

SELWYN DISTRICT COUNCIL

SUMMARY ANNUAL REPORT 2011/12

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Welcome

This summary provides an overview and summary of Selwyn District Council and group's activities and services for the year ended 30 June 2012. The information has been extracted from the full annual report for the year ended 30 June 2012 adopted by the Council on 24 October 2012. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand. The Council has designated itself and the group as public benefit entities for the purpose of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The summary cannot be expected to provide as complete an understanding of the Council's performance as the full annual report. The full annual report has been audited and an unmodified opinion issued. The summary was authorised for issue on 24 October 2012 by the Chief Executive and has been prepared in accordance with *Financial Reporting Standard 43: Summary Financial Statements*.

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

Copies of the full Annual Report for the year ended 30 June 2012 can be obtained from our website or at our libraries and service centres.

<http://www.selwyn.govt.nz>

Selwyn District Council
2 Norman Kirk Drive
Rolleston
Phone (03) 347 2800

Rolleston Library/Service Centre
Rolleston Drive
Rolleston
Phone (03) 347 2880

Darfield Library/Service Centre
South Terrace
Darfield
Phone (03) 318 8338

Lincoln Service Centre
Gerald Street
Lincoln
Phone (03) 347 2875

Leeston Library/Service Centre
High Street
Leeston
Phone (03) 324 8080

Joint Report of the Mayor and Chief Executive

Dear Selwyn ratepayers and residents,

The way the district responded to the challenges of the past two years is testament to the strength of the Selwyn community and the many new residents that have moved to the area recently demonstrate the appeal of living here. Alongside smart new homes and our pleasant rural district, new job opportunities, new shops and new community facilities are drawing people here from all over New Zealand and all over the world. And the high level of interest in the district's new sub divisions suggests that many more people will join us over the coming years. This population growth shows how strong communities and good planning can create a very attractive place to live.

The Council has been playing its part in this success story and doing all it can to help meet the needs of local residents. By building the Eastern Selwyn Sewerage Scheme and improving roading links the Council is putting in place the basic infrastructure that will support the growing population. But it is the new community facilities and job opportunities that will really attract people to live in the district. The Lincoln Event Centre is already showing how new facilities can make a real difference to an area, and when they open, the Selwyn Aquatic Centre and Lincoln Library will be huge pluses for the district. New jobs are being created on the Izone industrial park as well as in the rural areas with investment by the dairy industry. We expect this to continue; we are in the process of developing the next stage of Izone and the prospect of more irrigation in the district is very positive for local economic prospects. The promise of further investment in the district is a reflection of our growing community and will itself bring more people to live here.

This document is a report that details what the Council has been doing over the past 12 months. It summarises the big issues that we have been working on, records how well we have performed against our performance targets and shows what money we have spent and what money we have received. Some of the key points are:

- The Council's biggest ever construction project, the Eastern Selwyn Sewerage Scheme, is well underway with \$23.9 million being spent in the 2011/12 year.
- Design work for the Selwyn Aquatic Centre has been completed and construction has started. It is on track to open in May 2013.
- Over 1900 building consents were processed during the year with an average processing time of 11 days.
- Our residents survey showed a high level of satisfaction with most Council services (although cycleways and rural roads were identified as areas where we could do better).
- The Council achieved an accounting surplus for the year of \$13.5 million (if the value of assets received from sub dividers is excluded the surplus is \$0.6 million – close to break-even).

There is a lot more information in the body of the annual report about what has been happening at the Council over what was a very busy year.

In closing, we thank the district's elected representatives, council staff and people of Selwyn for making this year a success and we look forward with the promise of further success in the years ahead.



Mayor Kelvin Coe

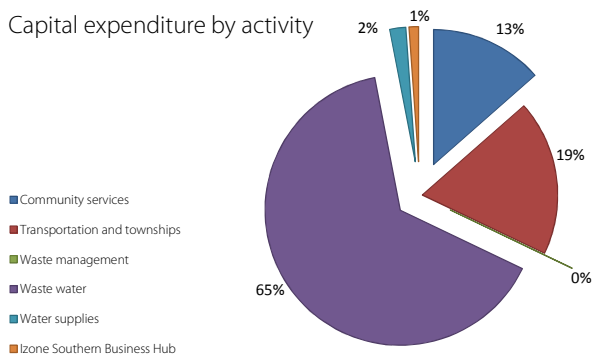


Chief Executive Paul Davey

Major capital projects

The following is a summary of the major capital projects that are underway or have been completed during the 2011/12 financial year:

Capital expenditure by activity



Community services

- Development of the Selwyn Aquatic Centre to provide modern swimming facilities for the whole district. \$3.1 million has been spent during the year with project completion planned for mid-2013.
- Construction of the Lincoln Library and Service Centre to improve library services in the Springs Ward. \$246,000 has been spent during the year.

\$000

Business development / district promotion	-
Cemeteries	10
Civil defence	5
Community centres and facilities	325
Library services	427
Medical centres	50
Property and buildings	71
Council headquarters	41
Public toilets	151
Recreation reserves	1,213
Rural fire protection	65
Swimming pools	3,362

Total community service capital expenditure 5,720

Transportation and townships

- Upgrade to Lincoln/Rolleston Road and Selwyn Road to Shands Road to create an improved arterial link between Rolleston and Southern Christchurch. \$1.8 million has been spent during the year with a total project cost of \$3.5 million.
- The next stage of the Lowes Road, Rolleston upgrade \$235,000.

\$000

Subsidised roading	6,035
Non - subsidised roading	1,476
Townships	368

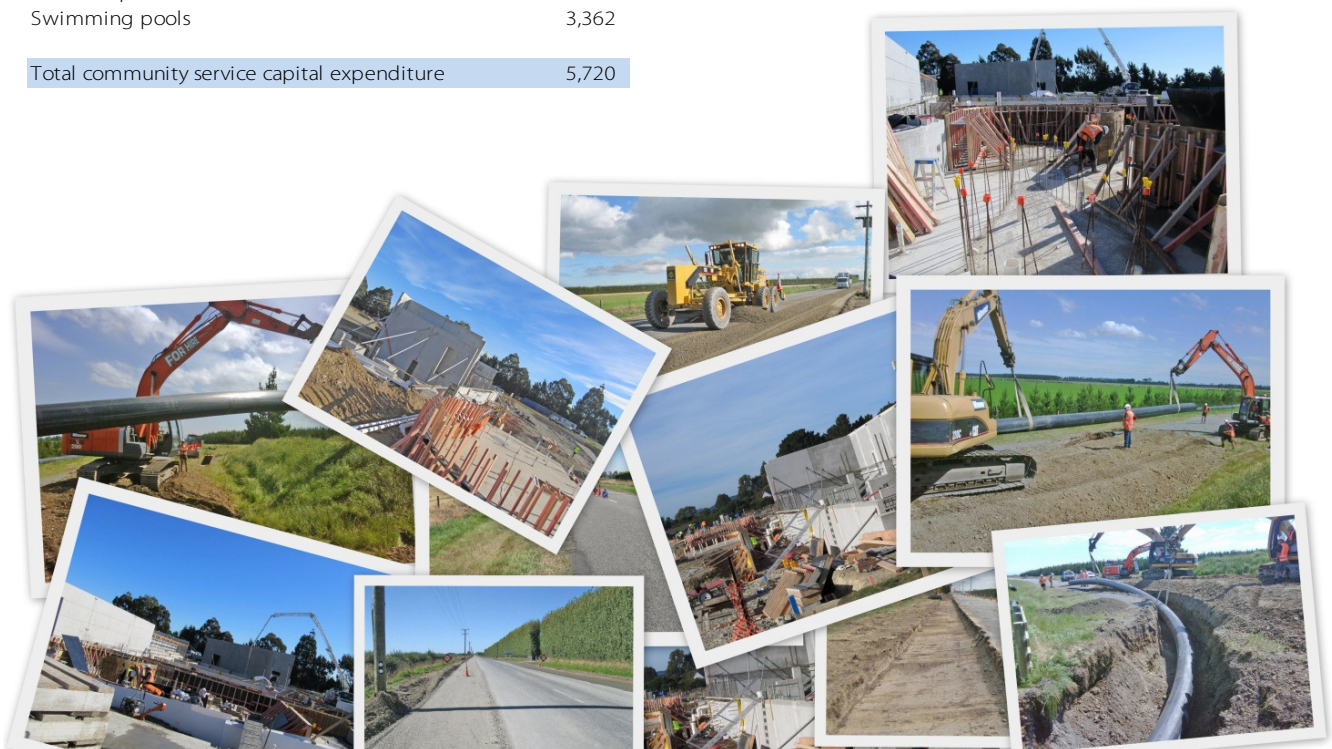
Total transportation capital expenditure 7,879

