative requirements, including a reviewing provisions every 10 years.	100%	Achieved 100% (2018: Not measured)
	Plan Changes are completed and made operative within 2 years of notification. NCS database updated and closed out.	100%	Achieved 100% (2018: Achieved 100%)
	Private plan changes have a decision made on them within 2 years of notification. NCS database updated and closed out.	100%	Achieved 100% (2018: Achieved 100%)
Engaging with local communities, developers and other interested parties to develop a strategic direction.	A suggested work programme is included on the Council agenda once a year (Annual Plan process). The Council decides which projects are advanced from the work programme per year.	Achieved	Achieved (2018: Achieved)
<b>RESOURCE CONSENTS AND COMPLIANCE</b>			
That activity within the Selwyn district is undertaken in line with community expectations as expressed through the District Plan making timely and quality decisions on resource consents.  To interact with resource consent applicants in a manner which results in a high level of customer satisfaction.	Proportion of resource consents issued within statutory time frames.	100%	Not achieved 98% (2018: Achieved 98%)
	Preparation of Environment Court appeals settled or found in the Council's favour.	70%	Achieved There were no Environment Court Appeals (2018: Achieved – There were no Environment Court Appeals)
	Proportion of resource consent applicants very satisfied or satisfied.	85%	Not Achieved 77.91% (2018: Achieved 93%)
<b>BUILDING CONTROL</b>			
All buildings within Selwyn district are constructed in accordance with legislative and community expectations by making timely and quality decisions on issues related to building consents and ensuing project construction.	Proportion of building consents issued within statutory time frames	95%	Not achieved 94% (2018: Not achieved 93%)
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%	Not Achieved 94% (2018: Achieved 99%)
	Proportion of building consent applicants satisfied or very satisfied.	90%	Achieved 95% (2018: Not achieved 95%)
<b>ANIMAL CONTROL</b>			
Registration of all known dogs.	Registration of all known dogs by 30 June each year.	100%	Achieved 100% (2018: Achieved 100%)
All complaints in regard to dog control are investigated in a timely manner.	Percentage of urgent callouts attended to within 4 hours.	100%	Achieved 100% (2018: Achieved 100%)
	Percentage of non-urgent callouts attended to within 72 hours.	100%	Achieved 100% (2018: Achieved 100%)



Objective	Performance measure	Service target	Achievement
<b>ENVIRONMENTAL HEALTH</b>			
All registered premises are operated in a manner that minimises any adverse effects on public health.	Verbal and written food complaints, enquiries and suspect and confirmed food poisoning incidents will be responded to promptly and within the same day including contacting the complainant or enquirer.	100%	Achieved 100% 8 food complaints (2018: Achieved 100%)
	Complaints received only in writing will be actioned within 3 working days depending on any human risk involved.	100%	Achieved 100% (2018: 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% (2018: Achieved 100%)
All verbal and written complaints, enquires and nuisance complaints are responded to within timeframes.	Verbal and written complaints, enquiries and nuisance complaints will be responded to promptly and within the same day including contacting the complainant or enquirer.	100%	Achieved 100% (2018: Achieved)
	Complaints received in writing will be actioned within 3 working days depending on any human risk involved.	100%	Achieved 100% (2018: 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) (2018: Achieved – 25 complaints were received)
All notified disease is actioned on the day of receipt.	Each notified disease is actioned on the day of receipt from Canterbury District Health Board (Community & Public Health). The initial procedure involves telephone contact with each individual case and if he or she is not available a standard notification letter is sent on the same day.	100%	Achieved 100% (165 notified diseases) (2018: Achieved 100% – 171 notified diseases)
All registered premises are operated in a manner that minimises any adverse effects on public health.	All public swimming pools in the district will be inspected and assessed on an annual basis. These assessments will take place during the months of October to December or prior to use.	100%	Achieved 100% (2018: 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% (2018: Achieved 100%)
<b>ALCOHOL LICENCING</b>			
All licence applications are processed efficiently in accordance with legislative requirements.	Proportion of Special Licences issued within 15 working days of the receipt of reports filed by the Police and the Medical Officer of Health.	100%	Achieved 100% (2018: Achieved 100%)
	Proportion of all other uncontested licences issued within 20 working days of the closing day of submissions.	100%	Achieved 100% (2018: Achieved 100%)
<b>MONITORING, COMPLIANCE AND ENFORCEMENT</b>			
That activities granted a resource consent are monitored to maintain compliance	Monthly reports for monitoring of resource consents conditions is completed within 1 calendar month of issue.	85%	Achieved 100% (2018: Not measured)
Complaint received regarding District Plan breaches:	All complaints are recorded and investigated to conclusion	100%	Achieved 100% (2018: Not measured)



## Statistics for resource and building consents

for year ended 30 June 2019

Indicator	Number processed	Working days target	Target % within working days	% achieved within working days target	Average processing days
Subdivision consents – notified (with hearing)	-	130	100%	-	-
Subdivision consents – notified (no hearing)	-	50	100%	-	-
Subdivision consents – limited notification (with hearing)	-	100	100%	-	-
Subdivision consents – limited notification (no hearing)	2	65	100%	50%	65.50
Subdivision consents – non-notified (no hearing)	141	20	100%	98.59%	16.05
Land use consents – notified (with hearing)	-	130	100%	-	-
Land use consent – notified (no hearing)	-	50	100%	-	-
Land use consent – limited notification (with hearing)	11	100	100%	72.73%	102.18
Land use consent – limited notification (no hearing)	7	65	100%	85.71%	59.86
Land use consent – non-notified (no hearing)	442	20	100%	99.32%	13.44
Building consents	2,218	20	100%	94%	13.76
Full code of compliance certificates	1,954	20	100%	99%	2

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)	-	50	100%	-	-
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)	-	50	100%	-	-
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

## Environmental services funding impact statement

	2018/19	2018/19	2017/18	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	8,277	8,229	4,788	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	275	97	129	
Fees and charges	7,015	5,358	6,970	Note 1
Internal charges and overheads recovered	-	-	-	
Other operating funding	2	-	-	
<b>Total operating funding (A)</b>	<b>15,569</b>	<b>13,684</b>	<b>11,887</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	12,528	12,039	10,403	Note 2
Finance costs	-	-	-	
Internal charges applied	1,750	1,750	1,345	
Other operating funding applications	7	5	5	
<b>Total application of operating funding (B)</b>	<b>14,285</b>	<b>13,794</b>	<b>11,753</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,284</b>	<b>(110)</b>	<b>134</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	12	-	-	
<b>Total sources of capital funding (C)</b>	<b>12</b>	<b>-</b>	<b>-</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	7	30	21	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	223	34	4	
Increase/(decrease) of investments	1,066	(174)	109	
<b>Total applications of capital funding (D)</b>	<b>1,296</b>	<b>(110)</b>	<b>134</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,284)</b>	<b>110</b>	<b>(134)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Fees and charges revenue is higher than the LTP largely due to the level of building activity in the district. Building consent revenue received during the year was \$4.6 million compared with the LTP \$3.5 million.

**Note 2** 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 2018/19.



# Transportation





# This year the Council...

Repaired **5,300** potholes

Sealed **74.2km** of road


Completed **10,524km** of grading on unsealed roads

Constructed **2.2km** of footpath extensions

## Key results

 **47%** of residents satisfied with urban roads (35% neutral)

 **31%** of residents satisfied with rural roads (37% neutral)

 **44%** of residents satisfied with cycleways (34% neutral)

 **88%** of footpaths meet service standards

 **91%** of urban roads meet service standards

# Transportation

## Overview

The Council continues to manage increasing traffic volumes on Selwyn's roads resulting from high levels of development in the district. This is not only from the expansion of our townships in Greater Christchurch from new housing and commercial developments, 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.

Contractors have been busy:

- resealing 74.2km of roads.
- completing dig out repairs on 44,301 square metres of sealed road surface.
- completing 10,524km of grading on unsealed roads.
- repairing 5,300 potholes on sealed roads.
- constructing 2.2km of footpath extensions in our townships.

In addition, contractors completed 5.5km of road rehabilitation work on sections of Bealey Road, Cordys Road, Leaches Road and Waimakariri Gorge 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 traffic volumes in our urban townships, in Rolleston the Council has upgraded Dynes Road adjacent to Foster Park and undertaken a seal extension on Dunns Crossing Road while Robinsons Road was also sealed to tie in to the new Southern Motorway connections in the area. The Tosswill Road domain frontage in Prebbleton was also upgraded and in Lincoln, West Belt North underwent additional seal widening, and Birchs Road was upgraded to cater for the new housing developments along the road.

Major planning and design work was carried out for the street and intersection upgrades needed for the Rolleston Town Centre development planned to commence later in 2019. This included for new sections of road and the installation of traffic signals. Negotiations with the NZ Transport Agency have centred on ensuring the continuation of funding support for Councils safety upgrades of key intersections at Prebbleton.

The Council is also well advanced in its district-wide \$3.3 million programme 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 replacement 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.

The Council will continue our road maintenance and repair programmes which were enhanced with additional funding from the NZ Transport Agency, but there is always pressure in keeping up with the demands placed on our urban and rural roading networks from the traffic growth that continues occur across the district. In addition the Council's footpath extension programme continues to extend walking and cycling opportunities across district townships. This originated from the Council's 2018 Walking and Cycling Strategy and Action Plan which was formally adopted by the Council last year.

In addition to the works funded and undertaken by the Council, approximately 19km of new roads and 9.5km of new footpaths were vested this financial year with the Council by developers from new subdivisions and developments. All these works are checked and approved by the Council before these assets are transferred to Council ownership and ongoing operational and 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 coordinated 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. This is detailed in the Regional Public Transport Plan, adopted in 2018, that Selwyn is a party to.

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 current GPS requires transport activities to focus on four main areas: safety, access, the environment and providing value for money. The Council is required to develop business cases for its major transport projects that align to these types of outcomes, should the NZTA be able to provide any funding assistance.

The Council is also part of the Greater Christchurch Partnership which provides a coordinated response 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. This includes the Greater Christchurch Public Transport Committee which oversees the development and implementation of the Regional Public Transport Plan in this area.

## 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 to the following outcomes:**

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

## Statement of service performance

The Council has met 10 out of 15 performance measures in the 2018/19 year for the transportation activity

The service request helpdesk system has continued to be well utilised and reflects the public awareness that it is available for communicating their transport related issues to the Council. In the 2018/19 financial year, 2,839 service requests were lodged and of these, 85% were responded to in the required time. 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 47% "more than good" which was below our target of 50% or above. The drop in satisfaction may reflect ratepayers dissatisfaction with the traffic disruptions from the ongoing construction associated with Southern Motorway (which is an NZTA project) and the extensive new urban land development which requires temporary traffic controls to enable existing roads to be upgraded together with water and sewerage service installation.

The Council resurfaced 74.2km of our existing sealed roads during the year, just below our target level of 75km. The extra cost to repair pavement structures before sealing them continues to place pressure on this activity. Residents' satisfaction in rural roads remained steady with a rating of 31% "more than good" compared with our target of 30% or above. Further work by the Council to understand and monitor the condition of unsealed roads was undertaken. The Council's staff and contractor undertake a visual condition rating of our unsealed network on a six-monthly basis. This information is useful in enabling us to understand the performance of these roads over time. Coupled with local knowledge, it support the Council's asset management decision-making for unsealed roads in the district. From an operational perspective, the unsealed road condition rating gives an overall result of good, average or poor based on the factors of potholes, corrugations, running course, basecourse, camber and drainage. Those with a poor rating then have a more detailed inspection with the work necessary to improve the overall condition quantified, prioritised and programmed.

The residents' satisfaction survey provided a satisfactory result in footpaths of 54% rating satisfaction as "more than good" compared to the KPI of 55% or greater. This may reflect the challenges faced in planning larger cycleway projects and the longer negotiations needed to achieve these. The Council has also been progressively extending each township walking and cycling networks on busier roads and filling gaps in the existing footpath network as part of the improvement programme originating from the Council's Walking and Cycling Action Plan.

Work is ongoing 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 two deaths and 22 serious injuries in the 2018/19 year compared to the previous year of five and 26 respectively. 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 also includes those relating to the Greater Christchurch Partnership such as the Public Transport Joint Committee. This demonstrates our commitment to the coordination on a strategically important regional basis, both at the 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 85% of service requests were responded to within the timeframe specified in the long term plan. (2018: Achieved 77%)
	The proportion of residents rating the performance in the Residents Survey as good or very good.	Urban Roads ≥50%	Not achieved 47% (2018: Not Achieved 50%)
		Rural Roads ≥30%	Achieved 31% (2018: Achieved 31%)
		Footpaths ≥55%	Not achieved 54% (2018: Achieved 55%)
		Cycleways ≥50%	Not achieved 44% (2018: 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.)  Note: The last roughness count was measured in August 2016.	Urban roads ≥90%	Achieved 91% (2018: Achieved 92%)
		Rural roads ≥95%	Achieved 98% (2018: Achieved 98%)
		All roads ≥95%	Achieved 96% (2018: Achieved 97%)
	Maintenance of a sealed local road network:  The percentage of the sealed local road network that is resurfaced.  (Mandatory Performance Measure)	≥75km	Not achieved 74.2km (2018: Achieved 77.1km)



Objective	Performance measure	Service target	Achievement
	<p>Condition of footpaths within the local road network:</p> <p>The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual work program or long term plan).</p> <p>(Mandatory Performance Measure)</p>	≥80%	Achieved 88% (2018: Achieved 88%)
Cater for any significant projected traffic increases in a sustainable manner	The percentage of individual large capital projects* generally completed in the year that they were programmed to occur.	≥75%	Achieved 8 of 10 (80%) planned projects* were completed during the year. (2018: Achieved 6 of 7 (86%) planned projects* were completed during the year)
Pedestrians, cyclists and motor vehicle users can safely move around the Selwyn district.	<p>Road Safety: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.</p> <p>(Mandatory Performance Measure)</p> <p><i>Note: Reported results are obtained from the NZTA Crash Analysis System (CAS). Reported results may vary as the CAS system is continually updated throughout the year.</i></p>	Progressively reducing number of fatal and serious crashes.	Achieved 2 deaths and 22 serious injuries. Compared to the 2017/18 financial year, the 2018/19 financial year has seen a decrease of 3 death and 4 serious injury crashes on our local roads (2018: Not achieved 5 deaths and 26 serious injuries)
	The percentage of residents rating the performance rating of promotion of road safety in the Residents' Survey as good or very good.	≥50%	Not Achieved 45% (2018: Achieved 54%)
	The percentage of residents rating the performance rating of making district roads and intersections safer in the Residents' Survey as good or very good.	≥40%	Achieved 42% (2018: Achieved 40%)
Contribute to an integrated and responsive local and regional transportation system	Allocate the appropriate staff and resources to represent the interests of the Council and the community in Greater Christchurch and regional transportation planning, earthquake recovery, funding and implementation initiatives	≥80%	Achieved 7 out of 7 (100%) (2018: 8 out of 8 (100%))

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

## Transportation funding impact statement

	2018/19	2018/19	2017/18	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	7,610	
Targeted rates	-	-	1,188	
Subsidies and grants for operating purposes	4,695	5,972	2,570	Note 1
Fees and charges	-	-	-	
Internal charges and overheads recovered	-	-	-	
Other operating funding	262	270	187	
Total operating funding (A)	4,957	6,242	11,555	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	8,996	7,543	6,595	Note 2
Finance costs	293	77	903	
Internal charges applied	1,788	1,788	1,528	
Other operating funding applications	-	-	-	
Total application of operating funding (B)	11,077	9,408	9,026	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(6,120)</b>	<b>(3,166)</b>	<b>2,529</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	3,303	3,715	3,321	
Development and financial contributions	2,565	2,240	1,900	
Increase/(decrease) in debt	3,062	3,062	1,900	
Gross sales proceeds from sale of assets	-	-	-	
Total sources of capital funding (C)	8,930	9,017	5,804	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	6,091	10,278	1,658	Note 3
Capital expenditure to improve the level of service	1,013	2,071	822	Note 4
Capital expenditure to replace existing assets	6,477	6,658	5,362	
Increase/(decrease) in reserves	1,624	(327)	235	
Increase/(decrease) of investments	(12,395)	(12,829)	256	
Total applications of capital funding (D)	2,810	5,851	8,333	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>6,120</b>	<b>3,166</b>	<b>(2,529)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Subsidies and grants for operating and capital expenditure is lower than the LTP due to lower levels of subsidies received from NZTA than originally budgeted reflecting subsidised expenditure being slightly under budget.

**Note 2** Payments to staff and suppliers is higher than the LTP due to subsidised maintenance and operational expenditure being higher than originally budgeted.

**Note 3** Capital expenditure to meet additional demand is lower than the LTP due to the timing of completing some capital projects which have been carried forward for completion in the 2019/20 financial year. This includes Tennyson St Upgrade Stage 2 Moore Rolleston Dr and Southfield Drive Lincoln roading

**Note 4** Capital expenditure to improve the level of service is lower than the LTP due to the timing of completing some capital projects which have been carried forward for completion in the 2019/20 financial year.





An aerial photograph of a waste management facility. A large, green, corrugated metal building with a gabled roof is the central focus. To its left is an open-sided structure, possibly a weighing station, with a black car parked underneath. In the background, a vast green field stretches to the horizon under a clear blue sky. A dense line of evergreen trees separates the facility from the field. The foreground shows some overgrown vegetation and a concrete path. A green diagonal overlay covers the left side of the image, featuring white wavy lines. The text 'Solid waste management' is written in white on this overlay.

# Solid waste management



# This year the Council...

Collected from over **21,000** households

Collected from kerbsides **10,000** tonnes of rubbish

**5,100** tonnes of recycling

**5,900** tonnes of organics

**28,000** tonnes of all waste types through the Pines Resource Recovery Park

## Key results



**97%**

of residents satisfied with rubbish collection



**92%**

of residents satisfied with recycling collection



**89%**

satisfied with organics collection



**46%**

of residents have used Pines Resource Recovery Park



**8%**

reduction in kerbside waste to landfill



# Solid waste management

## Overview

The Council provides a variety of services related to the management of waste in the 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.

The Waste Minimisation Act 2008 requires local authorities to review their Waste Management and Minimisation Plan (WMMP) every six years. The Council completed its review of the existing WMMP by rewriting its Waste Assessment in 2017. The 2011 WMMP was revoked and replaced with a new plan that was adopted in August 2019. Improving the efficiency of resource use will reduce the amount of residual waste that has to be collected and disposed of. In Selwyn's case, the disposal of residual waste is to the Kate Valley Regional Landfill. The Act also requires local authorities to reduce waste at source, but this is more difficult, as it relates to the way products are manufactured, marketed and sold, 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 decompose and become a source of disease. There is also a risk that pollution of groundwater could occur, with the potential to affect drinking water supplies, where wells are shallow. The activity must be managed in a sustainable manner for today's communities and for future generations.

