

# **SELWYN DISTRICT COUNCIL**

## **Summary Annual Report**

for the year 2014/2015



## Message from the Mayor and Chief Executive

Dear Selwyn ratepayers and residents,

The past year has been a busy and successful one for our district and the Council.

Signs of growth and development can be seen across Selwyn. The construction of a new high school and primary school are underway in Rolleston and the Ministry of Education has announced a fourth primary school will also be built in Rolleston. The first stage of the Central Plains Water Scheme has been developed to provide water to properties in south Malvern. New subdivisions can be seen in Rolleston, Lincoln, Darfield, Leeston and a number of other townships.

Our building consent team has been exceptionally busy in recent years with so much construction activity occurring in Selwyn. They have also had a very successful year, taking home SOLGM's Supreme Excellence Award for their online building consent application system which was developed in partnership with Alpha Group.

The development of IZONE is helping to provide Selwyn residents with employment in our district. In the past year a further 28 hectares of land have been sold in IZONE, well ahead of the 10 hectares of sales the Council had aimed to achieve.

New and existing residents are enjoying life in Selwyn as our 2015 residents survey found that 90% of residents thought that Selwyn was a great place to live. It was also pleasing to see that satisfaction with Council performance has increased this year.

The Council continues to focus on planning for the future and supporting our growing community. In June we adopted our Long Term Plan for 2015-2025 which identifies a number of major infrastructure projects we will be progressing in the future. We also adopted an Open Space Strategy which will expand and improve our parks and recreation network in the future. Two new cycleways, from Springston to Lincoln and Lincoln to Rolleston



have also been constructed. The development of Foster Park, a major new sport and recreation park, continues and the park's first paths will soon be open for people to walk and cycle on.

In Malvern and Ellesmere, the first stage of work to develop local Area Plans began. Selwyn has a youthful population and a new Health and Community Directory was developed by the Council listing local health, education and support services. Work has also begun on a Newcomers and Migrants Strategy, which is being developed in partnership with a range of government and community organisations. The Council has also hosted a range of very successful community events including summer family picnics, pool parties and a Sport

and Recreation Have a Go Day in Lincoln which attracted over 2,000 people. The Council and Selwyn Arts Trust are also working together to promote and encourage a greater range of arts activities and opportunities in Selwyn.

We would like to thank Council staff, Councillors, members of community committees and local residents for their support over the past year to help us achieve so much.

**David Ward**  
Chief Executive

**Kelvin Coe**  
Mayor

## Welcome to Selwyn District Council's Summary Annual Report 2014/2015

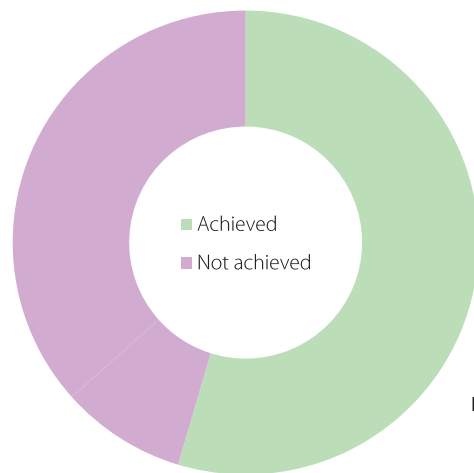
This summary provides an overview and summary of Selwyn District Council and group's activities and services for the year ended 30 June 2015. The information has been extracted from the full annual report for the year ended 30 June 2015 adopted by the Council on 28 October 2015. The full financial statements have been prepared in accordance with, and comply with, Tier 1 PBE accounting standards. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand as it relates to summary financial statements.

The summary cannot be expected to provide as complete an understanding of the Council's performance as the full annual report. The full annual report has been audited and an unmodified opinion issued. The summary was authorised for issue on 11 November 2015 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.