5 waters services (water and waste water)

- Eastern Selwyn Sewerage Scheme to increase the waste water disposal capacity and allow continued population growth in the eastern part of the district. \$23.9 million has been spent during the year of a budgeted cost of \$28.7 million. The remainder of the project has been carried forward.
- The Lincoln integrated stormwater management plan to improve the stormwater management in the district. \$2.7 million was spent during the year of a total project cost of \$3.8 million.

Land drainage	54
Stormwater	2,680
Sewerage	24,741
Urban water supplies	604
Rural water supplies	187
Water races	25

Total 5 waters capital expenditure 28,291



The year in review

In June 2009 the Council adopted the Selwyn Community Plan. This is a plan to ensure Selwyn remains a great place to live, work and play. It set out what the Council intended to do over the coming 10 years to meet the needs and wishes of Selwyn's residents. The plan recognised that the District is changing from a largely rural District to one that also has an urban heart. It showed how the Council intended to respond to the challenge of more demand on our water, sewerage and transportation networks as well as increasing expectations for community facilities.

We have made progress implementing our plans with some significant projects completed and others well underway. We have recently reviewed and refreshed our 10 year plan (what we now call the Long Term Plan) and this section of the annual report summarises the progress we have made over the past year in turning our plans into reality.

Canterbury earthquakes

It is now two years since the first earthquake struck the District. It had a big impact and we knew at the time that recovery would take some time. For many of our community there is still some way to go before we can fully recover from the effects of the quakes, but as a District we have made good progress. Our infrastructure stood up well and although some community facilities were affected the damage has not greatly affected our services. Our estimate is that the cost of the earthquakes to the Council is around \$11 million. Much of this is funded by insurance and Government subsidy. The remainder will fall to ratepayers and we collected most of this through the one off earthquake rate charged in the 2011/12 financial year.

Implement the aquatic strategy

The aim of the strategy is to greatly improve the swimming facilities available in the District by maintaining and improving the existing community pools and providing a new year-round aquatic centre. The new aquatic centre will bring real benefits to the community by giving our children a safe, warm place to learn to swim, families a place to meet and have fun, and older people a place to relax and keep healthy.

Construction of the aquatic centre is progressing well and we are on track to open in May 2013. Over the past year we have also made improvements to the community pools, including fibre glassing the Southbridge pool and heating for the Darfield pool.

Put into action the Christchurch, Rolleston and Environs Transportation Study (CRETS)

A significant proportion of residents commute from Rolleston and Lincoln and other townships into Christchurch. The CRETS projects aim to improve these busy transport links. This year has seen the completion of the Lincoln/Rolleston Road and Selwyn to Shands Road improvement project that has improved the safety and ease of travel along these important links.

Construct the Eastern Selwyn Sewerage Scheme

The significant population growth in Rolleston, Lincoln, Prebbleton, West Melton and surrounding areas means that the existing sewerage schemes do not have sufficient capacity to cope with future demand. Without additional capacity, growth in the District will be severely constrained.

To provide the additional capacity, the Council is expanding land based disposal of treated waste water next to the existing Pines treatment plant and has constructed new pipelines to connect Prebbleton and Lincoln to the plant. The scheme, known as the Eastern Selwyn Sewerage Scheme is the largest project that the Council has ever undertaken. The new plant is under construction and will start operating in 2013.

Develop our District as a high quality place to live

All residents in the District want a good living environment. The Council believes that the District should grow in a coordinated way so that residents enjoy the benefits of easy access to open space, quality local facilities (retail, recreation, schools, medical centres etc.), workplaces, a good road network, cycleways and walkways, public transport links, appropriate residential densities and sound water and waste water infrastructure. In particular, the District should have a sense of identity, of its own special character and history – a sense of place.

As part of this initiative the Council has already adopted Urban Design Plans (known as Structure Plans) for its main growth areas – Rolleston, Lincoln and Prebbleton. These plans will guide development and land use and help create high quality places to live. Work is underway to turn the plans into reality and the Council has recently approved amendments to the District Plan (Plan Change 7) to allow the towns to develop in the way envisaged by the structure plans.

As part of its broad planning for the District, the Council is a signatory to the Greater Christchurch Urban Development Strategy and is preparing a District Development Strategy to help guide planning decisions for the entire District. The project has allowed lots of opportunities for local people to get involved and will include a formal consultation phase during early 2013.

Make our resource consent processes more user friendly

The Resource Consent process is complex and is often perceived as difficult for applicants to use. The Council is committed to systems that will meet and exceed customers' expectations of quality and timeliness. Initiatives include on-going liaison with our customers through Council's e-magazine "Selwyn Talk" our customer user group quarterly meetings and the availability of a touch screen customer survey at our front counter. The Resource Consent Team is also expanding its e-services which include the development of interactive pages on Council's website providing a real time snapshot of land development through the subdivision process and the development of a consent tracking

programme allowing the public to track the progress of resource consent applications online.

Implement our Libraries for Life strategy

Libraries provide services that are highly valued and very well used by local people. They reach out to all age groups and provide education, recreation and inspiration to many. They are at the heart of a strong community.

In 2008, the Council adopted a strategic plan for its library service – ‘Libraries for Life’. The strategy is to develop a library service that is good for the entire District. The strategy focuses on improving library buildings so that they are welcoming and have sufficient space to meet the community’s needs.

The improved library in Leeston has been a great success and after the 2009 move, usage increased by 80%, and since opening in February 2011, the new library in Darfield has also proved to be very popular.