The Council 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 managing of private providers and 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 nine of the district's medium to larger townships, on an optional 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 until 2039.

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 Waste Management (NZ) Limited and five local authorities in Canterbury, including Selwyn District Council. The councils' collective share is 50% with 6% of that belonging to Selwyn District Council. The company's name is Transwaste Canterbury Limited. In addition, Selwyn works with the other Canterbury councils on wider waste minimisation related initiatives through the Canterbury Waste Joint Committee.



## Activity goal

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

## Council contribution to community outcomes

This activity contributes the following outcomes

- A clean environment
- A healthy community

## Statement of service performance

The Council met all of its performance measures in the solid waste activity. There was 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, some commercial waste collectors choosing to take construction waste to Christchurch, as well as an increase in the 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 is very high, with ratings of good or very good of 97%, 92%, and 89% respectively. In addition 46% of surveyed residents independently use the Resource Recovery Park.



## 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' satisfaction survey.	Rubbish collection $\geq 90\%$	Achieved 97% (2018: Achieved 95%)
		Recycling $\geq 90\%$	Achieved 92% (2018: Achieved 94%)
		Organic waste collection $\geq 85\%$	Achieved 89% (2018: Achieved 93%)
		Pines Resource Recovery Park $\geq 75\%$	Achieved 85% (2018: Not measured)
The Council protects the environment from illegal dumping.	The proportion of households using the Pines Resource Recovery Park.	$\geq 40\%$	Achieved 46% (2018: Achieved 47%)
The solid waste service is effective and efficient.	Number of substantiated formal complaints received per annum related to the solid waste service	$\leq 15$	Achieved 2 substantiated formal complaints were received during the year. (2018: Achieved – 1 substantiated formal complaint was received during the year.)
Waste to landfill is minimised	The total annual amount of residual waste to landfill per capita does not increase more than 2% per annum	$\leq 2\%$ increase in kg per capita compared with the previous year	Achieved 8% decrease in kg per capita (2018: 8% decrease in kg per capita)
	The annual amount of kerbside residual waste to landfill per capita does not increase over 2016/17 levels (175kg / capita)	No increase in kg per capita compared with the previous year	Achieved 8% decrease in kg per capita (2018: Not measured)

## Solid waste management funding impact statement

	2018/19	2018/19	2017/18	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	7,581	7,677	6,175	
Subsidies and grants for operating purposes	84	68	15	
Fees and charges	2,850	3,219	2,309	Note 1
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>10,515</b>	<b>10,964</b>	<b>8,499</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	9,045	9,135	7,465	
Finance costs	-	-	-	
Internal charges applied	541	541	375	
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>9,586</b>	<b>9,676</b>	<b>7,840</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>929</b>	<b>1,288</b>	<b>659</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	118	2,099	6	Note 2
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	33	-	-	
Increase/(decrease) of investments	778	(811)	653	
<b>Total applications of capital funding (D)</b>	<b>929</b>	<b>1,288</b>	<b>659</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(929)</b>	<b>(1,288)</b>	<b>(659)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

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

**Note 2** Capital expenditure to meet additional demand is lower than the LTP due to enhancements not being completed during the year at the Pines Resource Recovery Park and Compost Plant Refurbishment.





5 waters services

# This year the Council...

Provided drinking water to **81 %** of the population

Supplied **7.63** million cubic metres of water to households

Treated **3.85** million cubic metres of wastewater

Maintained **1,170km** of water mains

Maintained **359km** of wastewater mains

## Key results



**71 %** of residents satisfied with water supplies



**72 %** of residents satisfied with sewerage and wastewater



**46 %** of residents satisfied with urban stormwater



**99.98 %** compliance with drinking water standards for treatment



# 5 waters services

## Activities covered

<b>Community water supplies</b>	30 schemes (public health)
<b>Land drainage</b>	10 schemes (making land farmable)
<b>Stormwater – urban</b>	21 schemes (urban stormwater management)
<b>Water races – rural and urban</b>	3 schemes (stock water, amenity, habitat)
<b>Community wastewater schemes</b>	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 78 water-based schemes within the district. The 5 Waters assets carrying value is \$515 million with water supplies valued at \$119 million, sewerage schemes \$218 million, stormwater \$62 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 65% 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 the 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 2018-2028 Long-Term Plan for the very reason that failure of these services has a potentially 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

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 99.98% and 99.83% 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)

76% of the urban fire district area is within 135 metres 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 0.34m<sup>3</sup> of water per person a day in the 2018/19 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 65% 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 \$288.61 per year for water and \$355.20 per year for wastewater both below our targeted costs for these services.

### Compliance with resource consents

During the 2018/19 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 5 gravity reticulation overflows and 3 which were related to minor leaks from air release valves. The final result was 0.60 overflows per 1000 rated properties.

## Water sustainability and availability

Sustainable water management continues to be a focus for the 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 actively monitoring and planning for this.



## Service targets for 5 waters activities

Objective	Performance measure	Service target	Achievement
<b>LAND DRAINAGE</b>			
Nuisance effects from water services are minimised.	Proportion of residents rating the land drainage system good or very good.	≥40%	Not achieved 35% (2018: Achieved 40%)
	The number of complaints received about the performance of the Land Drainage system, expressed per 1000 rated properties.	Less than 10	Achieved 2.82 (2018: Achieved 6.44)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for Land Drainage.	≤\$100	Not achieved \$135 (2018: Not achieved \$102)
<b>STORMWATER</b>			
Adverse effects of water services on the environment are minimised.	Compliance with resource consents for discharge from the stormwater system measured by the number of: a) abatement notices; b) infringement notices c) enforcement orders; and d) convictions Received from Environment Canterbury. (Mandatory Performance Measure)	a) Nil b) Nil c) Nil d) Nil	Achieved (Nil) Achieved (Nil) Achieved (Nil) Achieved (Nil) (2018: Achieved Nil for all)
Nuisance effects of water services are minimised.	Proportion of residents rating the stormwater system good or very good.	≥45%	Achieved 46% (2018: Achieved 48%)
	The number of complaints received about the performance of the stormwater system, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 10	Achieved 2.91 (2018: Achieved 7.85)
	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 (2018: 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 (2018: 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 (2018: Achieved Nil)
	Total average operating cost per serviced property for stormwater.	≤\$85	Achieved \$66 (2018: Not achieved \$84)

Objective	Performance measure	Service target	Achievement
<b>WASTEWATER</b>			
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) (2018: Achieved Nil for all)
Nuisance effects of water services are minimised.	Proportion of residents rating the wastewater system good or very good.	≥65%	Achieved 72% (2018: Achieved 74%)
	The total number of complaints received about sewage odour, blockages and system faults, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 10.	Achieved 3.16 (2018: Achieved 4.21)
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	Achieved 30 minutes (2018: Achieved 45 minutes) Achieved 5 hours 18 minutes (2018: Achieved 4 hours 6 minutes)
Service capacity is provided to accommodate growing communities, where this growth is sustainable.	The proportion of residential properties serviced by wastewater services within the district expressed as a percentage of total residential properties.	≥60%	Achieved 65% (2018: Achieved 62%)
The community is provided with water services to a standard that protects their health and property.	The number dry weather wastewater overflows from the wastewater system, expressed per 1000 rated properties. (Mandatory Performance Measure)	Less than 1.5 overflow.	Achieved 0.6 (5 gravity system surcharge, 3 minor air release valve leakages) (2018: Achieved 0.72)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for wastewater.	≤\$360	Achieved \$355 (2018: Achieved \$349)
<b>WATER SUPPLY</b>			
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) (2018: 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.	≥65%	Achieved 70% (2018: Achieved 76%)
	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 19.16 (2018: Not achieved 23.66)
Problems with water services are addressed in a timely manner and prioritised according to risk and need.	Where personnel attend a non-urgent call-out in response to a fault or unplanned interruption in the reticulation system. The median response times measures the: a) attendance time: from the time that personnel receive notification to the time that service personnel reach the site; b) resolution time: from the time that personnel receive notification to the time that service personnel confirm resolution of the fault or interruption. (Mandatory Performance Measure)	a) Less than 24 hours b) Less than 120 hours	a) Achieved 1 hour 47 minutes (2018: Achieved 36 minutes) b) Achieved 6 hours 13 minutes (2018: Achieved 22 hours 48 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 59 minutes (2018: Achieved 27 minutes) b) Achieved 2 hours 12 minutes (2018: Achieved 2 hours 45 minutes)
Service capacity is provided to accommodate growing communities, where this growth is sustainable.	The proportion of residential properties serviced by water supplies within the district expressed as a percentage of total residential properties.	≥80%	Achieved 81% (2018: Achieved 81%)
	The percentage of real water loss from the water reticulation system in urban schemes. (Mandatory Performance Measure)	≤24%	Achieved 13.5% (2018: 15.9%)
	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 76% (2018: Achieved 72%)
	The average consumption of drinking water per day per resident. (Mandatory Performance Measure)	Less than 0.6m <sup>3</sup> per person per day within urban schemes	Achieved 0.342m <sup>3</sup> per person per day Only those residents who are billed water metered rates are included in this measure The meter reading are taken two times per year and they do not coincide with the financial year. (2018: Achieved 0.45m <sup>3</sup> per day)

Objective	Performance measure	Service target	Achievement
	The extent to which the drinking water supplies comply with the drinking water standards for bacteria compliance. (Mandatory Performance Measure)	≥99% of monitoring samples comply, at both the treatment plant and within the reticulation, across the district	Achieved Treatment: 99.98% Reticulation: 99.83% Self-administered properties not monitored by Council. (2018: Achieved Treatment: 99.96% Reticulation: 99.12%)
	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.	Achieved 70% (2018: Not achieved 67.35%)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for water supply.	≤\$330	Achieved \$289 (2018: Achieved \$299)

#### WATER RACES

Nuisance effects of water services are minimised.	Proportion of residents rating the water race system good or very good.	≥35%	Achieved 45% (2018: Achieved 38%)
	The total number of complaints received about continuity of supply, expressed per 1000 rated properties.	Less than 50.	Achieved 14.33 (2018: Achieved 30.88)
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 2 hours 7 minutes (2018: Achieved 1 hours 30 minutes) b) Achieved 2 hours 54 minutes (2018: 3 hours 29 minutes)
Water services are provided in a cost effective manner.	Total average operating cost per serviced property for water races.	≤\$200	Achieved \$195 (2018: Achieved \$164)
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) (2018: Achieved Nil for all)

## Community water supplies funding impact statement

	2018/19	2018/19	2017/18	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	6,440	6,081	5,995	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	82	119	-	
Internal charges and overheads recovered	1,312	1,312	1,197	
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>7,834</b>	<b>7,512</b>	<b>7,192</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	3,677	4,493	2,982	Note 1
Finance costs	-	-	-	
Internal charges applied	2,624	2,624	2,395	
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>6,301</b>	<b>7,117</b>	<b>5,377</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,533</b>	<b>395</b>	<b>1,815</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	2,840	2,117	2,068	Note 2
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>2,840</b>	<b>2,117</b>	<b>2,068</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	3,603	12,203	1,135	Note 3
Capital expenditure to improve the level of service	1,627	3,710	416	Note 4
Capital expenditure to replace existing assets	2,714	2,947	465	
Increase/(decrease) in reserves	(1,069)	(10,903)	1,927	
Increase/(decrease) of investments	(2,502)	(5,445)	(60)	
<b>Total applications of capital funding (D)</b>	<b>4,373</b>	<b>2,512</b>	<b>3,883</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,533)</b>	<b>(395)</b>	<b>(1,815)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Payments to staff and suppliers is lower than the LTP largely due to some operational projects being carried forward for completion in the 2019/20 financial year.

**Note 2** Development and financial contributions is higher than the LTP due to the higher than forecast substantial growth in the district.

**Note 3** Capital expenditure to meet additional demand is lower than the LTP due to projects being carried forward for completion in the 2019/20 financial year. This includes Lincoln reservoir and pump station and the Rolleston water supply extension.

**Note 4** Capital expenditure to improve the level of service is lower than the LTP due to projects being carried forward for completion in the 2019/20 financial year.



## Community wastewater funding impact statement

	2018/19	2018/19	2017/18	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	6,546	6,233	5,771	Note 1
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	856	638	169	
Internal charges and overheads recovered	814	814	674	
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>8,216</b>	<b>7,685</b>	<b>6,614</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	3,911	3,543	2,946	
Finance costs	676	65	3,222	Note 2
Internal charges applied	1,628	1,628	1,349	
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>6,215</b>	<b>5,236</b>	<b>7,517</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>2,001</b>	<b>2,449</b>	<b>(903)</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	7,515	5,075	5,854	Note 3
Increase/(decrease) in debt	(2,760)	2,600	(3,000)	Note 4
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>4,755</b>	<b>7,675</b>	<b>2,854</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	3,496	7,382	919	Note 5
Capital expenditure to improve the level of service	492	956	-	Note 6
Capital expenditure to replace existing assets	1,155	1,706	1,106	
Increase/(decrease) in reserves	(175)	(717)	(78)	
Increase/(decrease) of investments	1,788	797	4	
<b>Total applications of capital funding (D)</b>	<b>6,756</b>	<b>10,124</b>	<b>1,951</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(2,001)</b>	<b>(2,449)</b>	<b>903</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Targeted rates revenue is higher than the LTP due to the actual number of connections being rated is higher than budget due to additional connections from the higher than forecast substantial growth in the District.

**Note 2** Finance costs are higher than the LTP due to the basis on which the budget was prepared. Major capital projects were planned to be funded by internal borrowing as opposed to external borrowing. External borrowing has been used to fund the outstanding deficit on the capital account.

**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 decreased as the requirement to borrow is lower due to higher Council revenue than originally budgeted.

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

**Note 6** Capital expenditure to improve the level of service is lower than the LTP due to projects being carried forward for completion in the 2019/20 financial year.

## Community stormwater funding impact statement

	2018/19	2018/19	2017/18	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	1,175	1,120	864	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	-	-	-	
Internal charges and overheads recovered	169	169	-	
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>1,344</b>	<b>1,289</b>	<b>864</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	660	894	560	
Finance costs	81	118	145	
Internal charges applied	338	338	248	
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>1,079</b>	<b>1,350</b>	<b>953</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>265</b>	<b>(61)</b>	<b>(89)</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	146	351	182	
Increase/(decrease) in debt	35	(351)	(500)	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>181</b>	<b>-</b>	<b>(318)</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	23	18	-	
Capital expenditure to improve the level of service	94	1,669	216	Note 1
Capital expenditure to replace existing assets	-	-	112	
Increase/(decrease) in reserves	240	212	103	
Increase/(decrease) of investments	89	(1,960)	(838)	
<b>Total applications of capital funding (D)</b>	<b>446</b>	<b>(61)</b>	<b>(407)</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(265)</b>	<b>61</b>	<b>89</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1.** Capital expenditure to improve the level of service is lower than the LTP due to projects being carried forward for completion in the 2019/20 financial year. This includes the Leeston township flood diversion.

## Water rates and land drainage funding impact statement

	2018/19	2018/19	2017/18	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	40	40	45	
Targeted rates	2,704	2,597	2,244	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	412	383	338	
Internal charges and overheads recovered	388	388	342	
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>3,544</b>	<b>3,408</b>	<b>2,969</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	2,509	2,866	2,247	
Finance costs	-	-	-	
Internal charges applied	776	776	684	
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>3,285</b>	<b>3,642</b>	<b>2,931</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>259</b>	<b>(234)</b>	<b>38</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	-	42	-	
Capital expenditure to improve the level of service	280	484	1,497	
Capital expenditure to replace existing assets	197	1,249	107	Note 1
Increase/(decrease) in reserves	273	(712)	(1,457)	
Increase/(decrease) of investments	(491)	(1,297)	(109)	
<b>Total applications of capital funding (D)</b>	<b>259</b>	<b>(234)</b>	<b>38</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(259)</b>	<b>234</b>	<b>(38)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

Note 1. Capital expenditure to replace existing assets is lower than the LTP due to projects being carried forward for completion in the 2019/20 financial year.





# Izone Southern Business Hub



# Key results

---

**SOLD**

**3** hectares of land sold

---

**SOLD**

**18.4** hectares per year  
sold in past four years

---

# 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 has been purchased to accommodate growth and demand for industrial land within Selwyn.

The park, which is located next to State Highway 1 and the Main South and Main West railway lines, has been very popular with parties interested in purchasing land.

## Why is the Council involved?

**In the late 1990s the Council's strategic planning identified:**

- A desire for more Selwyn residents to be able to work in the district.
- There was a lack of industrial land in the district. The Council found there was no private sector interest in developing more industrial land. The Council identified the opportunity to address the lack of industrial land by purchasing the land known as Izone.

## Activity goal

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

## Council contribution to community outcomes

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

## Statement of service performance

The Council has achieved the budgeted sales target of 10 hectares on average per 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 10ha on average per year.	10ha	Achieved 3 ha of land was sold during the year with 11.6 ha sold in 2017/18, 31 ha sold in 2016/17, 6.4 ha sold in 2015/16 and 28 ha sold in 2014/15. On average the Council has sold 18.4 ha per year over the last four years. (2018: Achieved 19.3 ha on average)



## Izone Southern Business Hub funding impact statement

	2017/18	2017/18	2016/17	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	-	-	-	
Targeted rates	-	-	-	
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	41	31	32	
Internal charges and overheads recovered	-	-	-	
Other operating funding	-	-	-	
<b>Total operating funding (A)</b>	<b>41</b>	<b>31</b>	<b>32</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	707	409	1,479	Note 1
Finance costs	-	-	-	
Internal charges applied	-	-	-	
Other operating funding applications	-	-	-	
<b>Total application of operating funding (B)</b>	<b>707</b>	<b>409</b>	<b>1,479</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(666)</b>	<b>(378)</b>	<b>(1,447)</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	-	-	-	
Gross sales proceeds from sale of assets	5,014	9,473	11,440	Note 2
<b>Total sources of capital funding (C)</b>	<b>5,014</b>	<b>9,473</b>	<b>11,440</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	34	-	-	
Capital expenditure to improve the level of service	-	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	-	-	-	
Increase/(decrease) of investments	4,314	9,095	9,993	
<b>Total applications of capital funding (D)</b>	<b>4,348</b>	<b>9,095</b>	<b>9,993</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>666</b>	<b>378</b>	<b>1,447</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** These costs are directly linked to the sale of land at the Izone Southern Business Hub. Costs are projected to decrease to \$323,000 for the 2019/20 financial year as the Izone development nears completion.

**Note 2** Gross sales proceeds from sale of assets are lower than the LTP due to the timing of the sale of commercial property at the Izone Southern Business Hub.

# Internal Council Services

## Support services

Internal support and administration functions exist to assist the Council's significant activities in the delivery of outputs and services with the exception of taxation expense. The cost of all support services (overheads) is allocated to each of the Council's significant activities on a cost basis.