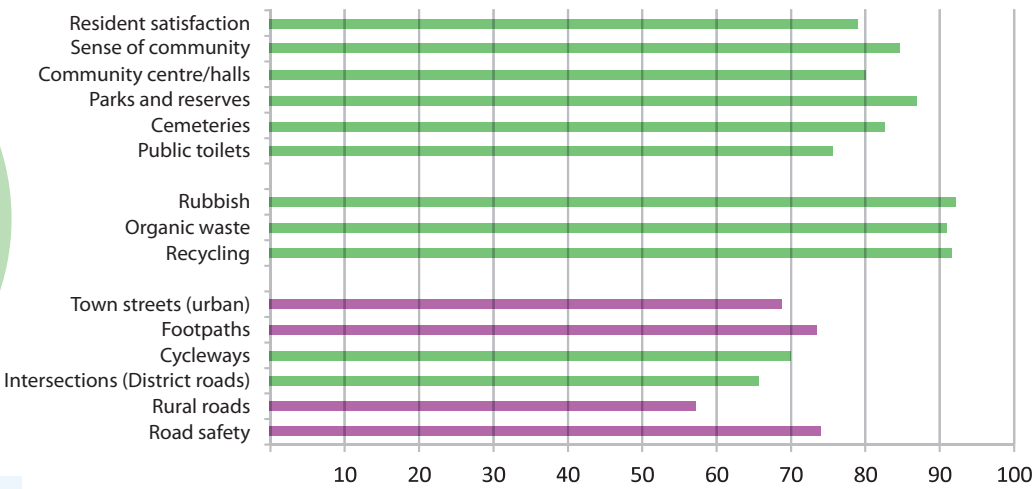
# How we performed

The following graph illustrates how well the Council has performed during the 2015 financial year:



## How satisfied were our residents?

Some of our performance targets used to measure the level of service provided by the Council rely on a biennial residents' survey. The survey involves an independent survey of 1,000 households in the Selwyn District. The results are expressed as a rating out of 100.



## Significant performance measures

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

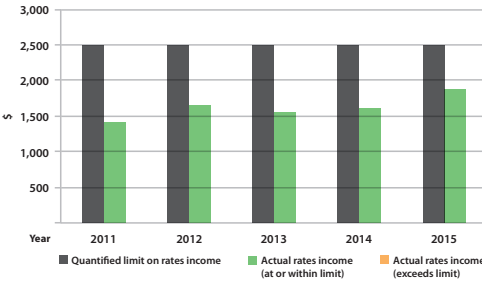
- ✓ 78% of residents have used or visited a public park in the past 12 months.
- ✓ 72% of townships where all residents are serviced by a reserve within 400 metres.
- ✓ 5.82 swims per capita of District population.
- ✓ 100% of all urgent dog callouts were attended to within 4 hours.
- ✗ 53% of registered library users as a percentage of the population.
- ✓ The 2014 annual report and 2015/2025 long term plan was adopted on time.
- ✗ 93% of building consents were issued within statutory time frames.
- ✓ 85% of resource consent applicants very satisfied or satisfied.
- ✓ 2,136 public service requests received for road maintenance, works and operations.
- ✓ 89km of annual pavement resealing.
- ✓ No written complaints were received in relation to the solid waste service.
- ✓ 99.7% compliance with national standards for water leaving and in the distribution network.
- ✓ 68% of the urban fire district area is within 135m of one hydrant and 270m of two.
- ✓ 28 hectares of Izone land sold.
- ✓ Total average water operating cost per serviced property was \$334 per annum.
- ✗ 1,400 litres of water consumed per residential property on average.

## Annual report disclosure statement summary for the year ended 30 June 2015

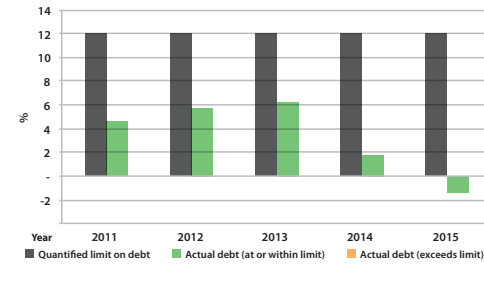
The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