Construction of a new Lincoln Library is expected to start before Christmas 2012 and take nine months to finish. The new building will bring a huge improvement to the library facilities available to residents in Lincoln and surrounds.

The final library planned as part of the “Libraries for Life” strategy, an extension, improvement or replacement for the current Rolleston Library, is included in the final year of the Council’s Long Term Plan 2012/22. This is a signal of intent to provide an improved library in Rolleston and the actual timing, funding and location of the library will be kept under review over the coming years.

Plan for the possible impact of the Central Plains Water scheme

The planned Central Plains Water Scheme will have a big impact on the District and has the potential to bring substantial economic and recreational rewards.

After 11 years, the resource consents for the scheme have been granted and the detailed planning for the construction, operation and financing of the scheme can begin. As part of its Long Term Plan for the next 10 years the Council supported a \$5 million loan to CPWL to help fund the detailed design work for the first stage of the scheme. The loan is on commercial terms and includes a number of conditions. This funding, alongside funding from the Ministry for Primary Industries, is a major boost to the scheme and will help it progress over the next two years. The detailed design work will allow the Council to assess in more detail any impact the scheme will have on the Council’s infrastructure, as well as helping to assess how it may affect land use patterns and population growth in the future.

Make the most of our investments

Ratepayers benefit greatly from the returns from the Council’s company, Selwyn Investment Holdings Limited (SIHL). SIHL has been actively seeking ways of maximising returns to the Council over recent years, including supporting the Selwyn

Plantation Board’s sale of its land and forest assets, and facilitating the amalgamation of both KB Irrigation Limited and Ferguson Brothers Limited with SICON Limited. The sale of the Selwyn Plantation Board’s assets will result in a future capital payment to the Council that can then be invested to generate income. This income will replace the income that might otherwise have been achieved from the Plantation Board’s forestry and farming activities.

It has been another difficult year for the Council’s trading company SICON Limited. A combination of tight margins on the New Zealand Transport Agency Contract in South Canterbury, rework costs on some contracts and the lack of significant work from weather events resulted in a loss for the year. Despite this Selwyn Investment Holdings Limited was still able to provide a dividend of nearly \$4.3 million. This is above the level anticipated in its statement of intent due to a special dividend from Orion New Zealand Limited which achieved better trading results than expected.

It was a positive year for the Izone Southern Business Hub. There has been a marked upturn in sales activity since the earthquakes with sales of \$4.1 million in the 2011/12 year and an even greater level of sales anticipated in the 2012/13 year. In response to the increased demand the Council has brought forward the development of Izone stage 6, which is due for completion in 2013.

Manage our finances in a fair and prudent way

At \$13.5 million the Council’s surplus for the 2011/12 financial year was \$3.6 million better than budgeted. (Revenue for the year was \$6.9 million above budget and expenditure was \$3.3 million above budget). If the non-cash revenue from the value of assets vested in the Council by sub-dividers is excluded, the underlying result for the Council is a surplus of \$584,000, \$1.3 million better than budgeted. Areas where income exceeded budget included dividends, earthquake insurance proceeds and vested assets. Areas where expenditure exceeded budget included earthquake repairs, road maintenance and financing costs.

The Council borrowed \$30.2 million during the year, taking its total borrowing to \$83.2 million. The borrowing was used to fund the construction of the Eastern Selwyn Sewerage Scheme (funded from development contributions), roading improvements (funded from general rates) and the Lincoln Integrated Stormwater Management Plan (funded from development contributions).

How we performed

The Council provides a wide range of services for and on behalf of the residents of the District. For planning and reporting purposes, these services are grouped together as significant activities. The Council's plans for each significant activity for the 2011/12 financial year were set out in the Annual Budget 2011/12.

Community services

Many people chose to live in the Selwyn District because of its high quality natural environment populated with a number of townships, amongst what is essentially a working rural backdrop. 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 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.

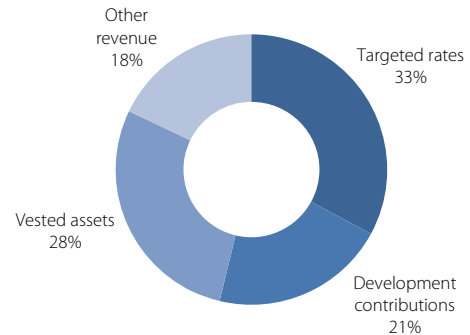
What's been happening?

- The construction of the Selwyn Aquatic Centre is well under way with scheduled completion in mid-2013. The development of the Selwyn Aquatic Centre will provide modern swimming facilities for the whole District.
- Construction of the Lincoln Library and Service Centre to improve library services in the Springs Ward. \$246,000 has been spent during the year.

What's been spent?

	Cost \$000
Business development / district promotion	555
Cemeteries	429
Civil defence	222
Community centres and facilities	2,209
Community development	725
Elderly housing	29
Forestry	196
Library services	1,525
Medical centres	15
Property and buildings	891
Public toilets	286
Recreation reserves	2,611
Rural fire protection	517
Sports and culture grants	56
Swimming pools	355
Total community service operating expenditure	10,621

What income did we receive? \$12.9 million



How have we performed?

Community services performance

At least 70% or more of Selwyn residents have used or visited a public park or reserve in the past year.	Achieved 72%
There is at least 5ha of land per 1000 head of population in the Selwyn District.	Achieved 5.07 ha
The performance rating (out of 100) for parks and reserves in the residents' survey.	Achieved 86/100
The percentage of townships, where all residents are serviced by a reserve within 400m is 90%.	Not achieved 71%
The performance rating (out of 100) for community centres/halls in the residents' survey.	Achieved 80/100
Less than 20% of community buildings are in an average or below condition.	Achieved 18.5%
The Selwyn District has 8 operational swimming pools.	Achieved 8 pools
The number of swims per capita is greater than 1.8.	Not achieved 0.56 swims
The performance rating (out of 100) for public toilets in the residents' survey.	Achieved 65/100
The performance rating (out of 100) for cemeteries in the residents' survey.	Achieved 84/100
Residents' sense of community is greater than 83%.	Not achieved 78%
Percentage of Selwyn residents engaging in regular physical activity is greater than 50%.	Not achieved 49%
The number of new businesses established in the District is increased from 2009/10.	Not achieved 1% decrease
Number of people employed within the District (from the 2011 census).	Not measured -
At least 49% of the District's population are registered library users.	Achieved 63%
There are at least 18.5 library issues per patron p.a.	Not achieved 14.9 issues

Democracy

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.

The major documents that guide the direction of the Council and the District are the District Plan, LTP and the Annual Report.

What's been happening?

- We received 395 submissions on the Council's draft Long Term Plan (LTP) 2012/22. The submissions cover a wide range of issues, demonstrating the community's interest in the Council's activities and proposals for the coming 10 years. The Council heard from submitters wishing to speak on 28 and 29 May and deliberated on all submissions on 1 and 5 June.
- The Council conducted 24% of its business in a public excluded meeting. It did not manage to achieve its performance measure of less than 5% of the Council business being publicly excluded. All sensitive business such as land purchases are conducted in a public excluded meeting to protect the Council's negotiating position. There were a number of items of this nature over the past year.

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.