Support services include; 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 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

	2018/19	2018/19	2017/18	
	ACTUAL	LTP	LTP	
	\$'000	\$'000	\$'000	
<b>SOURCES OF OPERATING FUNDING</b>				
General rates	(8,504)	(8,953)	(7,919)	
Targeted rates	429	417	543	
Subsidies and grants for operating purposes	93	79	137	
Fees and charges	1,884	2,044	2,554	
Internal charges and overheads recovered	16,239	16,239	12,662	
Other operating funding	9,790	8,875	9,061	Note 1
<b>Total operating funding (A)</b>	<b>19,931</b>	<b>18,701</b>	<b>17,083</b>	
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	15,149	14,754	11,656	Note 2
Finance costs	79	91	766	
Internal charges applied	1,938	1,939	1,448	
Other operating funding applications	40	140	151	
<b>Total application of operating funding (B)</b>	<b>17,206</b>	<b>16,924</b>	<b>14,021</b>	
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>2,725</b>	<b>1,777</b>	<b>3,017</b>	
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	
Increase/(decrease) in debt	7,016	(247)	(252)	Note 3
Gross sales proceeds from sale of assets	10	-	-	
<b>Total sources of capital funding (C)</b>	<b>7,026</b>	<b>(247)</b>	<b>(252)</b>	
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	901	543	578	Note 4
Capital expenditure to improve the level of service	64	-	-	
Capital expenditure to replace existing assets	-	-	-	
Increase/(decrease) in reserves	26	52	82	
Increase/(decrease) of investments	8,760	935	2,105	
<b>Total applications of capital funding (D)</b>	<b>9,751</b>	<b>1,530</b>	<b>2,765</b>	
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(2,725)</b>	<b>(1,777)</b>	<b>(3,017)</b>	
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

**Note 1** Other operating funding 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 2** 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 3** The movement in debt represents the net transfer of loans between internal and external borrowing.

**Note 4** Capital expenditure to meet additional demand is higher than the LTP due to the timing of replacement of Council's motor vehicles and additional computer hardware purchases to keep up with the increased demand from new facilities and staffing resources.



# 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 2019 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

9 October 2019



Rakaia Huts

## Funding impact statement

The funding impact statement is cash-based and presented in the prescribed form required by Section 15 of Schedule 10 of the Local Government Act 2002. The statement excludes non-cash revenue and expenditure items such as vested asset revenue (revenue that represents the value of assets transferred to the Council by sub-dividers) and depreciation (expenditure that represents the estimated value of assets used up in any one year).

The statement provides information on revenue sources, including general rates, targeted rates, fees and charges, subsidies, interest, dividends and development contributions. The revenue sources are split between those that fund operating items (day-to-day costs) and those that are specific to capital items (new and replacements assets). Where revenue funds both types of costs it is treated as operating revenue.

Similarly, expenditure is split between operating and capital items. The statement shows how the difference between revenue sources and expenditure has been met. This is through the use of borrowing, reserves or investments. For example, where operating and capital expenditure items exceed all revenue sources, the Council may borrow funds to meet the shortfall. This would typically occur during the development of a large capital project. Alternatively, the Council can use its investments to meet a shortfall. Investments include the use of general working capital (cash) balances, or the use of reserves that have been set aside for that activity. The use of reserves typically occurs where funds have been collected for a specific purpose, for example development or reserve contributions. The overall statement balances to nil as all differences between cash revenue and cash expenditure need to be funded by a combination of borrowing, investments and reserves.

The amount of general rate revenue allocated to each activity is based on the way the Council has determined it will fund specific activities. The Council's approach is set out in the Revenue and Financing Policy. The Council also receives revenue from dividends, interest and other sources that is used to reduce the amount of general rate revenue that needs to be charged to ratepayers. This revenue is treated as corporate revenue and included in the support services funding impact statement. This means that the general rate revenue line in this statement is actually a reduction in the general rate requirement, rather than an amount of revenue to be collected from ratepayers. In effect, it offsets the amount of general rate expenditure that would need to be charged to ratepayers if the Council did not have dividend and interest revenue.



	2018/19	2018/19	2017/18	2017/18
	ACTUAL	ANNUAL PLAN	ACTUAL	ANNUAL PLAN
	\$'000	\$'000	\$'000	\$'000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charge, rate penalties	21,195	20,574	17,822	17,509
Targeted rates	36,254	35,318	33,762	33,260
Subsidies and grants for operating purposes	5,530	6,360	4,012	3,352
Fees and charges	18,166	15,831	16,707	17,017
Interest and dividends from investments	9,689	8,875	10,384	9,574
Other operating funding	500	270	1,105	359
Total operating funding (A)	91,334	87,228	83,792	81,071
<b>APPLICATION OF OPERATING FUNDING</b>				
Payments to staff and suppliers	75,931	76,335	70,214	70,404
Finance costs	1,241	1,881	1,471	3,313
Other operating funding applications	300	515	893	500
Total application of operating funding (B)	77,472	78,731	72,578	74,217
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>13,862</b>	<b>8,497</b>	<b>11,214</b>	<b>6,854</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies for capital expenditure	4,102	3,715	5,652	6,155
Development and financial contributions	22,896	15,880	14,996	12,308
Increase/(decrease) in debt	-	44,971	(20,000)	33,483
Gross sales proceeds from sale of assets	9,021	11,153	18,435	17,572
Total sources of capital funding (C)	36,019	75,719	19,083	69,518
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure to meet additional demand	27,200	72,587	28,552	50,990
Capital expenditure to improve the level of service	10,953	23,697	14,757	24,626
Capital expenditure to replace existing assets	12,283	14,594	9,472	12,652
Increase/(decrease) in reserves	9,690	(17,228)	(5,332)	(15,849)
Increase/(decrease) of investments	(10,245)	(9,434)	(17,152)	3,953
Total applications of capital funding (D)	49,991	84,216	(30,297)	76,372
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(13,862)</b>	<b>(8,497)</b>	<b>(11,214)</b>	<b>(6,854)</b>
<b>Funding balance (A-B) + (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Financials – financial highlights

### Introduction

Selwyn District Council continued to experience high levels of population and economic growth during the 2018/19 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 \$106.0 million compared with the budget of \$108.0 million. The main variances compared with budget were:

- Employee benefit expenditure \$1 million below budget due to the timing of recruitment of staff.
- Finance costs \$900,000 below budget, due to a reduced borrowing requirement due to positive cash flows and some capital projects that have not yet been completed.
- Depreciation and amortisation expenditure \$2.5 million below budget due to the timing of completion of some significant capital projects.
- Cost of sales \$1.3 million higher than budget due to the recognition of the cost of land sold in the Izone Southern Business Hub.
- Subsidised maintenance and operational expenditure \$864,000 higher than budget.

### Revenue

Revenue for the year was \$166.0 million compared with the budget of \$146.0 million. The main variances compared with budget were:

- Rates revenue was \$1.3 million above budget due to higher levels of population growth in the district compared with those projected in the budget.

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

- Development contributions revenue \$7.0 million above budget as the level of housing development in the district continues to be more rapid than expected. Development contributions are retained in a separate account to fund new infrastructure and are not available to reduce the level of rates.
- Fees and charges revenue \$2.3 million above budget due to building and resource consent revenue being higher than forecast due to growth in the district.
- Vested asset revenue \$8.9 million higher than budget due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.
- Land sales revenue was lower than budget by \$4.5 million due to the sale of land in the Izone Southern Business Hub being below what was budgeted.
- Gains from the movement in the fair value of investment property was \$2.4 million above budget largely due to the movement in the valuation of the new Sicon Headquarters building in Izone.
- Gains on the disposal of property, plant and equipment and property intended for sale was \$1.2 million above budget.

## Cashflow

The Council has a positive **operating** cash flow of \$49 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 \$79 million for the year ended 30 June 2019.
- The increase was due to total comprehensive revenue and expense of \$79 million.
- The value of the Council's net assets is \$1.627 billion (2018: \$1.548 billion).

## Assets

- **Cash** and cash equivalents held at year end is lower than budgeted by \$5.5 million.
- **Inventory** is higher than budgeted by \$2.3 million due to the timing of sale of land at Izone.
- **Other financial assets** which includes term deposits held by council are higher than budget by \$23.5 million.
- **Property, plant and equipment** is lower than budget by \$43.8 million due to the timing of completion of some large capital projects.

## Liabilities

- **Borrowings** are lower than budget by \$45.0 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 2019

### 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.

For 2018/19 council is reporting against its limits as outlined in the 2018/19 LTP

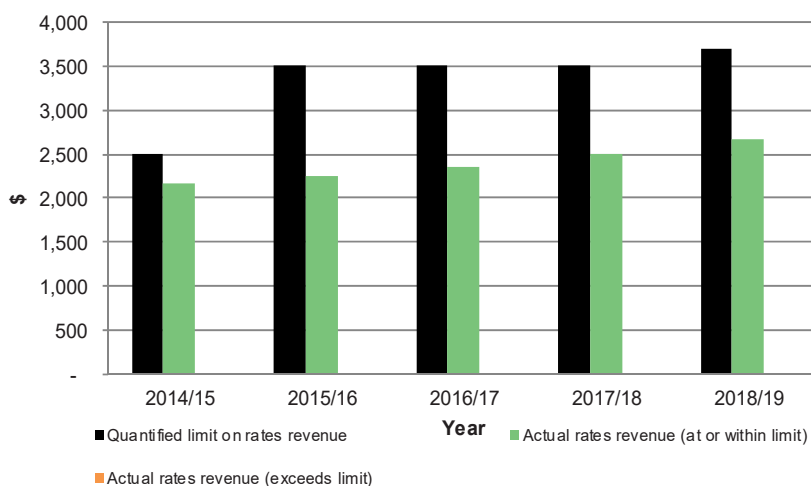
### Rates affordability benchmark

The council meets the rates affordability benchmark if –

- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

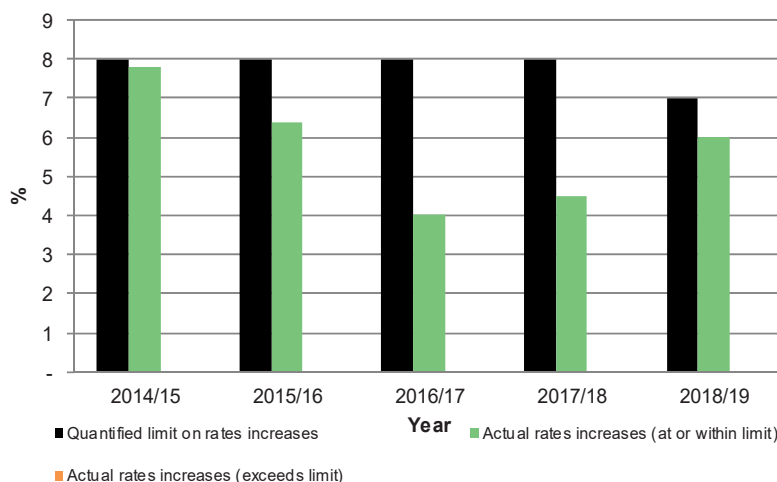
#### Rates (revenue) affordability

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



#### Rates (increases) affordability

The following graph compares the Council's actual average rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 7% per annum.

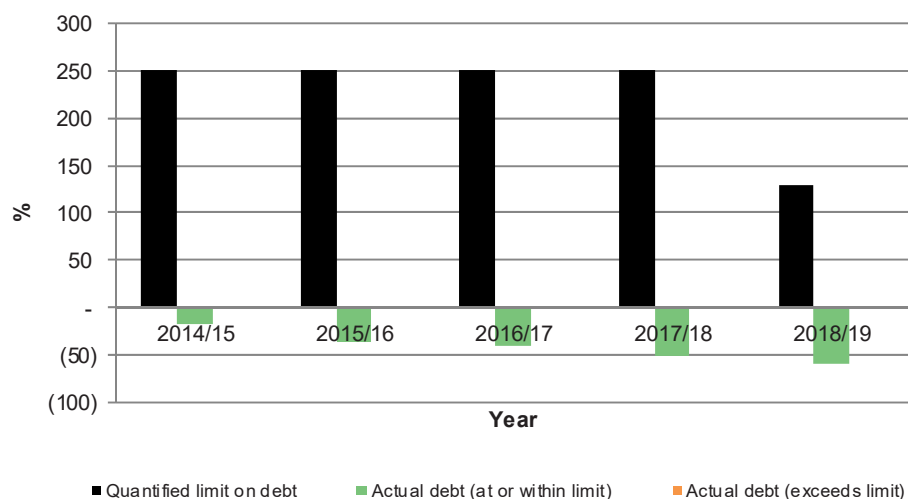


### Debt affordability benchmark

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

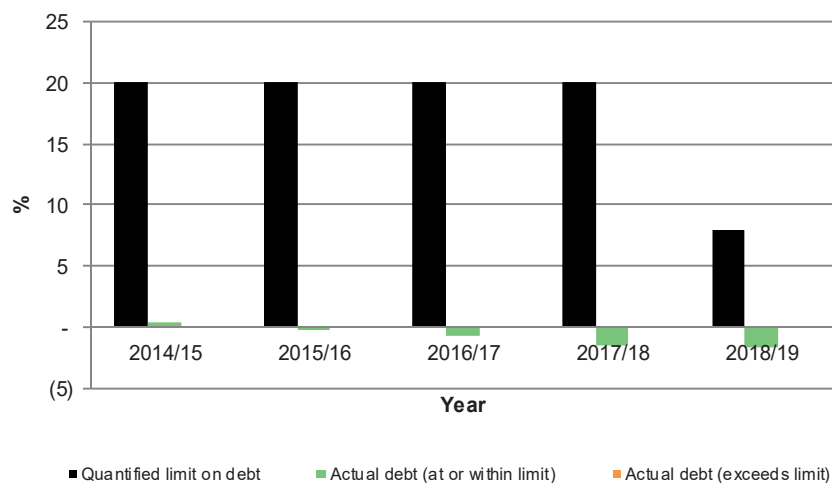
#### Net borrowing as percentage of revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net borrowings as a percentage of revenue will be less than 130%.



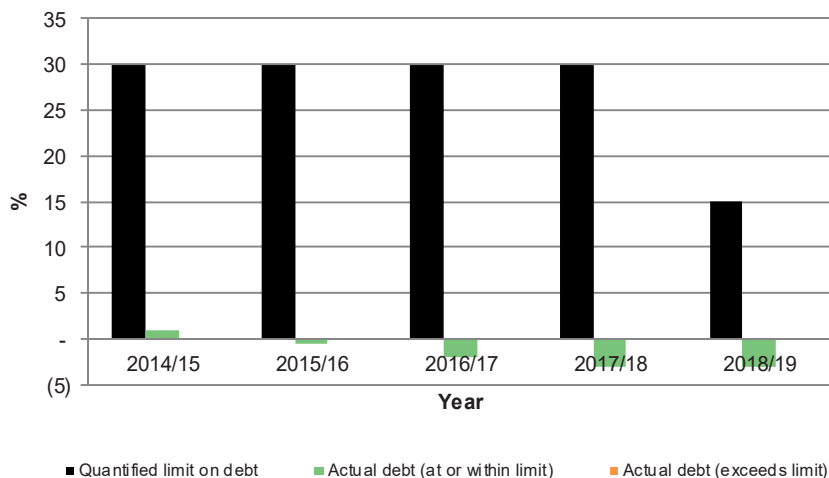
#### Net interest as percentage of revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net interest as a percentage of revenue will be less than 8%.



#### Net interest as percentage of rates revenue

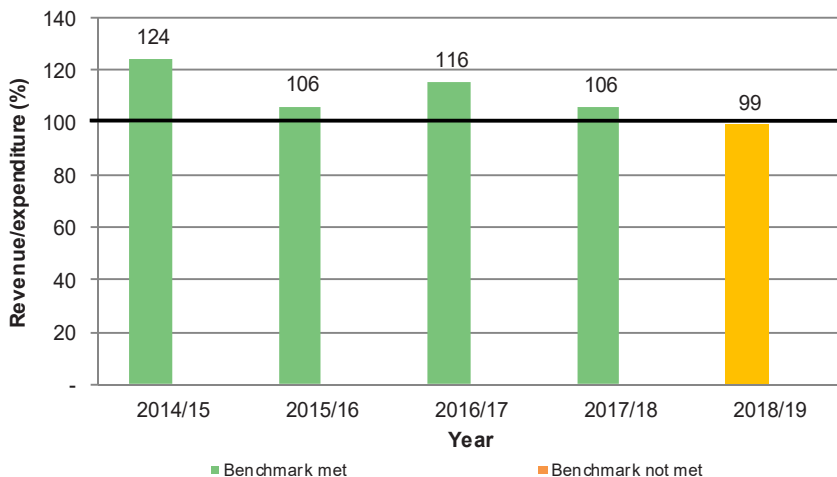
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is net interest as a percentage of rates revenue will be less than 15%.



#### Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluation of property, plant or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



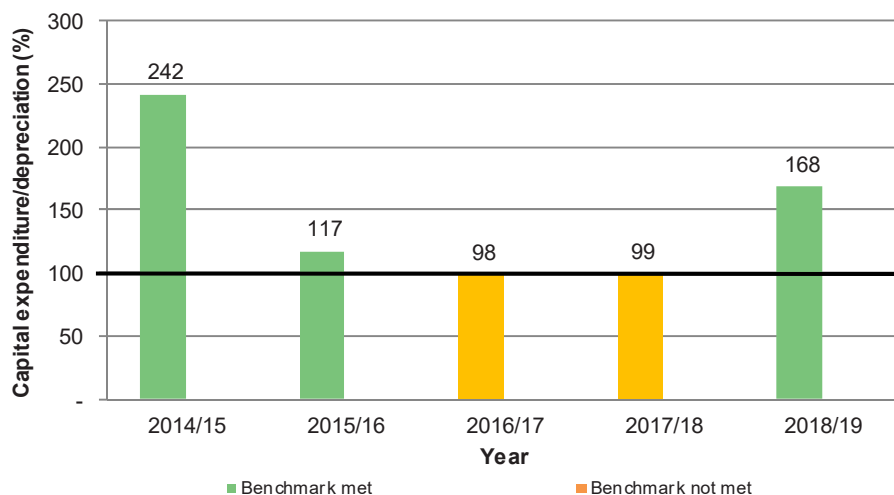
2018/19 –The Council did not meet the balanced budget benchmark largely due to the Council's decision to not fully fund depreciation (the Council generally funds renewals rather than depreciation).