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

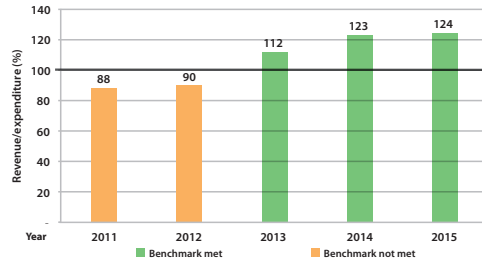
### Rates affordability benchmark



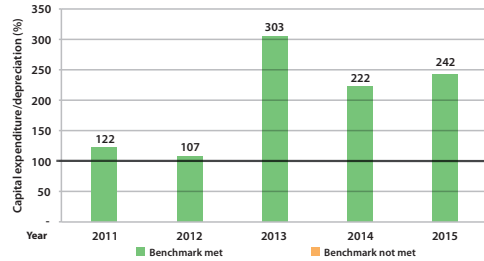
### Debt affordability benchmark



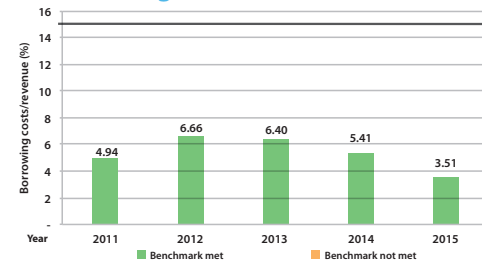
### Balanced budget benchmark



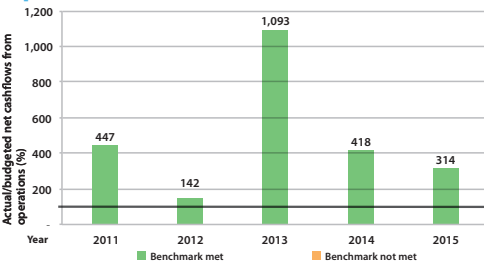
### Essential services benchmark



### Debt servicing benchmark



### Operations control benchmark



## Rating base information

- ▶ The number of rating units within the district at the end of the preceding financial year: 23,345.
- ▶ The total capital value of rating units within the district at the end of the preceding financial year: \$15,770 million.
- ▶ The total land value of rating units at the end of the preceding financial year: \$8,612 million.

Summary financial statements

Selwyn District Council continued to experience high levels of growth during the 2014/15 financial year. The financial results for the year are a reflection of a number of extraordinary circumstances. These include the rapid and sustained population growth in the District, additional dividend revenue received from our investments and land sales in the Izone Southern Business hub ahead of budget.

The Council's financial position remains sound, and reflects a number of extraordinary factors including the rapid and sustained population growth in the District.

Operating expenditure for the year was \$85.1 million compared with a budget of \$80.8 million. Much of this difference is due to a technical accounting policy change.

Consolidated revenue for the year was \$157.1 million, compared with budget of \$97.6 million. This figure includes a number of items that reflect the Council's extraordinary circumstances including:

- ▶ **Land sales** revenue was ahead of budget by \$23.8 million due to sale of land in the Izone Southern Business Hub being significantly ahead of budget.
- ▶ **Development contributions** revenue was \$23 million, \$6.1 million above budget of \$17.1 million as the level of population growth in the district continues to be more rapid than expected. Development contributions are retained in a separate account to fund new infrastructure and are not available to reduce the level of rates.
- ▶ **Vested asset revenue** was \$29.7 million, \$19.2 higher than budget of \$10.5 million, due to the higher than expected level of subdivision activity. Vested assets are predominantly infrastructure, such as roads and water services, established by developers then transferred to the council for ongoing ownership and management. This is a non-cash item and is not available to reduce rates.



Summary statement of comprehensive revenue and expense for the year ended 30 June 2015