	\$
Discretionary fund - Wards	40,526
Discretionary fund – Councillors	9,199
Mayoral fund	1,371
Community special events	6,000
Banks Peninsula trotting	1,436
Summit Road protection authority	1,643
Waihora Ellesmere trust	22,260
Other minor grants	4,172
Lincoln Envirotown trust	33,393
Total grant funding	120,000

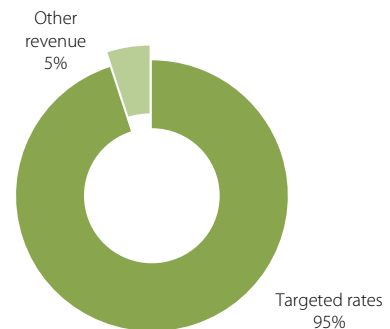
In addition to the above grants, the Council also makes a grant to the Canterbury Museum Trust as per the Canterbury Museum Trust Board Act 1993 totalling \$288,126 (2011: \$265,578).

After the earthquake events, the Council has greatly appreciated the support of the individuals and organisations that made donations to help the community. The Mayor's Emergency Special Fund held \$50,893 as at 30 June 2012. These funds will continue to be used to provide financial support to residents in the future.

What's been spent?

	Cost \$000
Mayoral	241
Council	2,010
Community boards	151
Grants and subscriptions	514
Total democracy operating expenditure	2,916

What income did we receive? \$491,000



How have we performed?

Democracy performance

Conduct less than 5% (by item) of the Council's business in a public excluded meeting.	Not achieved 24% excluded
The 2010/11 Annual Report is adopted on time with an unmodified audit opinion.	Achieved
The 2012/2022 Long Term Plan is adopted on time with an unmodified audit opinion.	Achieved

Environmental services

The environmental services group of activities contributes to the well-being of the residents of the District by working to protect the community from a variety of risks and to enhance the quality of the built and natural environment in which we live. It includes building control, district plan administration, environmental health, monitoring, strategy and policy and animal control.

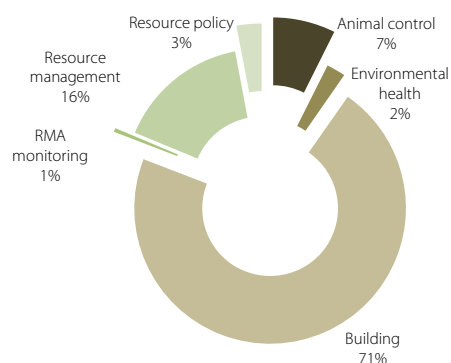
What's been happening?

- The Council achieved over three-quarters of its performance measures in the 2011/12 year in the environmental services area.
- Processing times for building consents and full code of compliance certificates are consistent with the previous financial year at 11 days and 9 days respectively.
- 96% of building consent applicants were satisfied with the service received from the building consent department whilst applying for their consent.
- Animal control achieved all of their performance measures in the past year, translating to all known dogs being registered and all complaints with regard to dog control investigated in a timely manner.

What's been spent?

	Cost \$000
Animal control	350
Building	3,675
Environmental health	180
Resource management	1,182
RMA monitoring	139
Resource policy	1,713
Total environmental operating expenditure	7,239

What income did we receive? \$4.5 million



How have we performed?

Environmental services performance

100% of building consents issued within statutory timeframes.	Not achieved 96%
100% of code of compliance certificates issued within statutory timeframes.	Not achieved 96%
90% of building consent applicants satisfied or very satisfied.	Not achieved 89%
90% of resource consents issued within statutory requirements.	Achieved 99.7%
70% of Environment Court appeals settled or found in the Council's favour.	Achieved No appeals
85% of resource consent applicants very satisfied or satisfied.	Achieved 96%
100% of registered premises or premises with a food control plan inspected/audited annually.	Achieved 100%
All premises are classified according to risk.	Achieved 100%
100% of special licences issued within ten working days.	Achieved 100%
100% of all other licences issued within 20 working days.	Not achieved 97%
100% of resource consents monitored within stipulated timeframe.	Achieved 100%
A Council report with a programme of plan changes is placed on the Council agenda twice a year.	Achieved Monthly
100% of private plan changes processed within statutory timeframes.	Achieved 100%
Adoption of the strategies.	Achieved n/a
Residents' survey level of satisfaction is maintained or increased.	Achieved 67/100
100% of all known dogs are registered by 30 June 2012.	Achieved 100%
100% of urgent callouts attended to within four hours.	Achieved 100%
100% of non-urgent callouts attended to within 72 hours.	Achieved 100%

Transportation and townships

The Council provides a 2,397km roading network that covers the length and breadth of the District. This local network, when combined with the State Highway network, provides a diverse range of roading linkages that enable Selwyn residents and visitors to work and play in the District. Movement through the District will mainly take place either on a road, cycleway or path and these routes form an important part of how people experience the District. While geographically the large size of Selwyn means that the predominant form of travel is always likely to be by private motor vehicles, opportunities to enhance public transport and walking and cycling in Selwyn's growing townships are being continually sought out to provide a wider range of transport choices for people.

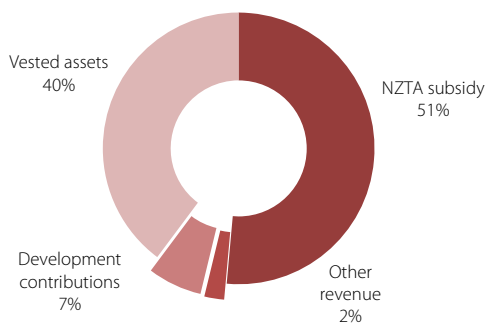
What's been happening?

- Urban roads achieved a performance rating in the residents' survey of 74/100 just below the targeted level of 75/100.
- The Council did not achieve its targeted number of kilometres of annual pavement resealing for the year due to the focus placed on repairing a significantly higher number of repairs to road surfaces than normal due to the stresses from the numerous earthquake events.
- The Council completed 5.8km of major roading upgrades during the year, including work on the Selwyn Road and Lowes Road upgrades.
- 60% of large capital projects were completed, instead of the 90% target set. The majority of projects not completed have been carried forward for completion in the 2012/13 financial year.

What's been spent?

	Cost \$000
Subsidised roading	6,015
Non - subsidised roading	1,313
Townships	1,545
Roading depreciation	9,702
Total transportation operating expenditure	18,575

What income did we receive? \$11.1 million



How have we performed?