### Essential services benchmark

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

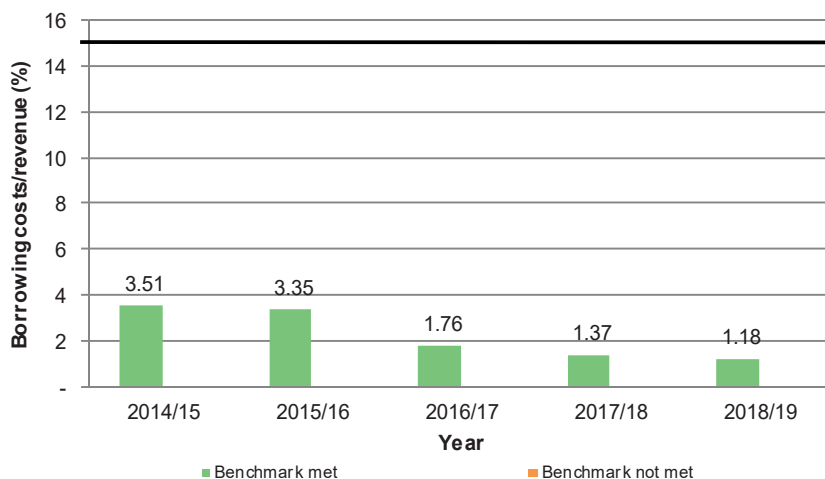
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



### Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant, or equipment).

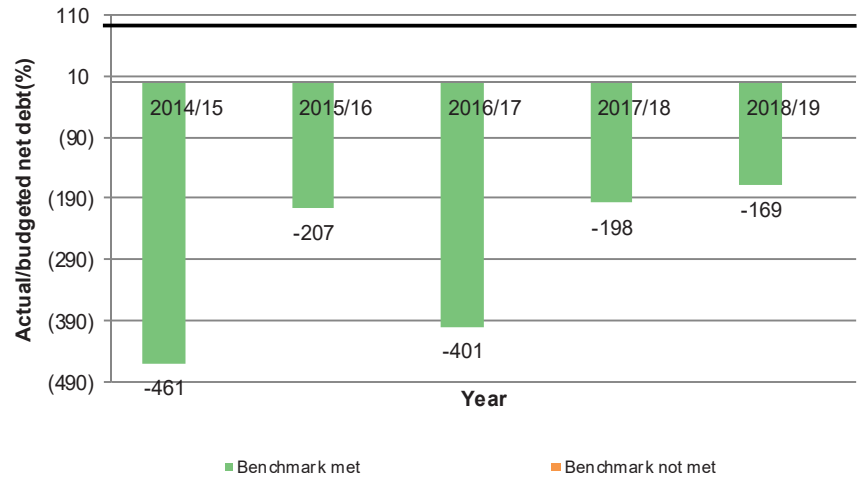
Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it means the debt servicing benchmark if it's borrowing costs equal or are less than 15% of its revenue.



**Debt control benchmark**

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

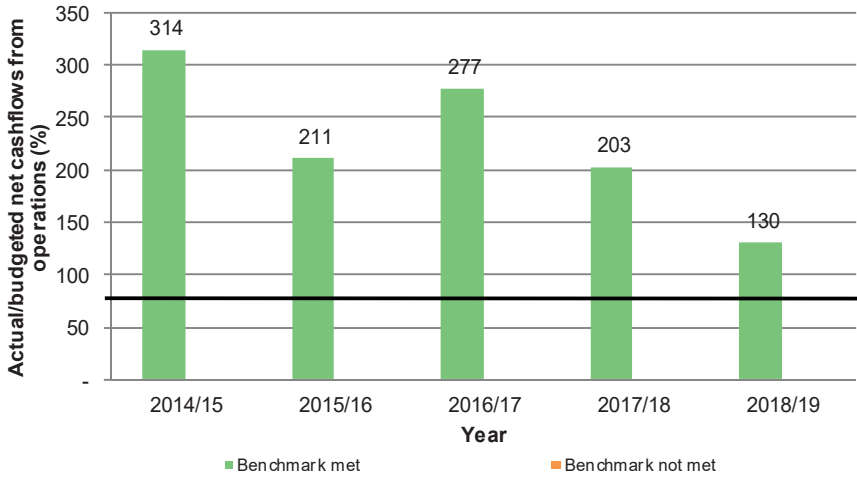
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



**Operations control benchmark**

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flows from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



**Rating base information**

- The number of rating units within the district at the end of the preceding financial year: 27,485
- The total capital value of rating units within the district at the end of the preceding financial year: \$22.5 billion
- The total land value of rating units at the end of the preceding financial year: \$11.6 billion

**Insurance of assets**

- The total value of all assets that are covered by insurance contracts: \$872 million
- The maximum amount to which assets are insured: \$372 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: \$12.4 million

The total value of all assets covered by insurance contracts is \$872 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.

The Council also has 2 self-insurance funds as follows:

- Earthquake self-insurance reserve as at 30 June 2019 \$11.7 million.
- General insurance reserve as at 30 June 2019: \$0.7 million.



## Financials – statement of comprehensive revenue and expense for the year ended 30 June 2019

	Note	Council 2018/19 \$000	Council Budget \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<b>Revenue</b>						
Rates	2	57,449	56,182	51,584	57,446	51,579
Fees and charges	3	18,166	15,831	16,707	17,865	16,497
Development and financial contributions		22,896	15,879	14,996	22,896	14,996
Subsidies and grants		9,632	10,075	9,664	9,632	9,664
Other revenue	4	53,758	48,066	51,607	87,720	93,999
Gains	5	4,211	3	1,398	2,170	1,672
<b>Total revenue</b>	<b>1</b>	<b>166,112</b>	<b>146,036</b>	<b>145,956</b>	<b>197,729</b>	<b>188,407</b>
<b>Expenditure</b>						
Employee benefit expenses	6	22,167	23,206	20,169	39,415	36,763
Depreciation and amortisation expense	7	25,949	28,416	24,764	29,192	28,265
Other expenses	8	56,573	54,459	54,602	69,809	74,587
Finance costs		940	1,880	1,100	1,093	1,208
<b>Total operating expenditure</b>	<b>1</b>	<b>105,629</b>	<b>107,961</b>	<b>100,635</b>	<b>139,509</b>	<b>140,823</b>
<b>Operating surplus / (deficit) before taxation</b>		<b>60,483</b>	<b>38,075</b>	<b>45,321</b>	<b>58,220</b>	<b>47,584</b>
Share of associate surplus / (deficit)		-	-	-	-	-
<b>Surplus / (deficit) before taxation</b>		<b>60,483</b>	<b>38,075</b>	<b>45,321</b>	<b>58,220</b>	<b>47,584</b>
Income taxation expense / (benefit)	9	(33)	-	36	294	1,042
<b>Surplus / (deficit) after taxation</b>		<b>60,516</b>	<b>38,075</b>	<b>45,285</b>	<b>57,926</b>	<b>46,542</b>
<i>Surplus / (deficit) attributable to:</i>						
Selwyn District Council		60,516	38,075	45,285	57,926	46,694
Minority interest		-	-	-	-	(152)
<b>Surplus / (deficit) after taxation</b>		<b>60,516</b>	<b>38,075</b>	<b>45,285</b>	<b>57,926</b>	<b>46,542</b>
<b>Other comprehensive revenue and expense</b>						
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Gain / (loss) on infrastructure assets revaluation	15	68	-	-	68	-
Gain / (loss) on land and building revaluation	15	18,772	24,235	-	20,999	(15)
<b>Total other comprehensive revenue and expense</b>		<b>18,840</b>	<b>24,235</b>	<b>-</b>	<b>21,067</b>	<b>(15)</b>
<b>Total comprehensive revenue and expense</b>		<b>79,356</b>	<b>62,310</b>	<b>45,285</b>	<b>78,993</b>	<b>46,527</b>
<i>Total comprehensive revenue and expense attributable to:</i>						
Selwyn District Council		79,356	62,310	45,285	78,993	46,679
Minority interest		-	-	-	-	(152)
<b>Total comprehensive revenue and expense</b>		<b>79,356</b>	<b>62,310</b>	<b>45,285</b>	<b>78,993</b>	<b>46,527</b>

The accompanying notes form part of these financial statements.

## Financials – statement of changes in equity for the year ended 30 June 2019

	Note	Council 2018/19 \$000	Council Budget \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Balance at 1 July		1,548,140	1,543,768	1,502,855	1,547,081	1,500,554
Total comprehensive revenue and expense for the year		79,356	62,310	45,285	78,993	46,527
Acquisition of non - controlling interest		-	-	-	(3,002)	-
Balance at 30 June	20-23	1,627,496	1,606,078	1,548,140	1,623,072	1,547,081

*Total comprehensive revenue and expense for the year is attributable to:*

Selwyn District Council	79,356	62,310	45,285	78,993	46,679
Minority interest	-	-	-	-	(152)
Total comprehensive revenue and expense	79,356	62,310	45,285	78,993	46,527

The accompanying notes form part of these financial statements.

## Financials – statement of financial position as at 30 June 2019

	Note	Council Actual 2018/19 \$000	Council Budget 2018/19 \$000	Council Actual 2017/18 \$000	Group Actual 2018/19 \$000	Group Actual 2017/18 \$000
<b>Current assets</b>						
Cash and cash equivalents		8,664	14,158	9,753	9,789	13,163
Receivables	10	11,204	8,000	11,424	15,562	16,817
Inventory	12	2,322	30	4,351	4,921	5,203
Other financial assets	13	71,903	48,436	66,865	71,903	66,865
Income taxation receivable	9	28	-	3	99	-
Property held for sale		-	1,892	822	560	822
Investment in joint venture		-	-	-	(2)	(1)
<b>Total current assets</b>		<b>94,121</b>	<b>72,516</b>	<b>93,218</b>	<b>102,832</b>	<b>102,869</b>
<b>Non-current assets</b>						
Receivables	10	123	300	301	123	301
Other financial assets	13	1,122	1,089	4,014	1,122	4,014
Investment in council controlled organisations	13	111,626	112,026	111,706	89,376	89,456
Investment in associates		-	-	-	-	-
Investment property	14	21,325	22,816	13,965	14,441	13,255
Forestry assets		247	162	311	247	311
Property, plant and equipment	15	1,435,061	1,478,877	1,360,017	1,455,188	1,375,290
Deferred tax	9	-	-	-	87	60
Intangible assets	15	489	156	497	2,482	3,070
<b>Total non-current assets</b>		<b>1,569,993</b>	<b>1,615,426</b>	<b>1,490,811</b>	<b>1,563,066</b>	<b>1,485,757</b>
<b>Total assets</b>		<b>1,664,114</b>	<b>1,687,942</b>	<b>1,584,029</b>	<b>1,665,898</b>	<b>1,588,626</b>
<b>Current liabilities</b>						
Payables and deferred revenue	16	17,122	21,000	16,814	18,809	19,356
Employee benefit liabilities	17	2,307	-	2,063	3,655	3,439
Other provisions	18	-	-	50	254	366
Income taxation payable	9	-	-	-	-	324
Derivative financial instruments	11	422	-	487	422	487
Borrowings	19	5,000	2,710	15,000	8,000	16,241
<b>Total current liabilities</b>		<b>24,851</b>	<b>23,710</b>	<b>34,414</b>	<b>31,140</b>	<b>40,213</b>
<b>Non-current liabilities</b>						
Employee benefit liabilities	17	93	-	118	104	128
Other provisions	18	1,043	423	429	1,043	429
Deferred tax	9	92	-	153	-	-
Derivative financial instruments	11	339	271	575	339	575
Borrowings	19	10,200	57,461	200	10,200	200
<b>Total non-current liabilities</b>		<b>11,767</b>	<b>58,155</b>	<b>1,475</b>	<b>11,686</b>	<b>1,332</b>
<b>Equity</b>						
General funds	20	957,632	973,011	903,907	964,068	912,510
Fair value through other comprehensive revenue	21	65,577	65,577	65,577	52,326	52,326
Special funds	22	67,428	21,030	57,742	67,428	57,742
Asset revaluation reserve	23	536,859	546,460	520,914	539,250	521,078
Minority interest		-	-	-	-	3,425
<b>Total equity</b>		<b>1,627,496</b>	<b>1,606,078</b>	<b>1,548,140</b>	<b>1,623,072</b>	<b>1,547,081</b>
<b>Total liabilities and equity</b>		<b>1,664,114</b>	<b>1,687,942</b>	<b>1,584,029</b>	<b>1,665,898</b>	<b>1,588,626</b>

The accompanying notes form part of these financial statements.



## Financials – statement of cash flows for the year ended 30 June 2019

	Note	Council Actual 2018/19 \$000	Council Budget 2018/19 \$000	Council Actual 2017/18 \$000	Group Actual 2018/19 \$000	Group Actual 2017/18 \$000
<b>Operating activities</b>						
<i>Cash was provided from:</i>						
Receipts from customers		113,914	107,410	112,949	147,640	155,780
Agency receipts		1,919	1,140	1,689	1,919	1,689
Interest received		3,025	2,301	3,155	3,037	3,165
Dividends received		6,364	6,574	7,115	5,864	6,515
Goods and services taxation (net)		739	-	(1,237)	844	(1,328)
		125,961	117,425	123,671	159,304	165,821
<i>Cash was applied to:</i>						
Payments to suppliers and employees		73,965	76,851	69,227	105,751	106,145
Agency payments		1,919	1,140	1,689	1,919	1,689
Income taxation		53	-	61	740	1,075
Interest paid		1,241	1,880	1,391	1,394	1,499
		77,178	79,871	72,368	109,804	110,408
Net cash flow from operating activities	24	48,783	37,554	51,303	49,500	55,413
<b>Investment activities</b>						
<i>Cash was provided from:</i>						
Sale of property, plant & equipment		3,374	1,680	2,941	4,438	3,740
Sale of property intended for sale / investment property		827	-	-	827	-
Proceeds from investments		67,004	40,594	84,493	67,004	84,493
		71,205	42,274	87,434	72,269	88,233
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		48,213	110,878	54,342	54,759	56,474
Purchase of intangible assets		133	-	419	133	419
Purchase of investments and goodwill		69,010	11,128	61,041	69,010	61,041
Purchase of investment property		3,721	-	-	-	-
		121,077	122,006	115,802	123,902	117,934
Net cash flow from investing activities		(49,872)	(79,732)	(28,368)	(51,633)	(29,701)

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 2019 (continued)

Note	Council Actual 2018/19 \$000	Council Budget 2018/19 \$000	Council Actual 2017/18 \$000	Group Actual 2018/19 \$000	Group Actual 2017/18 \$000
<b>Financing activities</b>					
<i>Cash was provided from:</i>					
Loans raised	23,000	45,679	-	23,000	-
	23,000	45,679	-	23,000	-
<i>Cash was applied to:</i>					
Settlement of loans	23,000	708	20,000	26,000	20,000
	23,000	708	20,000	26,000	20,000
Net cash flow from financing activities	-	44,971	(20,000)	(3,000)	(20,000)
Net increase / (decrease) in cash and cash equivalents	(1,089)	2,793	2,935	(5,133)	5,712
Plus: opening cash and cash equivalents	9,753	11,365	6,818	11,922	6,210
Discontinued operation	-	-	-	-	-
Cash, cash equivalents at the end of the year	8,664	14,158	9,753	6,789	11,922
<i>Summary of cash resources:</i>					
Cash and bank	8,656	14,158	9,745	9,781	13,155
Short term deposits maturing within 3 months	8	-	8	8	8
Bank overdrafts	-	-	-	(3,000)	(1,241)
Cash, cash equivalents at the end of the year	8,664	14,158	9,753	6,789	11,922

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), 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 2019. The financial statements were authorised for issue by Council on 9 October 2019.

### 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.

*Amendment to PBE IPSAS 2 Statement of Cash Flows*

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. Council does not intend to early adopt the amendment.

*PBE IPSAS 41 Financial Instruments*

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although Council has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

*PBE FRS 48 Service Performance Reporting*

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. Council has not yet determined how application of PBE FRS 48 will affect its statement of performance.

**Basis of consolidation**

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

*Subsidiaries*

The Council consolidates in the group financial statements 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 (eg 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 (eg 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 (ie 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	5 years	20%
Furniture and fittings	10 years	10%
Library books	7 years	14.3%
Computer equipment	4 years	25%

### Roads

Formation / sub-grade	Not depreciated	
Sub-base (sealed roads only)	Not depreciated	
Base course	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	50 years	2%
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 and Stormwater

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% - 30%
Furniture and fittings	3 – 10 years	10% - 33%
Computer equipment	3 years	33%

**Revaluation**

Those asset classes that are revalued are valued either on a yearly or three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

If there is a material difference then the relevant classes are revalued.

**Farm land**

Farm land is revalued on a three yearly valuation cycle at fair value, as determined from market-based evidence by an independent valuer. The last valuation of the Council's farm land was performed by S E J Newberry B Com (VPM) SPINZ (ANZIV) Registered Valuer of Ford Baker Limited and the valuation is effective as at 30 June 2019.

**Other land and buildings**

Other land and buildings are valued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation of such property held by the Council S E J Newberry B Com (VPM) SPINZ (ANZIV) Registered Valuer of Ford Baker Limited and the valuation is effective as at 30 June 2019.

**Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems**

These assets are valued at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date Selwyn District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference then the off-cycle asset classes are revalued. The roading network was last valued as at 30 June 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 2019, 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 Blakely Construction Limited (BCL) revenue, discounted cash flows and contracts on BCL books at time of acquisition.

These valuations use assumptions including future revenue, margins, risk and appropriate discount rates.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software and mining licences have been estimated as follows:

Asset class	Useful life	Annual amortisation rate
Selwyn District Council	4 years	25%
Sicon Limited	2-3 years	33%-50%
Wanganui mining	24.04 years	4.16%
Brand Name	10 years	10%
Customer Relationships	3 years	33%
Customer Contracts	As profit realised	

Mining Licences transferred at acquisition date with a finite life are amortised on a straight line basis over their useful life.

Amortisation begins from acquisition date and ceases at the date that the licence is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

## Forestry assets

Forestry assets are independently revalued at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. The Selwyn District Council forest was independently revalued as at 30 June 2019 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 2019.

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. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

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

**Budget figures**

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

**Cost allocation**

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

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

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

### **Critical accounting estimates and assumptions**

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

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

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

#### *Impairment of goodwill*

Sicon determines whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the single cash-generating unit of its business unit BCL, using a value in use discounted cash flow methodology, to which the goodwill is allocated. The Directors of Sicon estimated the forecast trading performance of the business unit BCL and determined that the goodwill of the business was not impaired.

#### *Intangible assets – Brand name and customer list*

Determining the cost of the brand name and customer list intangible assets acquired in the purchase of the trade and assets of BCL, required an estimation of the discounted future cash flows expected from the established brand name and customer relationships. The Directors of Sicon have assumed that cash flows associated with the brand name and customer relationships will continue over 15 years and 3 years respectively.