	Council	Council	Council	Group	Group
	2015	Budget	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000
Total revenue	157,053	97,552	152,493	185,709	160,000
Other expenditure	(80,197)	(75,613)	(74,004)	(106,343)	(105,838)
Finance costs	(4,920)	(5,234)	(3,536)	(4,947)	(3,732)
Operating surplus / (deficit) before taxation	71,936	16,705	74,953	74,419	50,430
Share of associates surplus / (deficit)	-	-	-	-	-
Surplus / (deficit) before taxation	71,936	16,705	74,953	74,419	50,430
Income taxation expense (benefit)	3,271	-	1	2,918	1
Surplus / (deficit) after taxation	68,665	16,705	74,952	71,501	50,429
Surplus after taxation from discontinued operation	-	-	-	-	133
Surplus after taxation and discontinued operation	68,665	16,705	74,952	71,501	50,562
Surplus / (deficit) attributable to:					
Selwyn District Council	68,665	16,705	74,952	71,501	50,562
Non - controlling interest	-	-	-	-	-
Surplus after taxation and discontinued operation	68,665	16,705	74,952	71,501	50,562
Other comprehensive revenue and expense					
Items that will be reclassified to surplus / (deficit)					
Financial assets at fair value	-	2,087	13,279	-	13,612
Realisation of assets	-	-	(24,932)	-	-
Items that will not be reclassified to surplus / (deficit)					
Gain / (loss) on infrastructure assets revaluation	-	-	(16,487)	-	(16,487)
Gain on land and building revaluation	-	-	-	(82)	60
Deferred taxation on revaluation	-	-	-	-	-
Deferred taxation on revaluation	-	-	-	-	-
Total other comprehensive revenue and expense	-	2,087	(28,140)	(82)	(2,815)
Total comprehensive revenue and expense	68,665	18,792	46,812	71,419	47,747
Total comprehensive revenue and expense attributable to:					
Selwyn District Council	68,665	18,792	46,812	71,419	47,747
Non - controlling interest	-	-	-	-	-
Total comprehensive revenue and expense	68,665	18,792	46,812	71,419	47,747



Summary statement of cash flows for the year ended 30 June 2015

	Council	Council	Council	Group	Group
	2015	Budget	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000
Net cash flow from operating activities	65,270	20,766	40,651	70,395	40,805
Net cash flow from investing activities	(41,502)	(90,213)	(25,752)	(40,369)	(25,187)
Net cash flow from financing activities	(20,051)	22,070	(14,966)	(23,420)	(14,975)
Net increase / (decrease) in cash and cash equivalents	3,717	(47,377)	(67)	6,606	643
Cash, cash equivalents at the end of the year	7,179	3,755	3,462	11,456	4,850



Summary overall funding impact statement for the year ended 30 June 2015

	2015	2015	2014	2014
	Actual	Budget	Actual	Budget
	\$'000	\$'000	\$'000	\$'000
Total operating funding (A)	68,388	61,033	56,104	52,988
Total application of operating funding (B)	60,949	59,509	55,341	56,598
Surplus / (deficit) of operating funding (A-B)	7,439	1,524	763	(3,610)
Total sources of capital funding (C)	38,686	54,948	27,952	60,035
Total applications of capital funding (D)	46,125	56,472	28,715	56,425
Surplus / (deficit) of capital funding (C-D)	(7,439)	(1,524)	(763)	3,610
Funding balance (A-B) + (C-D)	-	-	-	-

Summary statement of changes in equity for the year ended 30 June 2015

	Council	Council	Council	Group	Group
	2015	Budget	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	1,242,780	1,327,197	1,195,968	1,243,715	1,195,968
Total comprehensive revenue and expense for the year	68,665	18,792	46,812	71,419	47,747
Realisation of assets	-	-	-	-	-
Balance at 30 June	1,311,445	1,345,989	1,242,780	1,315,134	1,243,715
Components of equity:					
General funds	712,593	639,337	653,253	717,169	654,927
Fair value through other comprehensive revenue reserve	42,023	62,542	42,023	41,022	41,022
Special funds	73,659	49,080	64,163	73,659	64,163
Asset revaluation reserve	483,170	595,030	483,341	483,284	483,603
Non - controlling interest	-	-	-	-	-
Total equity	1,311,445	1,345,989	1,242,780	1,315,134	1,243,715

Summary statement of financial position as at 30 June 2015

	Council	Council	Council	Group	Group
	2015	Budget	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000
Current assets	97,488	39,711	80,647	105,746	88,381
Non - current assets	1,292,163	1,427,944	1,261,209	1,290,198	1,260,936
Total assets	1,389,651	1,467,655	1,341,856	1,395,944	1,349,317
Current liabilities	40,877	32,219	62,622	43,350	66,112
Non - current assets	37,329	89,447	36,454	37,460	39,490
Total liabilities	78,206	121,666	99,076	80,810	105,602
Selwyn District Council	1,311,445	1,345,989	1,242,780	1,315,134	1,243,715
Non - controlling interest	-	-	-	-	-
Total equity	1,311,445	1,345,989	1,242,780	1,315,134	1,243,715
Total liabilities and equity	1,389,651	1,467,655	1,341,856	1,395,944	1,349,317

Events after balance date

Orion New Zealand Limited

Subsequent to balance date on the 21st September 2015 the Council received \$9.7 million from Orion New Zealand Limited in a share-buy-back.