Transportation and townships performance

Less than 1,580 public service requests are received relating to road maintenance, works and operations.	Not achieved 1,696 requests
Less than 150 public service requests are received relating to road safety.	Achieved 145 requests
Less than 120 public service requests are received relating to walking, cycling and public transport.	Achieved 94 requests
Less than 125 public service requests are received relating to street lighting.	Not achieved 138 requests
The performance rating (out of 100) for urban roads in the residents' survey.	Not achieved 74/100
The performance rating (out of 100) for rural roads in the residents' survey.	Not achieved 58/100
The performance rating (out of 100) for footpaths in the residents' survey.	Achieved 71/100
The performance rating (out of 100) for cycleways in the residents' survey.	Not achieved 59/100
Road roughness of sealed roads is less than or equal to 60 counts/km.	Not achieved 61 counts
Road roughness of unsealed roads is less than or equal to 100 counts/km.	Achieved 96 counts
At least 75 kilometres of annual pavement resealing achieved.	Not achieved 61km
The length in kilometres of the upgrade of major road routes is 5 kilometres.	Achieved 5.8km
At least 90% of individual large capital projects completed in the year programmed.	Not achieved 60%
One off-road cycleway project is implemented.	Achieved 2 projects
Greater Christchurch travel demand management strategy adopted and implemented.	Achieved Implemented
There are no more than 15 serious casualties annually.	Not achieved 34 casualties
The performance rating (out of 100) for road safety in the residents' survey.	Achieved 76/100
The performance rating (out of 100) for making District roads safer in the residents' survey.	Not achieved 66/100
Utilisation of NZTA funding for minor (safety) improvements is 95% or better.	Achieved 100%
Greater than 90% attendance at relevant planning, funding and implementation meetings and forums.	Achieved 91%

5 waters services

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 services provide 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 82 separately rated water based schemes within the District. The 5 Waters assets are valued at \$390 million with water valued at \$76 million and sewerage at \$124 million.

Drinking water is provided by the Council to over 72% of the population of the District, around 28,000 people. By comparison, wastewater services are provided to approximately 18,000 people. The largest consented wastewater treatment and disposal area is the Pines Wastewater Treatment Plant, currently servicing Rolleston and part of West Melton. From 2013 this will also service Lincoln, Prebbleton and Springfield.

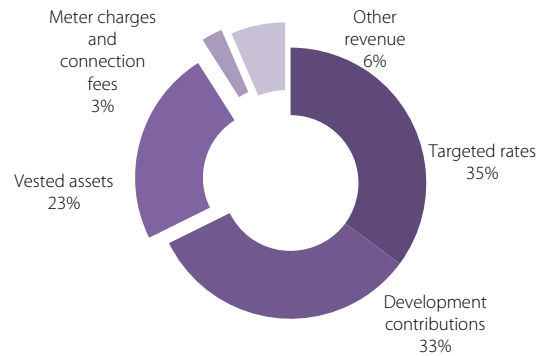
What's been happening?

- The Council achieved most of its performance measures in the 2011/12 year for services provided by its '5 Waters', which encompass community water supplies, wastewater schemes, water races, stormwater and land drainage.
- In the past year, water services have proved to be reliable with no rural or urban properties affected by unplanned water supply interruptions of more than 24 hours due to the failure of the Council's infrastructure.
- The community is provided with water of a consistently high standard, measured against national standards. The Council achieved 98% and 97% compliance for E-Coli in water leaving the treatment plant, and water in distribution systems, respectively.
- Selwyn residents tend to be high users of water, using an average of 1,386 litres of water per residential property per day in the 2011/12 year.

What's been spent?

	Cost \$000
Land drainage	269
Stormwater	613
Sewerage	7,476
Urban water supplies	4,031
Rural water supplies	528
Water races	1,607
Total 5 waters operating expenditure	14,524

What income did we receive? \$20.9 million



How have we performed?

Waste water performance

There are no more than 3 sewer pump station overflow events in the year.	Achieved 3 events
55% of residential properties in Selwyn are serviced by Council waste water systems.	Not achieved 49%
60% of urban areas are serviced by a stormwater system.	Achieved 100%

Water supplies performance

75% of residential properties are serviced with water.	Achieved 75%
90% compliance with national standards for bacterial (E-coli) for water leaving treatment plants.	Achieved 99%
90% compliance with national standards for bacterial (E-coli) for water in the distribution system.	Achieved 97%
85% of the urban fire District area is within 135m of one fire hydrant and 270m of two fire hydrants.	Not achieved 61%
No more than 35% of urban properties are affected by water supply interruptions of more than 24 hours.	Achieved None affected
No more than 35% of rural properties are affected by water supply interruptions of more than 24 hours.	Achieved None affected
The average volume of water consumed per residential property per day is 900 litres.	Not achieved 1,386 litres
Water supply total operating cost per serviced property is \$310 or less per annum.	Achieved \$245 p.a.
Serviced properties are without water supply due to unplanned interruption for less than 10 hours.	Not achieved 12 hours

Waste management

The Council provides a variety of services related to the management of waste in the more populous parts of the District, covering more than 12,000 households in September 2011. Essentially, 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 to the Pines Resource Recovery Park. Residents pay for the service through a mix of targeted and compulsory rates.

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

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.

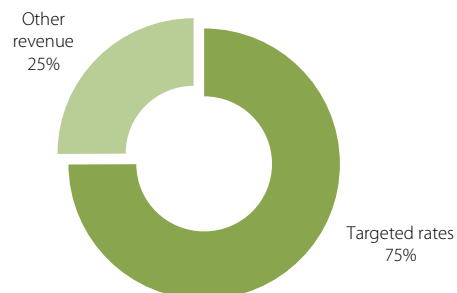
What's been happening?

- The Council met six out of eight performance measures in the 2011/12 year for waste management.
- There was a 1% increase in material going to landfill due to the on-going effect of the earthquakes within the District.
- Community satisfaction with the Council's rubbish, recycling and organic waste kerbside collection services attracted scores of 87/100, 87/100 and 66/100 respectively.
- 26% of surveyed residents independently use the Resource Recovery Park.

What's been spent?

	Cost \$000
Refuse collection	1,695
Refuse disposal	2,577
Total waste management operating expenditure	4,272

What income did we receive? \$4.6 million



How have we performed?

Waste management performance

The performance rating (out of 100) for rubbish collection in the residents' survey.	Achieved 87/100
The performance rating (out of 100) for recycling collection in the residents' survey.	Achieved 87/100
The performance rating (out of 100) for organic waste collection in the residents' survey.	Not achieved 66/100
The proportion of households using the resource recovery park is 25%.	Achieved 26%
Less than 20 written complaints related to the solid waste service per annum.	Achieved 1 complaint
There is compliance of 90% relating to contract specifications.	Achieved 100%
Less than 5% of customers change to private providers during the year.	Achieved No changes
There is a 10% reduction in the amount of residual waste per head of population.	Not achieved 1% increase



Izone Southern Business Hub and property sales

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 of 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.

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 and 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.

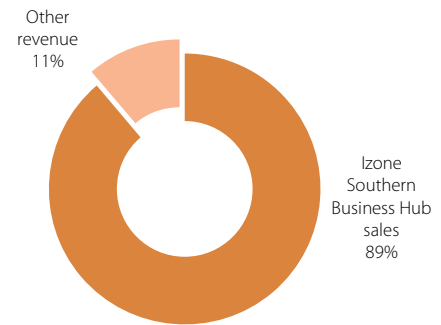
What's been happening?

- Although the Council has not achieved the budgeted level of revenue from Izone in 2011/12, there has been a marked upturn in sales activity and an even greater level of sales is anticipated for the 2012/13 financial year. Izone had budgeted for income of \$7.2 million on potential sales which did not fully transpire, leaving a total income for the year of \$4.2 million. The Council brought forward the development of Stage 6 during the year and will continue development during the 2012/13 financial year. This decision reflects that Izone has committed sales of \$11.6 million in the first half of the 2012/13 year.
- Businesses in Izone continue to be a major employer 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'.