### **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 2018/19 \$000	Council Budget \$000	Council 2017/18 \$000
<b>Revenue</b>			
Democracy	832	878	878
Community facilities	27,707	20,554	19,994
Community services	198	57	36
Environmental services	7,429	5,551	6,777
Transportation	10,825	12,197	11,520
Solid waste management	10,514	10,963	9,426
Community water supplies	9,376	8,408	8,589
Community waste water supplies	15,317	12,391	13,328
Stormwater	1,321	1,471	1,356
Water races and land drainage	3,117	2,980	2,712
Zone southern business hub	5,056	8,690	16,302
<b>Total activity revenue</b>	<b>91,692</b>	<b>84,140</b>	<b>90,918</b>
General rates	20,694	20,567	17,521
Rates penalties	501	300	301
Other corporate revenue	14,797	11,772	13,273
Vested assets	38,428	29,257	23,943
<b>Total revenue</b>	<b>166,112</b>	<b>146,036</b>	<b>145,956</b>
<b>Expenditure</b>			
Democracy	5,081	5,098	4,444
Community facilities	24,089	27,780	22,468
Community services	2,507	2,923	3,325
Environmental services	14,342	13,963	13,760
Transportation	23,930	23,564	23,096
Solid waste management	9,736	9,859	7,955
Community water supplies	8,054	9,231	7,573
Community waste water supplies	9,721	8,532	9,648
Stormwater	1,724	1,878	1,810
Water races and land drainage	3,609	3,971	3,396
Zone southern business hub	2,192	443	3,978
Other corporate expenditure	644	719	(818)
<b>Total activity expenditure</b>	<b>105,629</b>	<b>107,961</b>	<b>100,635</b>
<b>Total operating expenditure</b>	<b>105,629</b>	<b>107,961</b>	<b>100,635</b>

Each significant activity includes targeted rates attributable to a particular activity (refer Note 2). Other corporate revenue includes revenue sources, which are not directly attributable to a significant activity, for example dividends, interest and insurance proceeds. Other corporate expenditure includes expenditure sources, which are not directly attributable to a significant activity, for example, interest rate swap valuation movements (other corporate expenditure is negative in 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 2018/19 \$000	Council Actual 2017/18 \$000	Group Actual 2018/19 \$000	Group Actual 2017/18 \$000
General rates	20,694	17,521	20,691	17,516
Rates penalties	501	301	501	301
Metered water supply	1,815	1,620	1,815	1,620
<i>Targeted rates attributable to activities:</i>				
Community facilities	10,578	8,988	10,578	8,988
Democracy	815	788	815	788
Solid waste management	7,581	6,506	7,581	6,506
Community waste water supplies	6,560	6,048	6,560	6,048
Community water supplies	5,025	5,226	5,025	5,226
Stormwater	1,175	1,023	1,175	1,023
Transportation	-	1,233	-	1,233
Water races and land drainage	2,704	2,330	2,704	2,330
<b>Total rates</b>	<b>57,449</b>	<b>51,584</b>	<b>57,446</b>	<b>51,579</b>

**Rates remissions**

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

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

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

	Council Actual 2018/19 \$000	Council Actual 2017/18 \$000	Group Actual 2018/19 \$000	Group Actual 2017/18 \$000
Total gross rates	57,507	51,621	57,504	51,616
<i>Rates remissions:</i>				
Sports bodies	22	16	22	16
Churches	25	17	25	17
Other social and cultural organisations	11	4	11	4
<b>Total remissions</b>	<b>58</b>	<b>37</b>	<b>58</b>	<b>37</b>
<b>Rates (net of remissions)</b>	<b>57,449</b>	<b>51,584</b>	<b>57,446</b>	<b>51,579</b>

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under the Council's rates remission policy.



## Note 3: Fees and charges

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Building consents	4,902	4,831	4,902	4,831
Connection and irrigation fees	300	325	300	325
Dog registration	473	447	473	447
Gravel royalties	101	64	101	64
Leases	687	681	636	539
LIM revenue	321	312	321	312
Rental and hire charges	957	875	957	875
Rental income from investment properties	1,210	1,025	960	957
Resource consent fees	1,390	929	1,390	929
Selwyn Aquatic Centre	1,828	1,562	1,828	1,562
Solid waste fees and charges	2,850	2,745	2,850	2,745
Other fees and charges	3,147	2,911	3,147	2,911
<b>Total fees and charges</b>	<b>18,166</b>	<b>16,707</b>	<b>17,865</b>	<b>16,497</b>

## Note 4: Other revenue

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Dividend revenue	6,664	7,315	5,864	6,515
Interest revenue	3,025	3,069	3,037	3,081
Land sales	5,014	16,126	5,014	16,126
Petroleum tax	262	690	262	690
Port Hills fire recovery	119	-	119	-
Vested land and infrastructure from property development	38,428	23,943	38,428	23,943
Other income - Council	246	464	246	464
Other trading income - Sicon Group	-	-	34,750	43,180
<b>Total other revenue</b>	<b>53,758</b>	<b>51,607</b>	<b>87,720</b>	<b>93,999</b>

## Note 5: Other gains

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Gain on disposal of property held for sale	823	-	823	-
Gain on changes in fair value of forestry	-	149	-	149
Gain on disposal of property, plant and equipment	372	244	558	518
Gain on changes in fair value of investment property (Note 14)	3,016	1,005	789	1,005
<b>Total gains</b>	<b>4,211</b>	<b>1,398</b>	<b>2,170</b>	<b>1,672</b>

Note 6: Employee benefit expenses
-----------------------------------

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Salaries and wages	21,519	19,409	38,403	35,460
Employer contributions to superannuation plans	429	361	814	741
Employer contributions to other plans & benefits	-	-	5	21
Increase / (decrease) in employee liabilities	219	399	193	541
<b>Total employee benefit expenses</b>	<b>22,167</b>	<b>20,169</b>	<b>39,415</b>	<b>36,763</b>

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

### Council employee numbers and remuneration

	Council 30 June 2019
Number of employees employed by Selwyn District Council	468
Number of full-time employees at Selwyn District Council	200
Full-time equivalent number of all other employees	82
<i>Number of employees receiving total annual remuneration:</i>	
Less than \$60,000	312
\$60,001 - \$80,000	68
\$80,001 - \$100,000	47
\$100,001 - \$120,000	26
\$120,001 - \$140,000	6
\$140,001 - \$220,000	6
\$220,001 - \$320,000	3

Number of employees employed by Selwyn District Council	468
---	-----

	Council 30 June 2018
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
---	-----

At balance date, the Council employed 200 (2018: 194) full-time employees, with the balance of staff representing 82 (2018: 86) 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 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Operational assets (Note 15a and 15b)	4,627	4,459	7,253	7,432
Infrastructural assets (Note 15c)	21,181	20,227	21,181	20,227
Intangible assets	141	78	758	606
<b>Total depreciation and amortisation</b>	<b>25,949</b>	<b>24,764</b>	<b>29,192</b>	<b>28,265</b>

**Depreciation and amortisation by group of activity**

	Council 2018/19 \$000	Council Budget \$000	Council 2017/18 \$000
<i>Directly attributable depreciation and amortisation expense by group of activity:</i>			
Community facilities	4,036	5,680	3,838
Community services	59	15	61
Democracy	8	8	3
Environmental services	57	143	96
Internal Council services	576	699	505
Izone southern business hub	30	34	34
Solid waste management	152	182	151
Stormwater	761	696	640
Transportation	12,626	12,711	12,306
Wastewater	3,866	4,105	3,609
Water races and land drainage	713	716	687
Water supply	3,065	3,427	2,834
<b>Total depreciation and amortisation</b>	<b>25,949</b>	<b>28,416</b>	<b>24,764</b>

## Note 8: Other expenses

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<i>Fees to auditors:</i>				
- fees to Audit New Zealand for audit of the financial statements	136	142	253	285
- fees to Audit New Zealand for other services	5	4	5	4
- fees to Audit New Zealand for audit of the 2018 - 2028 LTP	-	84	-	84
Bad debts written off	16	59	177	59
Cost of sales	1,455	2,832	1,455	2,832
Directors' and members' remuneration	610	564	787	760
Grants	459	251	459	251
Impairment of receivables	45	14	45	60
Impairment of property, plant and equipment	-	-	2	-
Loss on changes in fair value of investment property (Note 14)	150	15	150	-
Loss on disposal of assets	778	792	850	899
Minimum lease payments under operating leases	194	192	785	854
Port Hills fire expenses	120	-	120	-
Refuse contract payments	4,120	3,318	4,120	3,318
Refuse transfer station operations	5,261	4,388	5,261	4,388
Roading	11,727	10,532	11,727	10,532
Valuation services	247	258	247	258
Other operating expenses	31,250	31,157	43,366	50,003
<b>Total other expenses</b>	<b>56,573</b>	<b>54,602</b>	<b>69,809</b>	<b>74,587</b>



## Note 9: Income taxation

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<b>Relationship between taxation expense and accounting profit</b>				
Surplus / (deficit) before tax continuing activities	60,483	45,321	58,220	47,584
Taxation at 28%	16,935	12,690	16,302	13,324
Plus / (less) tax effect of:				
Permanent adjustments (non-taxable revenue)	(16,966)	(12,654)	(15,957)	(12,282)
Prior year adjustment	(2)	-	(51)	-
Taxation expense	(33)	36	294	1,042
<b>Components of tax expense</b>				
Current taxation expense	30	36	394	1,011
Prior year adjustments	(2)	-	(51)	-
Deferred taxation expense	(61)	-	(49)	31
Taxation expense	(33)	36	294	1,042
<b>Taxation expense attributable to:</b>				
Continuing operations	(33)	36	294	1,042
Total taxation expense / (benefit)	(33)	36	294	1,042
<b>Taxation receivable / (provision)</b>				
Opening balance 1 July	3	(22)	(324)	(400)
Less: current taxation expense	(30)	(36)	(394)	(1,011)
Less: taxation refund	(5)	-	(5)	-
Prior period adjustments	2	-	73	13
Plus: taxation paid	58	61	749	1,074
Taxation receivable / (provision)	28	3	99	(324)

**Deferred taxation assets / (liabilities)**

	Opening Balance 1 July 2018 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Closing Balance 30 June 2019 \$000
<b>Parent</b>				
<b>Deferred tax liabilities</b>				
Investment property	(142)	62	-	(80)
Property, plant & equipment	(12)	(1)	-	(13)
Deferred taxation liabilities	(153)	61	-	(92)
Net deferred taxation balance	(153)	61	-	(92)

	Opening Balance 1 July 2017 \$000	Charged to Surplus \$000	Charged to other comp- rehensive income \$000	Closing Balance 30 June 2018 \$000
<b>Parent</b>				
<b>Deferred taxation liabilities</b>				
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 2018	Charged to Surplus	Charged to other comp- rehensive income	Closing Balance 30 June 2019
	\$000	\$000	\$000	\$000
<b>Group</b>				
<b>Deferred tax liabilities</b>				
Property, plant & equipment	(153)	14	-	(139)
Trade and other receivables	(49)	49	-	-
Retentions	(167)	(4)	-	(171)
Deferred taxation liabilities	(369)	59	-	(310)
<b>Deferred tax assets</b>				
Property, plant & equipment	56	(13)	-	43
Trade and other payables	142	6	-	148
Employee benefits and other accruals	218	(12)	-	206
Doubtful debt provision	13	(13)	-	-
Deferred taxation assets	429	(32)	-	397
Net deferred taxation	60	27	-	87
<i>Deferred taxation attributable to:</i>				
Continuing operations				87
Net deferred tax balance				87

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

## Note 10: Receivables

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Rates receivables	2,617	1,775	2,617	1,775
<i>Other receivables:</i>				
- Other	3,406	3,861	8,502	9,689
- Related party receivables (Note 27)	251	177	246	251
Community loans	123	301	123	301
Dividend receivable	800	500	-	-
Sundry receivables & prepayments	4,207	5,159	4,274	5,196
<b>Gross receivables</b>	<b>11,404</b>	<b>11,773</b>	<b>15,762</b>	<b>17,212</b>
Less: provision for impairment	(77)	(48)	(77)	(94)
<b>Total receivables</b>	<b>11,327</b>	<b>11,725</b>	<b>15,685</b>	<b>17,118</b>
Less: non - current community loans	(123)	(301)	(123)	(301)
<b>Current portion</b>	<b>11,204</b>	<b>11,424</b>	<b>15,562</b>	<b>16,817</b>
<i>Total gross receivables comprise:</i>				
Receivables from non - exchange transactions <i>(this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates)</i>	4,552	4,505	3,747	4,079
Receivables from exchange transactions <i>(this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)</i>	6,852	7,268	12,015	13,133

Community loans have been valued at amortised cost, which approximates the loan's fair value. The face value of community loans is \$149,000 (2018: \$328,000).

### 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 (2018 \$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 2018/19 \$000	Impairment 2018/19 \$000	Council Net 2018/19 \$000	Gross 2017/18 \$000	Impairment 2017/18 \$000	Council Net 2017/18 \$000
Not past due	1,393	-	1,393	2,659	-	2,659
Past due 1 - 30 days	309	-	309	201	-	201
Past due 31 - 60 days	186	-	186	296	-	296
Past due > 61 days	4,135	(77)	4,058	2,480	(48)	2,432
<b>Total</b>	<b>6,023</b>	<b>(77)</b>	<b>5,946</b>	<b>5,636</b>	<b>(48)</b>	<b>5,588</b>

	Gross 2018/19 \$000	Impairment 2018/19 \$000	Group Net 2018/19 \$000	Gross 2017/18 \$000	Impairment 2017/18 \$000	Group Net 2017/18 \$000
Not past due	6,029	-	6,029	8,123	-	8,123
Past due 1 - 30 days	658	-	658	268	-	268
Past due 31 - 60 days	269	-	269	356	-	356
Past due > 61 days	4,163	(77)	4,086	2,717	(94)	2,623
<b>Total</b>	<b>11,119</b>	<b>(77)</b>	<b>11,042</b>	<b>11,464</b>	<b>(94)</b>	<b>11,370</b>

As of 30 June 2019 and 2018, 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 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Opening balance 1 July	(48)	(93)	(94)	(93)
Additional provisions made during the year	(45)	(14)	(45)	(60)
Provisions reversed during the year	-	-	46	-
Receivables written-off during the period	16	59	16	59
<b>Closing balance 30 June</b>	<b>(77)</b>	<b>(48)</b>	<b>(77)</b>	<b>(94)</b>

## Note 11: Derivative financial instruments

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<b>Current liability portion</b>				
Interest rate swaps - cash flow hedges	422	487	422	487
<b>Total current liability portion</b>	<b>422</b>	<b>487</b>	<b>422</b>	<b>487</b>
<b>Non-current liability portion</b>				
Interest rate swaps - cash flow hedges	339	575	339	575
<b>Total non-current liability portion</b>	<b>339</b>	<b>575</b>	<b>339</b>	<b>575</b>
<b>Total derivative financial instrument liabilities</b>	<b>761</b>	<b>1,062</b>	<b>761</b>	<b>1,062</b>

**Interest rate swaps**

The fair value of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs to the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amounts of the Council's interest rate swap contracts is \$15 million (2018: \$18 million) and for the group \$15 million (2018: \$18 million). As at 30 June, the Council's fixed interest rates of cash flow hedge interest rate swaps varied from 4.965% to 5.585% (2018: 4.87% to 5.585%) and the group rates varied from 4.965% to 5.585% (2018: 4.87% to 5.585%).

## Note 12: Inventory and work in progress

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<b>Current</b>				
Gravel stocks	-	-	307	137
Izone Southern Business Hub - land held for sale	2,305	4,334	2,305	4,334
Other direct materials	-	-	482	360
Selwyn Aquatic Centre	17	17	17	17
Work in progress	-	-	1,810	355
<b>Total current inventory</b>	<b>2,322</b>	<b>4,351</b>	<b>4,921</b>	<b>5,203</b>
<b>Total non - current inventory</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total inventory</b>	<b>2,322</b>	<b>4,351</b>	<b>4,921</b>	<b>5,203</b>

There is no inventory pledged as security for liabilities (2018: \$nil), there is no inventory subject to retention of title clauses (2018:\$nil), nor has there been any write-down of inventory (2018: \$nil).

Sicon Group bank borrowings are secured over all assets of Blakely Construction Limited (BCL), including inventory. BCL's inventory as at 30 June 2019 is \$nil (2018: \$197,000). Otherwise, no inventory is pledged as security for liabilities.

## Note 13: Other financial assets

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<b>Current portion</b>				
<i>Loans and receivables</i>				
Term deposits with maturities of 4-12 months*	69,000	61,000	69,000	61,000
Finance lease receivable **	267	247	267	247
Loan receivable **	2,636	5,618	2,636	5,618
<b>Total loans and receivables</b>	<b>71,903</b>	<b>66,865</b>	<b>71,903</b>	<b>66,865</b>
<b>Total current portion</b>	<b>71,903</b>	<b>66,865</b>	<b>71,903</b>	<b>66,865</b>
<b>Non - current portion</b>				
<i>Loans and receivables</i>				
Finance lease receivable **	685	951	685	951
Loan receivable **	-	2,636	-	2,636
<b>Total loans and receivables</b>	<b>685</b>	<b>3,587</b>	<b>685</b>	<b>3,587</b>
<i>Fair value through other comprehensive revenue and expense</i>				
Transwaste (Canterbury) Limited ***	1,500	1,500	1,500	1,500
Orion New Zealand Limited ***	87,529	87,529	87,529	87,529
Sicon Limited ***	22,250	22,250	-	-
Local Government Funding Agency ***	347	427	347	427
Central Plains Water Limited ***	437	427	437	427
<b>Total fair value through other comprehensive revenue and expense</b>	<b>112,063</b>	<b>112,133</b>	<b>89,813</b>	<b>89,883</b>
<b>Total non - current portion</b>	<b>112,748</b>	<b>115,720</b>	<b>90,498</b>	<b>93,470</b>

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

\* Quoted market price (level 1) – financial instruments with quoted prices for identical instruments in active markets.

\*\* Valuation technique using observable inputs (level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

\*\*\* Valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs are not observable.

### Valuation techniques with significant non-observable inputs

The table below provides reconciliation from the opening balance to the closing balance for the financial assets and liabilities measured using valuation techniques with significant non-observable inputs.

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Balance at 1 July	112,133	112,431	89,883	90,181
Purchase of new assets	10	22	10	22
Realisation of assets	(80)	(320)	(80)	(320)
Gains / (losses) in other comprehensive revenue and expense	-	-	-	-
Balance at 30 June	112,063	112,133	89,813	89,883

### 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 2019 the face value of loan receivables was \$2.9 million (2018:\$8.9 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 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Opening balance 1 July	13,965	12,975	13,255	12,250
Additions	3,721	-	-	-
Transfer from (to) property, plant and equipment	-	-	710	-
Transfer from (to) Inventory	772	-	-	-
Net fair value gains / (losses) on valuation (Note 5 & Note 8)	2,867	990	476	1,005
Closing balance 30 June	21,325	13,965	14,441	13,255

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 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Operational assets (Note 15 a & b)	326,500	291,163	346,627	306,436
Infrastructural assets (Note 15 c)	1,108,561	1,068,854	1,108,561	1,068,854
Total property, plant and equipment	1,435,061	1,360,017	1,455,188	1,375,290

**Valuation***Land*

The most recent valuation of land and buildings was performed by S Newberry, B.Com (VPM), SPINZ (ANZIV), an independent registered valuer from Ford Baker Valuations Limited, Christchurch. The valuation is effective as at 30 June 2019.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

*Buildings*

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
  - The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
  - The remaining useful life of assets is estimated.
  - Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.
- Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

*Infrastructural assets*

Sewerage, water, stormwater, land drainage, water races and the Council's roading network assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method.