Cash flow

The Council has a positive operating cash flow of \$65.3 million. The operating cash flow is used to fund the capital expenditure programme.

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

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

Equity

The value of the Council's net assets increased by \$68.7 million for the year ended 30 June 2015.

The value of the Council's net assets is \$1.311 billion (2014: \$1.243 billion).

Assets

Cash held at year end is higher than budgeted by \$3.4 million largely due to special dividend revenue received from our investments and land sales in the Izone Southern Business hub ahead of budget.

Izone inventory is higher than budgeted by \$11.9 million due to the change in treatment of Izone land sales under the new accounting standards which concluded that the Council's land held for sale is more appropriately classified as inventory rather than assets held for sale.

Other financial assets which includes term deposits held by council, are higher than budget by \$22.3 million largely due to higher cash balances held at year end. As discussed above, cash is higher than expected due to the rapid population growth in the District, additional dividend revenue received from our investments and land sales in the Izone Southern Business hub ahead of budget.

Property held for sale is lower than budget by \$11.3 million due to the change in treatment of Izone land sales discussed above under inventory.

Investment in council controlled organisations is higher than budget by \$4.6 million largely due to the increase in the value of CCO's following the valuation conducted during the 2014 financial year being higher than originally budgeted.

Investment property is lower than budgeted by \$10 million as the budget included the purchase of an investment property not yet purchased.

Property, plant and equipment is lower than budget by \$96 million largely due to the valuation movement during the 2014 financial year being lower than originally budgeted.

Liabilities

Borrowings are lower than budget by \$46.7 million because the budget included higher borrowing levels in the current year to fund capital projects which have been funded using existing cash reserves or have been carried forward for completion in future periods.

# The Year In Review

## Our services

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

- ▶ Maintaining over 2,400 kilometres of roads.
- ▶ Providing a rubbish and recycling service to more than 12,000 households. 93% of people using this service rated this service as good or very good.
- ▶ Providing and maintaining 181 reserves and playgrounds, and 37 recreation reserves. 78% of people living in Selwyn visited a park last year.
- ▶ Providing and running the Selwyn Aquatic Centre and eight community pools. The Aquatic Centre was visited by over 282,000 during the year.
- ▶ Providing and maintaining 24 community centres and halls. 65% of Selwyn residents have visited at least one of these facilities in the past year.
- ▶ Running libraries in Darfield, Lincoln, Leeston, Rolleston and a mobile library and assisting a volunteer library. The percentage of registered library users is 53% of the total population.
- ▶ Issuing building and resource consents. 99% of resource consents are issued on time and the average time it took to process a building consent in the past year was 12 days.

## Council facilities and parks provide popular

The Selwyn Aquatic Centre has proved popular with residents. The facility, opened in June 2013, had 282,000 admissions in the year to June 2015, up from 258,000 visits last year. 98% of people taking part in our resident's survey said they had used a community facility in the past year. 78% of people also reported they visited a park in our 2015 resident's survey, while over 60% of residents had visited a library or community centre or hall. Satisfaction with most facilities and parks is high – with over 80% of people satisfied with reserves, playgrounds, libraries and swimming pools.



Our **performance rating for parks and reserves** was **87/100** in the biennial residents' survey.



## Growth continues to be strong

The strong population growth occurring in Selwyn has continued during the past year. Selwyn continues to be the fastest growing district in New Zealand and 2,790 building consents were issued in the year to June 2015. The building consent team continued to perform well under pressure, with the average building consent processing timeframe being 12 days, well under the 20 day statutory period. The team also took won the Society of Local Government Managers' 2015 Supreme Excellence Award for the Council's online building consent processing system developed in partnership with Alpha One.

The development of Izone Southern Business Hub is helping to provide Selwyn residents with greater employment opportunities in our district. In the past year a further 28 hectares of land have been sold in Izone, well ahead of the 10 hectares of sales the Council had aimed to achieve for the period.