What's been spent?

	Cost \$000
Property development	2,722
Total Izone operating expenditure	2,722

What income did we receive? \$4.2 million



How have we performed?

Izone Southern Business Hub performance

10 hectares of land is sold in the financial year.	Not achieved 4.4 h.a. sold
\$500,000 of dividends is distributed to the Council in the financial year.	Achieved \$500,000 distributed



Summary financial statements

The Council's financial statements show a surplus of \$13.5 million compared with a budgeted surplus of \$9.9 million. If the non-cash revenue from the value of the assets vested in the Council by sub-dividers is excluded, the underlying result for the Council is a surplus of \$584,000. The key items of variance against budget for income and expenditure are noted below.

Summary statement of comprehensive income for the year ended 30 June 2012

	Council 2012 \$000	Council Budget \$000	Council 2011 \$000	Group 2012 \$000	Group 2011 \$000
Total income	81,565	74,688	59,266	114,272	99,009
Other expenditure	(60,753)	(59,253)	(55,044)	(94,322)	(96,073)
Finance costs	(7,325)	(5,489)	(3,198)	(7,740)	(3,804)
Operating surplus / (deficit) before taxation	13,488	9,946	1,024	12,211	(868)
Share of associate surplus / (deficit)	-	-	-	-	-
Surplus / (deficit) before taxation	13,488	9,946	1,024	12,211	(868)
Income taxation expense	(44)	-	67	4	1,902
Surplus / (deficit) after taxation	13,532	9,946	957	12,207	(2,770)
Surplus after taxation from discontinued operation	-	-	-	1,693	3,726
Surplus after taxation and discontinued operation	13,532	9,946	957	13,900	956
<i>Surplus / (deficit) attributable to:</i>					
Selwyn District Council	13,532	9,946	957	12,958	(752)
Non - controlling interest	-	-	-	942	1,708
Surplus after taxation and discontinued operation	13,532	9,946	957	13,900	956
Other comprehensive income					
Financial assets at fair value through other comprehensive income	94	2,626	4,086	-	2,518
Gain on infrastructure assets revaluation	-	-	288,159	-	288,159
Gain / (loss) on land and building revaluation	-	-	9,447	-	9,482
Impairment of property plant and equipment	(375)	-	(3,926)	(375)	(3,926)
Total other comprehensive income from discontinued operation	-	-	-	757	(109)
Total other comprehensive income	(281)	2,626	297,766	382	296,124
Total comprehensive income	13,251	12,572	298,723	14,282	297,080
<i>Total comprehensive income attributable to:</i>					
Selwyn District Council	13,251	12,572	298,723	13,340	295,372
Non - controlling interest	-	-	-	942	1,708
Total comprehensive income	13,251	12,572	298,723	14,282	297,080

Significant variances to budget:

Revenue variances:

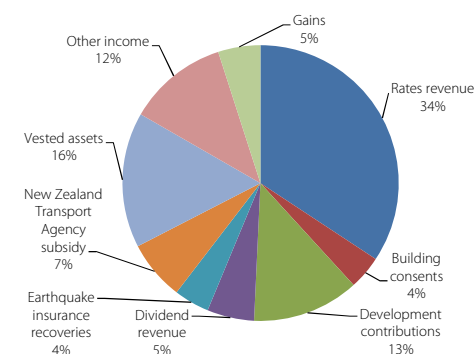
- Izone revenue is lower than budgeted by \$3.2 million as the budget included an ambitious level of sales.
- Vested assets revenue is higher than budgeted by \$2.3 million as no budget was included for vested reserves due to the uncertainty of such revenue in the current economic environment.
- Development contributions revenue is higher than budgeted by \$2.8 million as the level of sub-division activity was greater than anticipated.
- Dividend revenue is higher than budgeted due to an unbudgeted special dividend of \$1.1 million received from Selwyn Investment Holdings Limited.

Expenditure variances:

- Depreciation and amortisation expenditure is higher than budgeted by \$1.5 million due to a higher depreciation charge following the 2011 infrastructural valuations.
- Finance costs are higher than budgeted by \$1.8 million due to the unbudgeted increase in the value of the of the Council's interest rate swap liability which was slightly offset by a lower level of borrowings than budgeted.

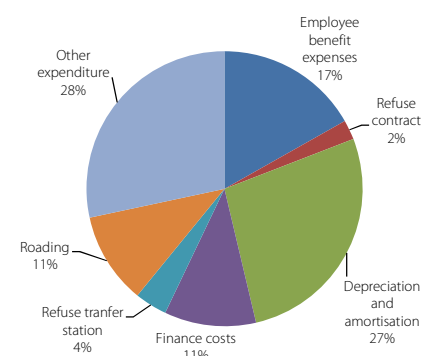
Income

The following graph shows where funding came from during the year. Rates accounts for 34% of total revenue collected.



Expenditure

The following graph shows how total operating expenditure of \$68.1 million is spent.



Definitions:

Development contribution – a contribution towards the construction of new or additional assets as a result of development

Discontinued operation – a part of the group's operations that is being brought to an end (the Council's interest in Selwyn Plantation Board Limited has been classified as a discontinued operation as the assets are currently in the process of being realised)

Other comprehensive income – items of income and expenditure that are not recognised in surplus i.e. some revaluation movements

Vested assets – assets that are vested in the Council by sub-dividers, this includes infrastructural assets such as pipes and land

Summary statement of financial position as at 30 June 2012

	Council 2012 \$000	Council Budget \$000	Council 2011 \$000	Group 2012 \$000	Group 2011 \$000
Current assets	44,189	16,554	21,454	115,927	97,789
Non - current assets	1,196,978	1,029,389	1,171,626	1,164,670	1,139,033
Total assets	1,241,167	1,045,943	1,193,080	1,280,597	1,236,822
Current liabilities	30,121	9,378	34,915	36,518	47,562
Non - current liabilities	72,378	98,547	32,748	79,197	38,660
Total liabilities	102,499	107,925	67,663	115,715	86,222
Selwyn District Council	1,138,668	938,018	1,125,417	1,144,445	1,131,105
Non - controlling interest	-	-	-	20,437	19,495
Total equity	1,138,668	938,018	1,125,417	1,164,882	1,150,600
Total liabilities and equity	1,241,167	1,045,943	1,193,080	1,280,597	1,236,822

Significant variances to budget:

Current assets:

- Cash held at year end is higher than budgeted by \$16.2 million largely due to the sale of one of the Council's investment properties.
- Trade and other receivables are higher than budgeted by \$7.2 million due to insurance receivables for earthquake damage and a few large unbudgeted receivable balances held at year end.
- Property held for sale is higher than budgeted by \$4.1 million largely due to the decision to sell property located on Byron Street, Rolleston. This has resulted in the transfer of assets previously classified as non-current.