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset.
- Estimates of the remaining useful life over which the asset will be depreciated.

The roading network was valued as at 30 June 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: \$16,982,000 (2018: \$13,063,000)

Value of assets constructed by Selwyn District Council: \$4,597,000 (2018: \$367,000)

Value of assets transferred to Selwyn District Council: \$nil (2018: \$nil)

Estimate of replacement cost: \$27,213,000 (2018: \$22,616,000)

**Water supply (other assets)**

Closing book value: \$101,873,000 (2018: \$94,458,000)

Value of assets constructed by Selwyn District Council: \$5,385,000 (2018: \$2,286,000)

Value of assets transferred to Selwyn District Council: \$4,383,000 (2018: \$3,192,000)

Estimate of replacement cost: \$142,152,000 (2018: \$132,384,000)

**Sewerage treatment plants and facilities**

Closing book value: \$51,639,000 (2018: \$43,947,000)

Value of assets constructed by Selwyn District Council: \$9,395,000 (2018: \$nil)

Value of assets transferred to Selwyn District Council: \$nil (2018: \$nil)

Estimate of replacement cost: \$71,376,000 (2018: \$61,981,000)

**Sewerage (other assets)**

Closing book value: \$166,765,000 (2018: \$158,334,000)

Value of assets constructed by Selwyn District Council: \$2,376,000 (2018: \$1,901,000)

Value of assets transferred to Selwyn District Council: \$8,210,000 (2018: \$4,868,000)

Estimate of replacement cost: \$197,450,000 (2018: \$186,864,000)

**Stormwater drainage**

Closing book value: \$61,844,000 (2018: \$55,384,000)

Value of assets constructed by Selwyn District Council: \$71,000 (2018: \$555,000)

Value of assets transferred to Selwyn District Council: \$7,149,000 (2018: \$4,370,000)

Estimate of replacement cost: \$68,820,000 (2018: \$61,600,000)

**Roads and footpaths**

Closing book value: \$587,452,000 (2018: \$572,767,000)

Value of assets constructed by Selwyn District Council: \$13,036,000 (2018: \$12,090,000)

Value of assets transferred to Selwyn District Council: \$14,276,000 (2018: \$9,896,000)

Estimate of replacement cost: \$777,620,000 (2018: \$750,308,000).

**a. Operational Assets - Parent**

**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 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
Additions	6,552	1,213	8,759	-	1,686	470	5,445	24,125
Disposals	(1,972)	-	(961)	-	(16)	-	-	(2,949)
Net revaluation increase / (decrease)	11,534	1,117	(1,110)	5	-	-	-	11,546
Transfers	397	-	7,375	-	11	-	(7,783)	-
Balance at 30 June 2019	206,053	6,760	97,011	70	26,081	4,321	6,710	347,004

**Accumulated depreciation:**

Balance at 1 July 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)
Disposals	-	-	-	-	16	-	-	16
Transfers to / (from) assets held for sale	-	-	-	-	-	-	-	-
Net adjustments on asset revaluation	-	-	7,218	8	-	-	-	7,226
Depreciation expense	-	-	(2,509)	(3)	(1,946)	(169)	-	(4,627)
Balance at 30 June 2019	-	-	-	-	(17,446)	(3,060)	-	(20,504)
Net carrying amount at 30 June 2018	189,542	4,430	78,239	60	8,884	960	9,048	291,163
Net carrying amount at 30 June 2019	206,053	6,760	97,011	70	8,635	1,261	6,710	326,500

**b. Operational Assets - Group**

**Gross carrying amount:**

Balance at 1 July 2017	Land \$000	Farm land \$000	Buildings \$000	Heritage Assets \$000	Plant and Machinery \$000	Library Books \$000	Work in Progress \$000	Total \$000
Additions	184,434	4,430	76,122	65	54,832	3,495	2,338	325,716
Disposals	5,372	-	9,548	-	3,295	354	7,700	26,269
Net revaluation increase / (decrease)	(2,321)	-	(828)	-	(3,942)	-	-	(7,091)
Transfers	-	-	(15)	-	-	-	-	(15)
Transfers to assets held for sale	651	-	302	-	37	-	(990)	-
	1,409	-	(455)	-	-	-	-	954
Balance at 30 June 2018	189,545	4,430	84,674	65	54,222	3,849	9,048	345,833
Additions	6,552	1,213	8,759	-	4,504	470	5,445	26,943
Disposals	(1,972)	-	(971)	-	(1,470)	-	-	(4,413)
Impairment	-	-	-	-	-	-	-	-
Net revaluation increase / (decrease)	11,534	1,117	1,117	5	-	-	-	13,773
Transfers	397	-	7,375	-	11	-	(7,783)	-
Transfers (to) / from inventory	772	-	3,721	-	-	-	-	4,493
Transfers (to) / from investment property	-	-	(546)	-	-	-	-	(546)
Transfers (to) / from assets held for sale	-	-	-	-	(659)	-	-	(659)
Balance at 30 June 2019	206,828	6,760	104,129	70	56,608	4,319	6,710	385,424

**Accumulated depreciation:**

Balance at 1 July 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)
Disposals	-	-	8	-	520	-	-	528
Net adjustments on asset revaluation / transfers	-	-	7,218	8	-	-	-	7,226
Transfers to / (from) assets held for sale	-	-	-	-	99	-	-	99
Depreciation expense	-	-	(2,509)	(3)	(4,572)	(169)	-	(7,253)
Balance at 30 June 2019	-	-	(974)	-	(34,765)	(3,058)	-	(38,797)
Net carrying amount at 30 June 2018	189,545	4,430	78,983	60	23,410	960	9,048	306,436
Net carrying amount at 30 June 2019	206,828	6,760	103,155	70	21,843	1,261	6,710	346,627



### c. Infrastructural Assets - Council & Group

**Gross carrying amount:**

Balance at 1 July 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
Additions	26,481	10,973	7,215	12,768	53	562	-	2,798	60,850
Disposal	(42)	-	-	-	-	-	-	-	(42)
Net revaluation increase / (decrease)	-	-	-	-	-	-	33	-	33
Transfers	829	3,427	6	7,221	-	-	-	(11,483)	-
Balance at 30 June 2019	612,341	124,754	63,245	225,879	42,772	74,593	3,891	3,741	1,151,216

**Accumulated depreciation:**

Balance at 1 July 2017	-	-	-	-	-	-	(1,294)	-	(1,294)
Disposal	-	-	-	-	-	-	-	-	-
Net adjustments on asset revaluation	-	-	-	-	-	-	-	-	-
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)
Disposal	12	-	-	-	-	-	-	-	12
Net adjustments on asset revaluation	-	-	-	-	-	-	35	-	35
Depreciation expense	(12,626)	(3,065)	(761)	(3,866)	(15)	(698)	(150)	-	(21,181)
Balance at 30 June 2019	(24,920)	(5,899)	(1,401)	(7,475)	(30)	(1,370)	(1,560)	-	(42,655)
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
Net carrying amount at 30 June 2019	587,421	118,855	61,844	218,404	42,742	73,223	2,331	3,741	1,108,561

## Note 15d: Intangible assets

	Council Computer Software \$000	Group Computer Software \$000	Group Brand Name \$000	Group Customer list & contracts \$000	Group Mining \$000	Group Goodwill \$000	Group Total \$000
Opening cost at 1 July 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)
Opening balance at 1 July 2018	497	540	1,164	463	33	870	3,070
Additions	133	201	-	-	-	-	201
Amortisation charge	(141)	(183)	(281)	(292)	(2)	-	(758)
Disposals	-	-	-	-	(31)	-	(31)
Closing balance at 30 June 2019	489	558	883	171	-	870	2,482
Closing cost at 30 June 2019	1,892	2,029	1,357	1,234	11	3,266	7,897
Accumulated amortisation / impairment	(1,403)	(1,471)	(474)	(1,063)	(11)	(2,396)	(5,415)
Closing balance at 30 June 2019	489	558	883	171	-	870	2,482

	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	3,205
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	3,070
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

## Note 16: Payables and deferred revenue

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<i>Payables and deferred revenue under exchange transactions</i>				
Trade payables	9,252	8,893	12,108	11,907
Deposits, retentions and accrued expenses	4,862	5,321	5,902	6,665
Amounts due to subsidiaries and associates	2,379	1,979	170	163
<i>Payables and deferred revenue under non-exchange transactions</i>				
Rates revenue received in advance	629	621	629	621
<b>Total payables and deferred revenue</b>	<b>17,122</b>	<b>16,814</b>	<b>18,809</b>	<b>19,356</b>

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

## Note 17: Employee entitlements

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Accrued pay	917	839	1,374	1,314
Annual leave	1,378	1,212	2,207	2,074
Long service leave	93	118	97	121
Retirement gratuities	-	-	8	7
Sick leave	12	12	73	51
<b>Total employee entitlements</b>	<b>2,400</b>	<b>2,181</b>	<b>3,759</b>	<b>3,567</b>
<i>Comprising:</i>				
Current	2,307	2,063	3,655	3,439
Non - current	93	118	104	128
<b>Total employee entitlements</b>	<b>2,400</b>	<b>2,181</b>	<b>3,759</b>	<b>3,567</b>

Note 18: Other provisions
---------------------------

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<b>Current portion</b>				
Contractual rework	-	-	254	316
Weather-tightness	-	50	-	50
<b>Total current provisions</b>	<b>-</b>	<b>50</b>	<b>254</b>	<b>366</b>
<b>Non-current portion</b>				
Landfill provision	1,043	429	1,043	429
<b>Total non-current provisions</b>	<b>1,043</b>	<b>429</b>	<b>1,043</b>	<b>429</b>

<b>Council and group</b>	Contractual rework \$000	Onerous contracts \$000	Weather- tightness \$000	Landfill \$000
<b>2018/19</b>				
Opening balance 1 July	316	-	50	429
Additional provisions made during the year	65	-	-	614
Amounts reversed during the year	-	-	(50)	-
<b>Closing balance 30 June</b>	<b>381</b>	<b>-</b>	<b>-</b>	<b>1,043</b>
<b>2017/18</b>				
Opening balance 1 July	88	371	270	423
Additional provisions made during the year	228	-	-	6
Amounts used during the year	-	(371)	(220)	-
<b>Closing balance 30 June</b>	<b>316</b>	<b>-</b>	<b>50</b>	<b>429</b>

**Council***Weather tightness*

The Council is aware of no potential claims in relation to the weather-tightness of homes in the area at year end (2018: three claims). A provision has been made for the claims where reliable estimate of the potential cost to the Council can be made. Where it is not possible to make a reliable estimate, no provision has been recognised.

*Landfill*

The landfill provision reflects the cost of closing and rehabilitating the Council's closed landfill sites.

**Group***Maintenance provision*

Provisions are required to settle the obligation to rework certain general construction and sealing contracts. A reliable estimate of the cost is required before the provision is recognised.



## Note 19: Borrowings

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<b>Current</b>				
Bank overdraft and flexible credit facilities	-	-	3,000	1,241
Secured loans	5,000	15,000	5,000	15,000
<b>Total current borrowings</b>	<b>5,000</b>	<b>15,000</b>	<b>8,000</b>	<b>16,241</b>
<b>Non-current</b>				
Secured loans	10,200	200	10,200	200
<b>Total non - current borrowings</b>	<b>10,200</b>	<b>200</b>	<b>10,200</b>	<b>200</b>
<b>Total borrowings</b>	<b>15,200</b>	<b>15,200</b>	<b>18,200</b>	<b>16,441</b>

*Secured loans*

The Council's secured borrowings of \$15.2 million (2018: \$15.2 million) include floating rate borrowings of \$10 million and fixed borrowings of \$5,200,000. 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 between 3.00% and 2.29%.

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.

*Bank overdraft and flexible credit facilities (Group)*

Interest is charged at the ANZ Business Reference Rate (BKBM) plus a margin of 2.85% p.a. There are no restrictions on the use of this facility.

**Internal borrowings**

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

*Movements in internal borrowings are as follows:*

	Opening balance \$000	Repayment of borrowings \$000	New borrowings \$000	Closing balance \$000	Interest on borrowings \$000
<b>2018/19</b>					
<b>Community facilities</b>					
Broadfield Loan Reserve	39	(5)	-	34	-
Dunsandel Community Centre Loan	748	(16)	-	732	-
Halkett Community Centre 25 Year Loan Reserve	34	(5)	-	29	-
Kirwee Pavillion/Hall Reserve Loan Reserve	56	(13)	-	43	-
Lincoln Library Loan	4,254	(114)	-	4,140	-
McHughs Plantation Loan Reserve	1,283	(60)	-	1,223	-
Rhodes Park Community Centre Loan	1,213	38	-	1,251	-
Selwyn District Park Loan	2,661	(87)	-	2,574	-
	<b>10,288</b>	<b>(262)</b>	<b>-</b>	<b>10,026</b>	<b>-</b>
<b>2017/18</b>					
<b>Community facilities</b>					
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	-
	<b>5,410</b>	<b>(272)</b>	<b>5,150</b>	<b>10,288</b>	<b>-</b>

## Note 20: General funds

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Opening balance 1 July	903,907	851,979	912,510	859,173
<i>Transfers to:</i>				
Special funds	(23,787)	(18,183)	(23,787)	(18,183)
<i>Transfers from:</i>				
Revaluation reserve on disposal of property, plant and equipment	2,895	1,311	2,895	1,311
Special funds	14,101	23,515	14,101	23,515
Acquisition of non - controlling interest	-	-	423	-
Surplus for the year attributable to parent	60,516	45,285	57,926	46,694
Closing balance 30 June	957,632	903,907	964,068	912,510

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

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Opening balance 1 July	65,577	65,577	52,326	52,326
Valuation gains / (losses) to other comprehensive revenue and expense:	-	-	-	-
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 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Opening balance 1 July	57,742	63,074	57,742	63,074
Transfers to general funds	(14,101)	(23,515)	(14,101)	(23,515)
Transfers from general funds	23,787	18,183	23,787	18,183
Closing balance 30 June	67,428	57,742	67,428	57,742

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 2018 \$'000	Deposits \$'000	Withdrawals \$'000	Closing 30 June 2019 \$'000
<b>5 Waters</b>					
Armack Drive Water Supply Special Fund	D	9	-	-	9
Arthurs Pass Water Supply Holding Capacity	D	(16)	-	-	(16)
Bealey River River Protection Reserve	D	24	1	-	25
Branthwaite Drive Water Supply Reserve	A	29	1	-	30
Burnham Water Supply Reserve	A	28	1	-	29
Castle Hill Water Supply Reserve	A	3	-	-	3
Darfield Water Supply Capital Rate Reserve	A	(1,473)	-	-	(1,473)
Darfield Water Supply Water Quality Upgrade	C	863	102	(2)	963
District Holding Capacity	D	(83)	-	-	(83)
Doyleston Water Supply Capital Contribution Reserve	A	155	6	-	161
Dunsandel Water Supply Reserve	A	77	3	-	80
Edendale Water Supply Reserve	A	101	4	-	105
Ellesmere Sewerage Renewal Reserve	B	1,100	32	(265)	867
Ellesmere Water Race Renewal Reserve	B	115	-	(115)	-
Greenpark Land Drainage Reserve	A	22	1	-	23
Hororata River Land Drainage Reserve	A	17	1	-	18
Irwell Land Drainage Reserve	A	1	-	-	1
Johnson Road Capital Injection Special Fund	C	7	-	-	7
Johnson Road Water Supply Reserve	A	28	1	-	29
Jowers Road Water Supply Equipment Reserve	A	7	-	-	7
Kirwee Water Supply Equipment Reserve	A	557	18	(8)	567
L2 River Land Drainage Reserve	A	-	10	(28)	(18)
L2 River Land Drainage De-silting Reserve from Surpluses	C	113	3	-	116
L2 River Land Drainage Machinery Reserve from Surpluses	C	292	15	(1)	306
Lake Coleridge Quality Upgrade Special Reserve	C	126	4	-	130

	Purpose of reserve fund	Opening 1 July 2018 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2019 \$'000
Lake Coleridge Sew erage Electricorp Payment Reserve	C	58	2	-	60
Leeston Land Drainage Reserve	C	41	2	-	43
Leeston Sew erage to Record Surpluses	C	11	1	-	12
Leeston Stormw ater Reserve	A	159	6	-	165
Leeston Stormw ater Renew als Reserve	B	13	-	(13)	-
Leeston Water Supply Reserve	A	1,077	34	(146)	965
Lincoln Sew erage Reserve	A	8	-	-	8
Lincoln Stormw ater Renew al Reserve	B	16	-	(16)	-
Lincoln Water Supply Reserve	A	836	396	(501)	731
Malvern Area Water Race Renew al Reserve	B	525	-	(525)	-
Malvern Hills Rural Water Supply Reserve	A	586	19	-	605
Osbourne Land Drainage Renew al Reserve	B	(86)	17	(5)	(74)
Paparua Water Race Renew al Reserve	B	424	-	(424)	-
Prebbleton Sew erage Reserve	A	440	14	-	454
Prebbleton Stormw ater Renew al Reserve	B	19	-	(19)	-
Prebbleton Water Supply Reserve	A	1,545	322	(145)	1,722
Rakaia Huts Water Supply Reserve	A	36	1	-	37
Rolleston Stormw ater Renew al Reserve	B	93	-	(93)	-
Rolleston Water Supply Reserve	A	1,054	2,168	(2,040)	1,182
Selw yn Rural Water Supply Capital Rate Reserve	A	286	9	-	295
Sheffield Water Supply Reserve	A	244	8	-	252
Sew erage Renew al Reserve	B	6,006	1,419	(1,513)	5,912
Southbridge Water Supply Reserve	A	(67)	104	(64)	(27)
Springfield Water Supply Capital Reserve	A	5	-	-	5
Springfield Water Supply Reserve	A	77	3	-	80
Springston Special Reserve	D	9	1	-	10
Springston/Aberdeen Subdivision Special Fund Reserve	D	71	2	-	73
Springston Stormw ater Renew al Reserve	B	7	-	(7)	-
Springston Water Supply Reserve	A	231	8	-	239
Stormw ater District Renew al Reserve	A	-	423	-	423
Tai Tapu Sew erage Holding Capacity Reserve	D	42	132	-	174
Tai Tapu Sew erage Reserve	A	8	-	-	8
Tai Tapu Storw ater Renew al Reserve	B	41	-	(41)	-
Tai Tapu Water Supply Reserve	A	399	13	-	412
Tai Tapu/Otahuna Water Supply Reserve	A	118	4	-	122
Taumutu Culverts Land Drainage Reserve	A	51	1	-	52
Templeton/Claremont Capital Reserve	A	6	1	-	7
Templeton/Claremont Water Supply Reserve Surpluses	C	38	2	-	40
Wairiri Valley Land Drainage Reserve	A	5	-	-	5
West Melton Sew erage Reserve	A	(109)	-	-	(109)
Water Race Renew al Reserve	A	-	1,302	-	1,302
Water Supplies Renew al Reserves	A	6,466	1,712	(3,089)	5,089
West Melton Water Supply Reserve	A	(35)	-	-	(35)
		22,856	8,329	(9,060)	22,125



	Purpose of reserve fund	Opening 1 July 2018 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2019 \$'000
<b>Community facilities</b>					
Albert Anderson Fund	D	6	1	-	7
Art Acquisition Reserve	D	45	6	-	51
Broadfield Loan Reserve	E	(39)	5	-	(34)
Coalgate/Glentunnel (Ex Land Subdivision) Recreation Reserve	A	1	-	(1)	-
Darfield (Tussock Square) Reserve	D	1	-	(1)	-
Darfield Christmas in the Park Reserve	D	8	1	(4)	5
Darfield Domain Reserve	A	50	1	-	51
Darfield Townshp Reserve	A	1,052	35	(1)	1,086
District Reserve Contributions Reserve	A	59	2	-	61
Doyleston Contributions Reserve	A	1	-	-	1
Dunsandel Community Centre Loan	E	(748)	16	-	(732)
Ellesmere Reserve Board Reserve	A	160	25	-	185
Gallipoli Oaks Special Fund	D	5	-	(5)	-
Glentunnel Community Centre Reserve	A	58	2	-	60
Glentunnel/Coalgate Capital Equipment Reserve	A	38	2	-	40
Halkett Community Centre 25 Year Loan Reserve	E	(34)	5	-	(29)
Halkett Community Centre Ex Land Subdivision Reserve	C	14	1	-	15
Hororata Cross Country Course Reserve	D	60	2	(44)	18
Hororata Reserve Ex Land Subdivision Reserve	A	8	-	(8)	-
Hororata Reserve CPW Shares Hororata Reserve	D	-	9	(130)	(121)
Kimberley Reserve Timber Sales Reserve	C	38	1	-	39
Kirw ee Operational Reserve	A	27	18	-	45
Kirw ee Pavillion/Hall Reserve Loan Reserve	E	(56)	13	-	(43)
Ladbrooks Community Centre Investment Reserve	C	20	1	(13)	8
Lake Coleridge Townshp	A	2	-	(1)	1
Lakeside Community Centre Reserve	A	22	1	(19)	4
Lakeside Community Centre Loan Repayment Fund	A	-	4	(207)	(203)
Leeston Progress League Reserve	D	2	-	(2)	-
Leeston Park Special Fund Reserve	A	-	10	-	10
Leeston Townshp Est NA Osbourne Reserve	D	77	3	(5)	75
Lincoln Community Centre Ex Paparua SF Reserve	A	9	-	(9)	-
Lincoln Library Ex Paparua Reserve	D	14	-	-	14
Lincoln Library Loan	E	(4,254)	114	-	(4,140)
McHughs Plantation Loan Reserve	E	(1,283)	60	-	(1,223)
Metal Pits Reserve	D	1,035	138	-	1,173
Plant Depreciation Replacement Reserve	B	15	1	-	16
Prebbleton Cell Tower Special Fund Reserve	D	69	2	-	71
Rolleston Com Centre Capital Fund	A	161	6	-	167
Rolleston Community Fund	D	208	7	-	215
Rolleston Headquarters Building Renew al Reserve	C	2,059	580	-	2,639
Reserve Contrib.Malvern Ward	A	1,654	222	(182)	1,694
Reserve Contrib.Springs Ward	A	10,249	3,023	(811)	12,461
Reserve Contrib.Ellesmere Ward	A	1,252	59	(243)	1,068
Reserve Contrib.Selwyn Central Ward	A	10,933	7,963	(1,660)	17,236
Rhodes Park Community Centre Loan	E	(1,213)	(38)	-	(1,251)
Selwyn District Park Loan	E	(2,661)	87	-	(2,574)
Sheffield Bowling Club Donation Reserve	D	6	-	(6)	-
Sheffield Hall Refurbishment Fund	A	7	-	-	7
Sheffield Res Ex Land Subdivision Reserve	A	8	-	(8)	-
Sheffield Reserve Special Funds Reserve	A	2	14	-	16
Southbridge Advisory Committee Reserve	A	28	1	-	29

	Purpose of reserve fund	Opening 1 July 2018 \$'000	Deposits \$'000	Withdraw als \$'000	Closing 30 June 2019 \$'000
Springston Ex Ellesmere Reserve	A	34	1	(24)	11
Springston Townshp	A	4	-	-	4
Springston Road Gravel Reserve	D	6	-	(6)	-
Tai Tapu ex Paparua Library Reserve	D	29	1	(9)	21
Weedons Discretionary Fund Reserve	D	3	-	(3)	-
Weedons Reserve Ex Paparua Investment Reserve	A	9	1	-	10
Weedons Reserve Ex Paparua Reserve	A	16	-	(16)	-
Weedons Reserve Loan Repayment Reserve	A	51	-	(51)	-
Weedons Reserve Loan Repayment Reserve	A	-	4	(124)	(120)
Weedons Surplus Reserve	A	83	-	(83)	-
West Melton Community Centre Ex Paparua Reserve	A	143	2	(143)	2
West Melton Community Centre Scholarship Fund Reserve	C	45	5	(2)	48
West Melton Surplus Reserve	A	100	-	(100)	-
Whitecliffs Reserve Ex Land Subdivision Reserve	A	1	-	(1)	-
		19,699	12,417	(3,922)	28,194
<b>Community services</b>					
Ex Ellesmere - Ellesmere Clay Loan Reserve	A	18	2	-	20
Insurance Reserve Fund Reserve	A	659	22	-	681
Selwyn District Education Fund Reserve	D	153	5	(8)	150
		830	29	(8)	851
<b>Democracy</b>					
Barnett Bequest Reserve	D	1	-	(1)	-
		1	-	(1)	-
<b>Environmental services</b>					
Dog Account Surpluses	D	(389)	13	-	(376)
Weather Tightness Insurance Reserve	D	(207)	210	-	3
		(596)	223	-	(373)
<b>Internal council services</b>					
MAB Discretionary Fund Reserve	D	10	-	-	10
Earthquake Self Insurance Reserve	D	11,686	39	-	11,725
Pre 1989 Contributions Reserve	D	68	3	-	71
		11,764	42	(16)	11,806
<b>Transportation</b>					
Roading Contributions Reserve	A	2,576	2,491	(976)	4,091
Undergrounding Reserve	A	3,269	109	-	3,378
		5,845	2,600	(976)	7,469
<b>Solid waste</b>					
Operational Assets Replacement Fund Reserve	B	(2,677)	151	(118)	(2,644)
		(2,677)	151	(118)	(2,644)
Closing balance 30 June		57,742	23,787	(14,101)	67,428

## Note 23: Asset revaluation reserves

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Opening balance 1 July	520,914	522,225	521,078	522,404
Net revaluation gains / (losses)	18,840	-	21,067	(15)
Transfer to general reserves on disposal	(2,895)	(1,311)	(2,895)	(1,311)
Closing balance 30 June	536,859	520,914	539,250	521,078

Property revaluation reserves for each asset class consist of:

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Land and buildings	119,589	104,326	121,980	104,490
Farm land	4,036	2,919	4,036	2,919
Roading	203,606	204,041	203,606	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	536,859	520,914	539,250	521,078

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

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Surplus after taxation	60,516	45,285	57,926	46,542
<i>Add / (less) non-cash items:</i>				
Vested assets revenue	(38,428)	(23,943)	(38,428)	(23,943)
(Gains) / losses on fair value of investment property	(2,866)	(990)	(639)	(1,005)
(Gains) / losses on fair value of forestry assets	64	(149)	64	(149)
Depreciation and amortisation	25,949	24,764	29,192	28,255
Non - current provisions	614	6	614	6
Movement in provision for doubtful debts	29	(45)	29	(177)
Interest rate swap	(301)	(371)	(301)	(371)
Movement in deferred taxation	(61)	-	64	(49)
Share of joint venture (surplus) / deficit	-	-	-	9
	45,516	44,557	48,521	49,118
<i>Add / (less) movements in working capital items:</i>				
Trade and other receivables	(305)	933	(795)	617
Income tax	(25)	(25)	(514)	25
Inventory & work in progress	2,029	1,891	513	2,021
Trade and other payables	2,538	3,000	2,886	2,771
Employee benefit liabilities	219	399	192	480
	49,972	50,755	50,803	55,032
<i>Add / (less) items classified as investing or financing activities:</i>				
Net (gain)/loss on sale of property, plant and equipment	(417)	548	(1,303)	381
Transfers to / (from) inventory to investment property	(772)	-	-	-
Net cash inflow / (outflow) from operating activities	48,783	51,303	49,500	55,413



# Note 25: Capital commitments and operating leases

## Capital commitments

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Community facilities	5,722	8,041	5,722	8,041
Property, plant & equipment	-	-	-	71
Transportation	-	1,482	-	1,482
Wastewater	-	1,413	-	1,413
Water supply	582	1,079	582	1,079
<b>Total capital commitments</b>	<b>6,304</b>	<b>12,015</b>	<b>6,304</b>	<b>12,086</b>

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

## Operating leases

### *Operating leases as lessee*

The Council and its subsidiaries lease property, plant and equipment in the normal course of business. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Not later than one year	-	-	256	506
Later than one year and not later than five years	-	-	170	340
Later than five years	-	-	-	-
<b>Total non-cancellable operating leases</b>	<b>-</b>	<b>-</b>	<b>426</b>	<b>846</b>

### *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 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Not later than one year	1,511	961	961	961
Later than one year and not later than five years	2,361	1,267	358	1,267
Later than five years	391	443	391	443
<b>Total non-cancellable operating leases</b>	<b>4,263</b>	<b>2,671</b>	<b>1,710</b>	<b>2,671</b>

## Note 26: Contingent liabilities and contingent assets

### Contingent liabilities

#### Council

##### *Financial guarantees*

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

##### *Unquantified claims*

The Council is aware of no 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 2018/19 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 31 shareholders of the NZLGFA. In that regard, it has uncalled capital of \$0.2 million (2018: \$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 2019, NZLGFA had borrowings totalling \$9.8 billion (2018: \$8.6 billion).

Financial reporting standards require Selwyn District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

##### *Landfills located within Selwyn district*

The Council does not operate any landfills in the District. The Council has recognised the costs of closing and rehabilitating the Cox, Killinchy, Hawkins and Springston landfills as per Note 18.

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

#### *Ministry of Education and Carter Holt Harvey (CHH)*

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

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

8 school buildings built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court.

The court has directed that the trial be staged. The first stage will be a 6 month hearing commencing in April 2020, to determine whether shadow clad is inherently defective.

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

#### *Homeowners and CHH*

During the year, a group of homeowners initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. CHH has joined 19 councils as co-defendants in this claim.

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

#### *Development contribution claim*

During the year a potential claim was identified in relation to previously collected development contributions. There is insufficient information to conclude on potential liability and claim quantum, if any, at this stage.

#### *Land Sale Claim*

During the year, a potential claim was identified in relation to land previously owned by the Council. There is insufficient information to conclude on potential liability and claim quantum, if any at this stage.

#### *Group*

##### *Sicon Limited (SL)*

From time to time SL has performance bonds and bonds in lieu of retentions to third parties. Bonds to the value of \$500,000 (2018 - \$510,000) are committed as at 30 June 2019.

SL does not list these bonds as contingent liabilities because it does not consider that it is probable that any such bonds will be exercised. If any performance issues are raised SL has a policy of promptly returning to the site and fixing the customers concerns.

Other than the above SL has no contingent liabilities as at 30 June 2019.

#### **Contingent assets**

##### *Council*

The Council has no contingent assets as at 30 June 2019 (2018: \$nil).

##### *Group*

##### *Sicon Group (SL)*

SL has no contingent assets at 30 June 2019 (2018: 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.

	2019 \$000	2018 \$000
Donations received from the Trust	161	173
Accounts receivable	12	63

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 \$4,600 (2018: \$4,555) and meet other operating costs of the trust totalling \$50 (2018: \$50)

There were no commitments with Selwyn District Charitable Trust as at 30 June 2019 (2018: \$nil).

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

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

	2019 \$000	2018 \$000
Dividend revenue	5,363	5,952
Rates revenue received	257	242
Accounts receivable	-	-

There were no commitments with Orion New Zealand Limited as at 30 June 2019 (2018: \$nil).

##### **Sicon Limited**

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.

	2019 \$000	2018 \$000
Rates, royalties, interest and lease revenue received	377	209
Dividend revenue	800	800
Contract services received from Sicon Group	16,825	14,007
Accounts receivable	190	16
Accounts payable	2,379	1,979

There were no commitments with Sicon Group as at 30 June 2019 (2018: \$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.

	2019 \$000	2018 \$000
Payments to suppliers on behalf of the Trust	168	62
Accounts receivable	72	98

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 2019 (2018: \$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.

	2019 \$000	2018 \$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 \$1,815 (2018: \$1,792).

There were no commitments with the Tramway Reserve Trust as at 30 June 2019 (2018: \$nil).

### *Transactions with key management personnel*

#### Key Management Personnel Compensation

	2019	2018
<i>Councillors</i>		
Remuneration	\$568,000	\$524,000
Full-time equivalent members	12	12
<i>Senior Management Team, including the Chief Executive</i>		
Remuneration	\$1,838,000	\$1,646,000
Full-time equivalent members	8	8
<b>Total key management personnel remuneration</b>	<b>\$2,406,000</b>	<b>\$2,170,000</b>
<b>Total full-time equivalent personnel</b>	<b>20</b>	<b>20</b>

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

#### Related party transactions with key management personnel

During the year, councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, purchase of rubbish bags etc.).

All related party transactions with key management personnel were on terms equivalent to those that prevail in arm's-length transactions.

There are close family members of key management personnel employed by the Council and group. The terms and conditions of those arrangements are no more favourable than the Council and group would have adopted if there were no relationship to key management personnel.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or other receivable to related parties (2018: \$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:

	2019 Base salary \$	2019 Hearing fees \$	2019 Total remuneration \$	2018 Base salary \$	2018 Hearing fees \$	2018 Total remuneration \$
<i>Council</i>						
Mayor Sam Broughton	119,181	-	119,181	118,227	200	118,427
Councillor Malcolm Lyall	44,572	1,000	45,572	40,797	700	41,497
Councillor Debra Hasson	39,098	1,300	40,398	35,581	800	36,381
Councillor Mark Alexander	39,098	1,400	40,498	35,581	1,000	36,581
Councillor Jeff Bland	39,098	1,200	40,298	35,581	700	36,281
Councillor John Morten	39,098	1,300	40,398	35,581	800	36,381
Councillor Pat McEvedy	39,098	800	39,898	35,581	600	36,181
Councillor Grant Miller	39,098	1,100	40,198	35,581	600	36,081
Councillor Bob Mugford	39,098	1,300	40,398	35,581	800	36,381
Councillor Nicole Reid	39,098	1,200	40,298	35,581	800	36,381
Councillor Craig Watson	39,098	1,300	40,398	35,581	900	36,481
Councillor Murray Lemon	39,098	1,300	40,398	35,581	1,000	36,581
<i>Malvern Community Board</i>						
Jenny Gallagher (Chairperson)	17,373	-	17,373	17,116	-	17,116
Judith Pascoe	8,686	-	8,686	8,558	-	8,558
Kerry Pauling	8,686	-	8,686	8,558	-	8,558
Megan Hands	8,686	-	8,686	8,558	-	8,558
Karen Meares	8,686	-	8,686	8,558	-	8,558

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.

	2019	2018
<i>Sicon Limited</i>		
Councillor John Morten	32,000	32,000
Councillor Pat McEvedy	32,000	32,000
<i>Selwyn Waihora Zone Committee</i>		
Megan Hands	4,500	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 \$323,392 (2018: \$326,776). This included a non - taxable allowance of \$nil (2018:\$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 2019, the Council made three severance payments to Council employees. (2018: no severance payments).

The value of each of the severance payments was \$132,635, \$25,208 and \$7,875. (2018: \$nil).

### Note 29: Construction contracts – Group

	Group 2018/19 \$000	Group 2017/18 \$000
<i>For contracts in progress as at 30 June:</i>		
Contract costs incurred	7,490	5,540
Recognised profits	1,963	1,069
Progress billings	9,453	6,608
Gross amount due from customers	1,406	7,560
Retentions receivable	408	297
Retentions payable	(20)	(1)

### Note 30: Events after balance date

## Council

There were no significant post balance date events. (2018: No significant post balance date events).

## 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 applied 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
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	1,122
Trade and other receivables	2,308
Tax receivable	2
Inventories	197
<b>Total current assets</b>	<b>3,629</b>
<b>Not - current assets</b>	
Property, plant and equipment	7,953
Intangible assets	2,497
Deferred tax asset	67
<b>Total non - current assets</b>	<b>10,517</b>
<b>Total assets</b>	<b>14,146</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Trade and other payables	873
Bank overdraft	1,240
Employee benefit liabilities	464
Provisions	151
<b>Total current liabilities</b>	<b>2,728</b>
<b>Total liabilities</b>	<b>2,728</b>
<b>Net assets</b>	<b>11,418</b>

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 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
Cash and cash equivalents	8,664	9,753	9,789	13,163
Receivables	13,693	19,259	18,051	24,652
Term deposits	69,000	61,000	69,000	61,000
<b>Total credit risk</b>	<b>91,357</b>	<b>90,012</b>	<b>96,840</b>	<b>98,815</b>

### *Credit quality of financial assets*

The Council only deposits funds with entities that have a high credit rating. The cash and term deposits are with registered banks that have high credit ratings. For its other financial instruments, the Council does not have high concentrations of credit risk. The loan receivable balance is secured by a first ranking mortgage over land titles associated with the sale.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Council 2018/19 \$000	Council 2017/18 \$000	Group 2018/19 \$000	Group 2017/18 \$000
<b>Counterparties with credit ratings</b>				
<i>Cash at bank and term deposits</i>				
Continuing operations AA- & A	77,664	70,753	78,789	74,163
<b>Total cash at bank and term deposits</b>	<b>77,664</b>	<b>70,753</b>	<b>78,789</b>	<b>74,163</b>
<b>Counterparties without credit ratings</b>				
<i>Community and related party loans</i>				
Existing counterparty with no defaults in the past	123	301	123	301
<b>Total loans to related parties</b>	<b>123</b>	<b>301</b>	<b>123</b>	<b>301</b>

Trade and other receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of trade and other receivables with reference to internal or external credit ratings. Other than the dividends payable within the group, the Council has no significant concentrations of credit risk in relation to trade and other receivables as it has a large number of customers, mainly ratepayers, and the Council has powers under the Local Government (Rating Act) 2002 to recover outstanding debts from ratepayers.