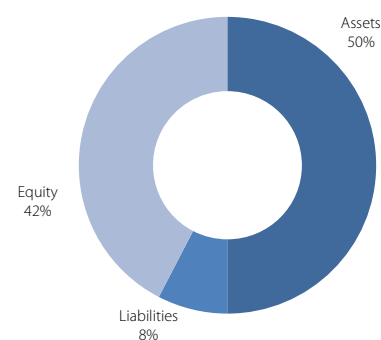
Non - current assets:

- Other financial assets are higher than budgeted by \$18.5 million largely due to the delay in the realisation of the Council's investment through SIHL in the Selwyn Plantation Board.
- Investment property is lower than budgeted by \$10.9 million due to the sale of one of the Council's investment properties at the Izone Southern Business Hub.
- Property, plant and equipment is higher than budgeted by \$156.9 million largely due to higher revaluation movements from the 2011 infrastructural valuation that budgeted.

Liabilities

- Trade and other payables are higher than budgeted by \$3.7 million due to the timing of payments.
- Borrowings are lower than budgeted by \$14.7 million because the budget included higher borrowing levels in the current year to fund the construction of the Eastern Selwyn Sewerage Scheme and the Selwyn Aquatic Centre. These projects have been carried forward to the 2013 financial year.
- Financial liabilities are higher than budgeted by \$4.6 million due to the increase in the Council's interest rate swap liability.

Net assets

*Assets***The Council's assets include:**

- Cash and cash equivalents \$18.3 million
- Trade receivables \$17.0 million
- Property held for sale \$8.7 million
- Property, plant & equipment \$1.057 billion
- Other investments \$139 million

*Liabilities***The Council's liabilities include:**

- Trade payables \$13.0 million
- Employee liabilities \$1.0 million
- Borrowings \$83.2 million
- Financial liabilities \$4.6 million
- Other liabilities \$0.6 million

*Equity***The Council's equity includes:**

- General funds \$563.4 million
- Revaluation reserves \$537.5 million
- Special funds \$37.8 million

Definitions:

Cash equivalents - short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

Current asset - an asset that is expected to be realised within 12 months of balance date

Current liability - a liability that is due to be settled within 12 months of balance date

Investment property - property that the Council holds to earn rental income from

Property held for sale - property that the Council has decided to sell

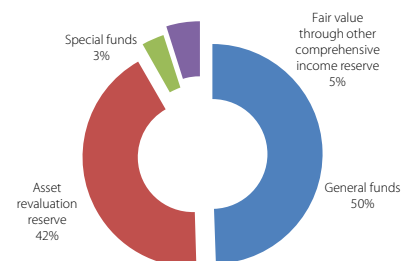
Non-controlling interest - the portion of equity in a subsidiary not owned by the Council

Summary statement of changes in equity for the year ended 30 June 2012

	Council 2012 \$000	Council Budget \$000	Council 2011 \$000	Group 2012 \$000	Group 2011 \$000
Balance at 1 July	1,125,417	925,446	826,694	1,150,600	864,135
Total comprehensive income for the year	13,251	12,572	298,723	14,282	297,080
Realisation of assets	-	-	-	-	(10,615)
Balance at 30 June	1,138,668	938,018	1,125,417	1,164,882	1,150,600
<i>Components of equity:</i>					
General funds	563,400	565,378	553,962	606,601	596,674
Fair value through other comprehensive income reserve	56,200	54,646	56,106	27,410	27,410
Special funds	37,770	34,080	33,798	37,770	33,798
Asset revaluation reserve	481,298	283,914	481,551	472,664	473,223
Non - controlling interest	-	-	-	20,437	19,495
Total equity	1,138,668	938,018	1,125,417	1,164,882	1,150,600

Equity

The following represents the components of Council's equity.



The value of the Council's net assets increased by \$13.3 million for the year ended 30 June 2012.

The increase was due to:

- The surplus of \$13.5 million
- An increase in the value of the Council's investment in Selwyn Investment Holdings Limited (SIHL) of \$94,000
- Offset by a reduction in the value of assets due to earthquake damage of \$375,000.

The value of the Council's net assets is \$1,139 million. This is higher than budget due to the large increases in infrastructure assets values following the 2011 valuation.

The Council borrowed \$30.2 million during the year, taking its total borrowing to \$83.2 million. The borrowing was used to fund the construction of the Eastern Selwyn Sewerage Scheme, roading improvements and the Lincoln Integrated Stormwater Management Plan.

Definitions:

Statement of changes in equity

General funds – ratepayers equity balance held

Fair value through other comprehensive income – equity reserve for movements in investments carried at fair value i.e. the Council's investment in SIHL

Special funds – equity held for a specific purpose, e.g. for use in a particular township water supply scheme

Asset revaluation reserve – equity held for movements in the fair value of property, plant and equipment

Summary statement of cash flows for the year ended 30 June 2012

	Council 2012 \$000	Council Budget \$000	Council 2011 \$000	Group 2012 \$000	Group 2011 \$000
Net cash flow from operating activities	12,157	8,534	12,551	11,716	11,730
Net cash flow from investing activities	(25,844)	(53,249)	(41,158)	(40,529)	(41,490)
Net cash flow from financing activities	30,150	39,158	28,080	29,632	41,401
Net increase / (decrease) in cash and cash equivalents	16,463	(5,557)	(527)	819	11,641
Cash and cash equivalents at the beginning of the year	1,858	7,658	2,385	17,582	5,941
Cash, cash equivalents, and bank overdrafts at the end of the year	18,321	2,101	1,858	18,401	17,582

The Council has a positive net operating cash flow of \$12.2 million. The operating cash flow is used to fund the capital expenditure programme.

Statement of cash flows

Operating activities - are the principal revenue-producing activities of the Council and other activities that are not investing or financing activities

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

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

Summary cost of service statement for the year ended 30 June 2012

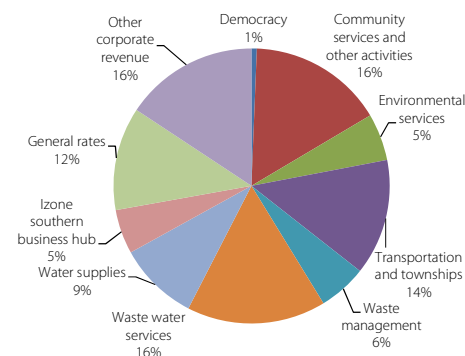
	Council 2012 \$000	Council Budget \$000	Council 2011 \$000
Income			
Democracy	491	468	616
Community services and other activities	12,874	9,126	8,889
Environmental services	4,488	4,132	3,568
Transportation and townships	11,113	10,987	10,118
Waste management	4,609	4,337	4,370
Waste water services	13,243	12,594	6,128
Water supplies	7,672	7,275	6,043
Izone southern business hub	4,239	7,230	2,412
Total activity income	58,729	56,149	42,144
General rates	9,873	9,986	9,230
Rates penalties	221	162	185
Other corporate revenue	12,743	8,391	7,707
Total income	81,565	74,688	59,266
Expenditure			
Democracy	2,916	3,208	3,087
Community services and other activities	10,621	12,318	10,011
Environmental services	7,239	7,946	7,444
Transportation and townships	18,575	16,146	16,133
Waste management	4,272	4,755	3,887
Waste water services	8,358	8,719	5,308
Water supplies	6,166	7,374	5,635
Izone southern business hub	2,722	2,917	2,880
Other corporate expenditure	7,209	1,359	3,857
Total activity expenditure	68,078	64,742	58,242
Total operating expenditure	68,078	64,742	58,242