### **Liquidity risk**

Liquidity risk is the extent to which the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

As at 30 June 2019, the Council has a multi-option credit facility of \$10 million (2018: \$10 million) against which it had drawn \$nil (2018: \$nil).

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 26.

Sicon Limited has a maximum amount that can be drawn down against their overdraft, commercial flexi and flexible credit facility of \$3.3 million (2018: \$3.45 million). There are no restrictions on the use of this facility.

### Contractual maturity analysis on financial liabilities

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts shown are the contractual undiscounted cash flows including interest.

	Liability carrying amount \$000	Contractual cash flow s \$000	Less than 1 year \$000	1 - 5 years \$000	More than 5 years \$000
<b>Council 2019</b>					
Payables	16,493	16,493	16,493	-	-
Secured loans	15,200	17,244	5,751	6,391	5,102
Net settled derivatives (interest rate swap)	761	659	365	294	-
<b>Group 2019</b>					
Payables	18,180	18,180	18,180	-	-
Bank overdraft and flexible credit facilities	3,000	3,000	3,000	-	-
Secured loans	15,200	17,244	5,751	6,391	5,102
Net settled derivatives (interest rate swap)	761	659	365	294	-
<b>Council 2018</b>					
Payables	16,193	16,193	16,193	-	-
Secured loans	15,200	15,999	15,370	24	205
Net settled derivatives (interest rate swap)	1,062	1,179	520	659	-
<b>Group 2018</b>					
Payables	18,735	18,735	18,735	-	-
Bank overdraft and flexible credit facilities	1,241	1,241	1,241	-	-
Secured loans	15,200	15,999	15,370	24	205
Net settled derivatives (interest rate swap)	1,062	1,179	520	659	-

### Contractual maturity analysis of financial assets

The table below analyses financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Asset Carrying Amount \$000	Contractual Cash Flow s \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2019</b>					
Cash and cash equivalents	8,664	8,664	8,664	-	-
Receivables	13,693	14,176	12,969	1,207	-
Term deposits	69,000	70,624	70,624	-	-
<b>Group 2019</b>					
Cash and cash equivalents	9,789	9,789	9,789	-	-
Receivables	18,051	18,453	17,246	1,207	-
Term deposits	69,000	70,624	70,624	-	-
<b>Council 2018</b>					
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	-	-
<b>Group 2018</b>					
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	-	-

*Sensitivity analysis for Interest rate risk*

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

	Surplus \$000	-100bps Other equity \$000	Surplus \$000	+100bps Other equity \$000
<b>Council 2019</b>				
<b>Interest rate risk</b>				
<i>Financial assets</i>				
Cash and cash equivalents	(87)	-	87	-
Term deposits	(690)	-	690	-
<i>Financial liabilities</i>				
Interest rate sw aps	(169)	-	164	-
Secured loans	150	-	(150)	-
Total sensitivity	(796)	-	791	-

**Council 2018****Interest rate risk***Financial assets*

Cash and cash equivalents

(98)

-

98

-

Term deposits

(610)

-

610

-

*Financial liabilities*

Interest rate sw aps

(492)

-

468

-

Secured loans

150

-

(150)

-

Total sensitivity

(1,050)

-

1,026

-

	Surplus \$000	-100bps Other equity \$000	Surplus \$000	+100bps Other equity \$000
<b>Group 2019</b>				
<b>Interest rate risk</b>				
<i>Financial assets</i>				
Cash and cash equivalents	(98)	-	98	-
Term deposits	(690)	-	690	-
<i>Financial liabilities</i>				
Interest rate sw ap	(169)	-	164	-
Secured loans	150	-	(150)	-
Bank overdraft	(30)	-	30	-
Total sensitivity	(837)	-	832	-

**Group 2018****Interest rate risk***Financial assets*

Cash and cash equivalents

(132)

-

132

-

Term deposits

(610)

-

610

-

*Financial liabilities*

Interest rate sw ap

(492)

-

468

-

Secured loans

150

-

(150)

-

Bank overdraft

(12)

-

12

-

Total sensitivity

(1,096)

-

1,072

-



### 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

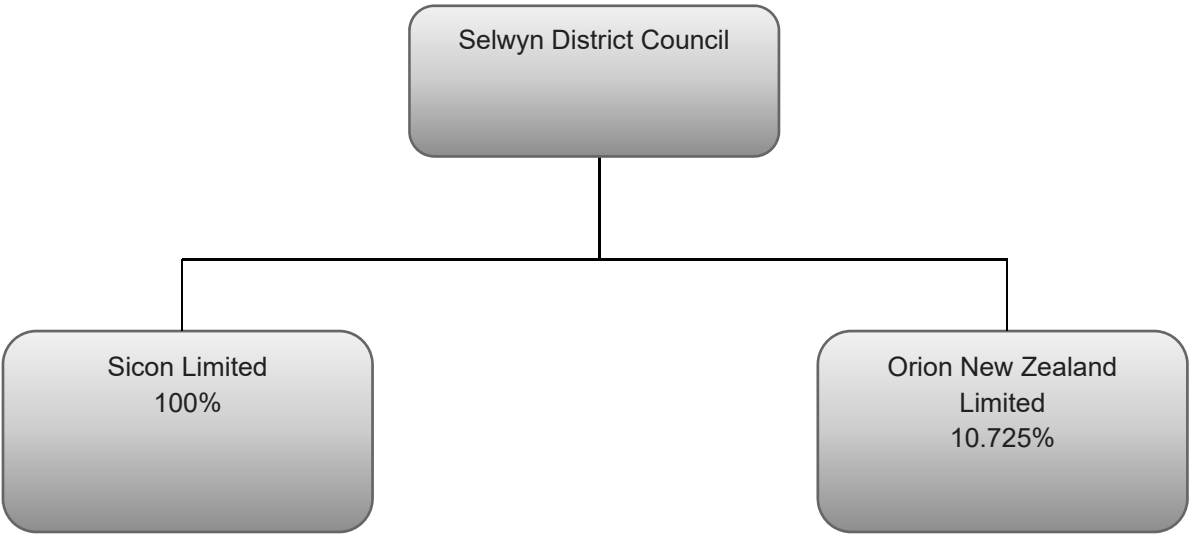
On 2 April 2012, Ferguson Brothers (2012) limited, a wholly owned subsidiary was incorporated with 100 shares.

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%.

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

On 30 June 2019, final sign-off and settlement was agreed, with no addition consideration.

Financial interests



Community Trusts Administered by the Council:

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

## Financial interests – Sicon Limited

### Relationship to the Council

The Council exercises influence on the Board through approval of its annual Statement on Intent.

The shareholders exercise influence on the Company through the negotiation of the annual Statement of Intent.

### Nature and scope of the company

Sicon Limited is a supplier of asset management, maintenance and construction services. Consistent with its objective, the Company will pursue activities designed to ensure the efficient and prudent utilisation of its capital assets and human resources.

### Objective

To operate as a successful, growth focused contracting business and follow these key principles which are central to its business strategy:

- Commitment to quality
- Commitment to its shareholders
- Commitment to Selwyn district
- Commitment to its people
- Commitment to health and safety
- Commitment to the environment
- Commitment to future growth.

### Key performance targets

The Company's actual financial performance compared with the targets outlined in its Statement of Intent for the year ended 30 June 2019 is set out below:

	Status	Actual 2019	Target 2019
Dividend paid	Achieved	\$800,000	≥\$800,000
Return after tax to opening equity	Not achieved	4.8%	≥8%
To maintain ISO 9001:2008 Quality Standard Certification	Achieved	Maintained	Maintain
To maintain ACC WSMP Certification to Tertiary Level	Not achieved	Decision not to adopt SafePlus	Adopt SafePlus
Staff retention	Not achieved	65.6%	75%
Training & development as a % of payroll costs	Achieved	3.6%	≥1.5%

### Summary of financial performance

	Actual 2019 \$000	Actual 2018 \$000
Revenue	51,773	57,472
Expenditure	51,008	54,425
Surplus / (deficit) before taxation	765	3,047
Surplus / (deficit) after taxation	437	2,042
Dividend	800	800

## 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 2019 is set out below:

#### Financial performance targets:

	Actual 2019	Target 2019	Actual 2018	Note
Network delivery revenue (\$m)	256.5	260.5	251.6	1,2
Profit after tax (\$m)	47.9	50.4	53.3	1,2
Profit after tax to average equity (%)	7.2	7.5	7.9	1,2
Debt to debt plus equity (%)	31	31	29	3
Equity to total assets (%)	55	56	57	3
Fully imputed dividends (\$m)	53	53	55	

Note 1 – the group's net profit for the year ended 31 March 2019 was \$2.5 million below its SOI target due, primarily to the following favourable variances:

	\$m Post tax
Below budget expenses	2.1
Below budget interest expense	0.5
Below budget Connetics profit	(0.8)
Above budget interest rate swap revaluation expense	(2.1)
Below budget network distribution revenue	(2.3)
Other	0.1
	(2.5)

Note 2 – the group's net profit for the year ended 31 March 2019 (was \$5.4 million below last year's net profit due, primarily to the following variances:

	\$m Post tax
Higher network distribution revenue	3.3
Lower Connetics profit	(0.4)
Lower sundry revenues	(0.7)
Higher interest expenses	(0.7)
Higher network maintenance expense	(1.7)
Higher interest rate swap revaluation expense	(2.4)
Higher other expenses	(2.6)
Other	(0.2)
	(5.4)

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

#### Network reliability targets:

	Approx Number of connections 31 March 2019	Actual 2019*	Target 2019	Actual 2018*	Industry Weighted Average 2018*
Orion network interruptions in minutes per year per connected customer (SAIDI):					
- Region A	172,000	27	22	29	
- Region B	32,500	336	357	354	
- Overall	204,500	76	73	79	280

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

- Region A	172,000	0.4	0.6	0.6	
- Region B	32,500	2.6	2.3	3.1	
- Overall	204,500	0.8	0.9	1.0	2.3

#### Important notes:

1. Natural disasters and other major events can cause significant numbers and/or durations of network supply interruptions. The future occurrence and/or severity of these events cannot be predicted.
2. SAIDI and SAIFI are standard industry measures of network reliability performance. They include planned and unplanned interruptions, but exclude interruptions that are caused by electricity generators or Transpower, or are caused by the low voltage (400V) network, or last for less than one minute
3. The commerce Commissions 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 above are consistent with our CPP limits for FY19. After applying the commission's normalisation methodology, we achieved our network reliability limits in FY15 – FY18 but slightly exceeded our SADI limit in FY19 (74 actual against a target of 73). In late 2019, the commission will reset our network reliability limits for FY21 to FY 25. As part of that process, we will make submissions to the commission with the aim that our reset limits are achievable and in the long term interests of our customers
4. Columns marked with an asterisk (\*) are stated gross – before normalisation for major events.



5. As Christchurch has spread west post-earthquake, it has become difficult to define a slit between urban and rural. We have therefor changed to two regions. Region A is largely supplied from Transpower's Islington and Bromley grid exit points. Region B is Largely supplied from other grid exit points

**Network development targets:**

1. Work with the Christchurch City Council (CCC), Government agencies and property developers to support the Christchurch central city rebuild. *(Status: Achieved)*.
2. Install a new 11kV feed to Lyttelton. *(Status: Achieved)*.
3. Replace the 33kV outdoor circuit breaker at our Islington zone substation. *(Status: Delayed)*.
4. Install a second transformer at our Waimakariri zone substation. *(Status: Achieved)*.

**Environmental targets:**

1. Comply with applicable environmental legislation. *(Status: Achieved)*.
2. Measure our carbon footprint for our operations and identify options to reduce it. *(Status: Achieved)*.
3. Continue to undertake and encourage demand side management (DSM) *(Status: Achieved)*.
4. Keep annual SF6 gas losses below 0.8% per year. *(Status: Achieved)*.
5. Keep non-contained oil spills to nil. *(Status: Achieved)*.
6. Continue to sponsor Community Energy Action (CEA). *(Status: Achieved)*.
7. Have at least 35 public electric Vehicle (EV) charge stations installed around our region. *(Status: Under review)*.
8. Convert 30% of Orion's passenger vehicle fleet to electric drive capability. *(Status: Achieved)*.

**Health and safety targets:**

1. No serious safety events impacting our employees or our contractors. *(Status: Not achieved)*.
2. No serious events involving members of the public. *(Status: Achieved)*
3. Promote our local public safety education and awareness programme in the safe use of electricity. *(Status: Achieved)*.

**Community and employment targets:**

1. Achieve voluntary annual staff turnover of less than 5% for Orion and less than 10% for Connetics. *(Status: Achieved)*.
2. Ensure sustainable network asset management competence via our Orion engineering development programme. *(Status: Achieved)*.
3. Ensure sustainable contracting skills competence via our Connetics apprentice scheme. *(Status: Achieved)*.
4. Support the Ara Institute of Canterbury trades innovation centre. *(Status: Achieved)*.
5. Undertake diversity and inclusion training for all Orion employees. *(Status: Achieved)*.

## Summary of financial performance

	Actual 2019 \$000	Actual 2018 \$000
Revenue	325,730	322,313
Expenditure	259,618	248,279
Surplus / (deficit) before taxation	66,112	74,034
Surplus / (deficit) after taxation	47,863	53,300
Ordinary dividend	53,000	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 2019 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 \$110,490 (2018: \$109,230) in donation revenue. The Trust has distributed \$161,238 (2018: \$173,197) to the Selwyn District Council during the year. The donations received by the Trust during the year are to be used for the benefit of the Lakeside Hall, Springston Hall, and Dunsandel, Tai Tapu, and West Melton Community Centres.

At year end there was \$12,089 (2018: \$62,787) 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 2019 \$000	Actual 2018 \$000
Revenue	111	109
Expenditure	111	109
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 2019 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 maintained a 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](http://www.cpwt.org.nz).

- *To support and monitor the Environmental Management fund, and to appoint members to its committee when required.*
- 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. The committee reports regularly to the Trust Board on its operations, and is being supported as required.
- *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 2019 \$000	Actual 2018 \$000
Revenue	70	58
Expenditure	70	58
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 2019 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 2019 \$000	Actual 2018 \$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 2019

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 9 October 2019. This is the date on which we give our report.

## Opinion on the audited information

In our opinion:

- the financial statements on pages 94 to 95 and pages 102 to 165:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2019;
    - 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 the Public Benefit Entity Reporting Standards;
- the funding impact statement on page 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;
- the statement of service provision (referred to as "significant activities" on pages 19 to 89):
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, 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 89, 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 89, 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 96 to 100, 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 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, 166 to 173, and 176 to 178, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

## Independence

We are independent of the District Council 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 and our report on the disclosure requirements, we have carried out engagements in the areas of a limited assurance engagement related to the District Council's debenture trust deed, which are compatible with those independence requirements. 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 *(as at 30 June 2019)*

Mayor		Deputy Mayor	
Sam Broughton	(C) 027 223 8345 <a href="mailto:sam.broughton@selwyn.govt.nz">sam.broughton@selwyn.govt.nz</a>	Malcolm Lyall	(C) 027 433 9964 <a href="mailto:malcolm.lyall@selwyn.govt.nz">malcolm.lyall@selwyn.govt.nz</a>
Selwyn Central Ward		Springs Ward	
Mark Alexander	(C) 027 526 6388 (H) 03 347 6393 <a href="mailto:mark.alexander@selwyn.govt.nz">mark.alexander@selwyn.govt.nz</a>	Debra Hasson	(C) 027 435 5055 (H) 03 329 5445 <a href="mailto:debra.hasson@selwyn.govt.nz">debra.hasson@selwyn.govt.nz</a>
Jeff Bland	(C) 027 399 9206 (H) 03 347 4070 <a href="mailto:jeff.bland@selwyn.govt.nz">jeff.bland@selwyn.govt.nz</a>	Grant Miller	(C) 027 381 7032 <a href="mailto:grant.miller@selwyn.govt.nz">grant.miller@selwyn.govt.nz</a>
Nicole Reid	(C) 027 548 6157 <a href="mailto:nicole.reid@selwyn.govt.nz">nicole.reid@selwyn.govt.nz</a>		
Craig Watson			
Malvern Ward		Ellesmere Ward	
John Morten		Pat McEvedy	
Bob Mugford	(C) 021 216 5722 <a href="mailto:bob.mugford@selwyn.govt.nz">bob.mugford@selwyn.govt.nz</a>	Murray Lemon	(C) 027 541 3305 <a href="mailto:murray.lemon@selwyn.govt.nz">murray.lemon@selwyn.govt.nz</a>

### Community Board Members contact details

Malvern Community Board			
Jenny Gallagher (Chairperson)	(C) 027 552 7403 (H) 03 318 1784 <a href="mailto:jenny.gallagher@selwyn.govt.nz">jenny.gallagher@selwyn.govt.nz</a>	Judith Pascoe	(C) 021 152 2900 <a href="mailto:judith.pascoe@selwyn.govt.nz">judith.pascoe@selwyn.govt.nz</a>
Megan Hands		Kerry Pauling	
Karen Meares	(C) 021 147 1824 <a href="mailto:karen.meares@selwyn.govt.nz">karen.meares@selwyn.govt.nz</a>		

## Where to go for more information

The Annual Report is also available at [www.selwyn.govt.nz](http://www.selwyn.govt.nz) or you can get a copy at any Selwyn 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
<a href="http://www.selwyn.govt.nz">www.selwyn.govt.nz</a>	2 Norman Kirk Drive PO Box 90 ROLLESTON 7643
Service Centres	
Leeston Library/Service Centre 19 Messines Street Private Bag 1 LEESTON Phone: (03) 347 2871	Darfield Library/Service Centre 1 South Terrace DARFIELD 7510  Phone: (03) 318 8338
Lincoln Library/Service Centre Gerald Street LINCOLN 7608 Phone: (03) 347 2876	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)	
3 South Terrace PO Box 40 DARFIELD 7541 Phone: (03) 318 8320 Fax: (03) 318 8578 Email: <a href="mailto:sicon@sicon.co.nz">sicon@sicon.co.nz</a> Website: <a href="http://www.sicon.co.nz">www.sicon.co.nz</a>	
<b>Board</b> Peter Carnahan <i>(Chairperson)</i> Grant Lovell John Morten Pat McEvedy Steve Grave	

Other council organisations

Central Plains Water Trust (50% owned by Selwyn District Council)	
PO Box 90 ROLLESTON 7643 Phone: (03) 347 2800 Fax: (04) 347 2799	
<b>Trustees</b> Denis O'Rourke <i>(Chairperson)</i> Doug Catherwood Richard Davison Olive Webb	