Discontinued operation

	2012 \$000	Group 2011 \$000
Profits attributable to discontinued operation		
Total income	4,999	16,334
Total expenditure	2,725	11,368
Surplus / (deficit) before taxation	2,274	4,966
Income taxation expense	581	1,240
Surplus / (deficit) after taxation	1,693	3,726
Other comprehensive income	757	(109)
Total comprehensive income	2,450	3,617
Impact on the financial position from discontinued operation		
Current assets relating to discontinued operation	51,919	52,113
Current liabilities relating to discontinued operation	743	3,910

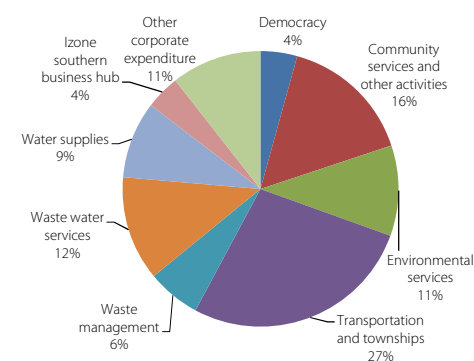
Income

The following graph shows how total income of \$81.6 million is earned by activity.



Expenditure

The following graph shows how total operating expenditure of \$68.1 million is spent by activity.



In April 2010 Selwyn Plantation Board Limited shareholders approved the Board's Strategic Plan for the company, which provided for the sale of all of the company's assets and for the proceeds of sale to be returned to shareholders. Their accounts have been prepared on a realisation basis, having previously been prepared on a going concern basis, in keeping with their treatment as a discontinued operation as at 30 June 2012.

All assets are expected to be realised within 12 months of the year end and have therefore been classified as current assets. Property, plant and equipment and forestry assets have been classified as assets held for sale. All assets have been recognised at their expected realisable value, this being the proceeds expected to be received on sale of the assets.

Impact of the Canterbury earthquakes

The purpose of this note is to disclose the:

- impact on the Council's financial statements
- contingent assets that exist at balance date
- significant areas of estimation and assumption.

The 7.1 magnitude earthquake on 4 September 2010 caused damage to some of the Council's infrastructure (roads, wastewater systems and water systems) and its buildings (community halls, houses and administrative buildings). Although it was a large earthquake centred in the District, the damage was relatively modest and the Council was able to continue to deliver services to local residents. The continuing aftershocks and 6.3 magnitude earthquakes of 22 February 2011 and 13 June 2011 caused some further minor damage.

By the end of the 2012 financial year, \$6.6 million has been spent on repairing damaged assets and the Council estimates that the total cost to repair its assets is \$10.7 million. (This is an increase compared with the estimate of \$7.2 million that was included in the 2011 annual report).

The main areas of damage are:

	Council and Group	
	Updated 2012	2011
	estimate	estimate
	\$000	\$000
Areas of damage		
Community centres and other facilities	3,599	906
Property and buildings	3,416	2,258
Roading	3,448	3,500
Waste water systems	129	250
Water systems	138	295
Total estimated significant earthquake damage	10,730	7,209

In addition, the Council incurred costs of \$619,000 in responding to the earthquakes, including the cost of running the response operation and associated welfare costs.

The Council is able to recover a portion of its costs from a number of sources, including insurance (waste water systems, water systems, buildings), Earthquake Commission (housing), New Zealand Transport Agency (roading) and Central Government (welfare and recovery). Based on its best estimates at 30 June 2012, the Council has recognised revenue from insurance and other sources totalling \$9.5 million. It also has an unquantified contingent asset for further revenue that has not been recognised at balance date. This includes possible additional insurance proceeds.

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

The key estimates are:

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

The key assumptions are that:

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

Impact on the Council's financial statements:

	Council and Group	
	2012	2011
	\$000	\$000
Impact on income		
Insurance	3,130	3,071
NZTA subsidy	140	2,310
Government grant	256	225
Other cost recovery	384	-
Impact on income	3,910	5,606
Impact on expenditure		
Earthquake repairs	1,309	1,997
Civil defence response	-	618
Impact on expenditure	1,309	2,615
Impact on operating surplus before tax	2,601	2,991
Impact on other comprehensive income		
Impairment of property plant and equipment	(375)	(3,925)
Impact on total comprehensive income	2,226	(934)
Impact on capital expenditure		
Earthquake repairs	447	2,832
Impact on capital expenditure	447	2,832

The Canterbury earthquakes have had an impact on Council's insurance position. Since the earthquakes, the Council has been able to obtain full insurance cover for the "standard perils" such as fire and flood events but has not placed cover for future earthquake events. The Council is in the process of establishing a self-insurance fund to cover the risk of earthquake damage.

Events after balance date

On 19 September 2012, the Council approved a \$5.0 million loan to Central Plains Water Limited to help fund the detailed design work for the first stage of the scheme. The loan is on commercial terms and includes a number of conditions. The terms of the loan are currently in the process of being finalised (2011: \$nil).

Selwyn Plantation Board Limited

Selwyn Plantation Board Limited is in the process of selling all its assets, and is finalising the sale and settlement of several properties and its remaining forest asset. Two properties are due to settle in October 2012. (2011: The Company is in the process of selling all its assets, and is actively negotiating the sale and settlement of several properties and its forest asset. Since balance date, titles for four properties have been issued enabling settlement of these properties to be completed in July 2011. The sale and purchase agreement of the forestry land and trees is subject to review and approval of the Overseas Investment Office and the Commerce Commission).

Independent Auditor's Report

**To the readers of
Selwyn District Council and group's
summary of the annual report
for the year ended 30 June 2012**

We have audited the summary of the annual report (the summary) as set out on pages 1 to 17, which was derived from the audited statements in the annual report of Selwyn District Council (the Council) for the year ended 30 June 2012 on which we expressed an unmodified audit opinion in our report dated 24 October 2012.

The summary comprises:

- the summary statement of financial position as at 30 June 2012, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the Council's non-financial performance information and summaries of other information contained in its annual report.

Opinion

In our opinion, the information reported in the summary complies with FRS-43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements, from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 24 October 2012 on the audited statements.

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS-43: Summary Financial Statements. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor-General's auditing standards and the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

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



Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
24 October 2012

Matters relating to the electronic presentation of the audited summary financial statements, summary statements of service performance and the other requirements

This audit report relates to the summary financial statements, summary statements of service performance and the other requirements of Selwyn District Council (the District Council) and group for the year ended 30 June 2012 included on the District Council's website. The Council is responsible for the maintenance and integrity of the District Council's website. We have not been engaged to report on the integrity of the District Council's website. We accept no responsibility for any changes that may have occurred to the summary financial statements, summary statements of service performance and the other requirements since they were initially presented on the website.

The audit report refers only to the summary financial statements, summary statements of service performance and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary financial statements, summary statements of service performance and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements, summary statements of service performance and the other requirements as well as the related audit report dated 24 October 2012 to confirm the information included in the audited summary financial statements, summary statements of service performance and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.