## Selwyn 2031: District Development Strategy

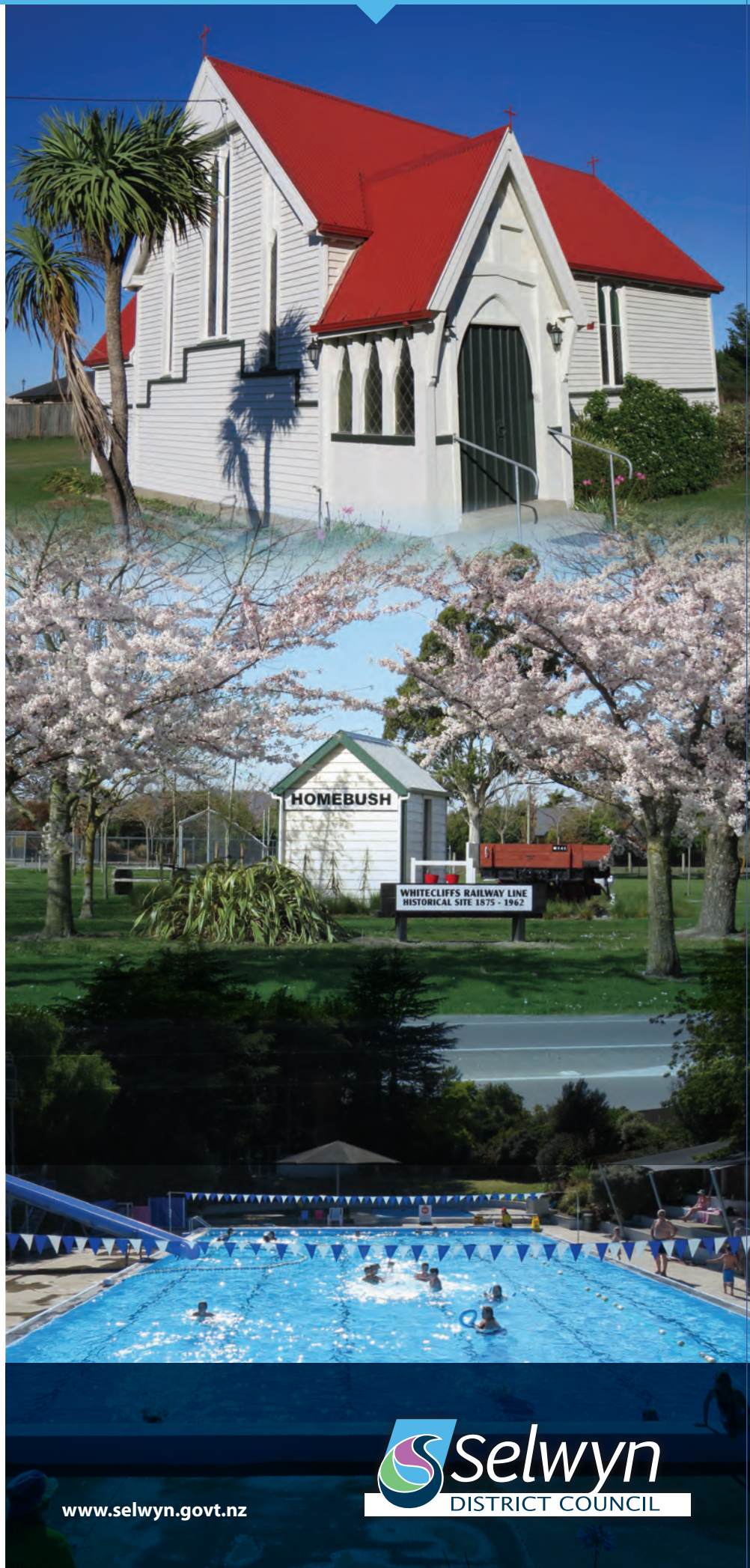
The Council has continued to focus on planning for the district's future. In October 2014, the Council adopted the Selwyn 2031 – District Development Strategy. Selwyn's population is expected to grow from around 53,000 now to over 74,000 by 2031. The strategy will provide a long term view of how Selwyn will develop in the future which will help the Council to plan and deliver services.

In Malvern and Ellesmere, the first stage of work to develop local Area Plans also began.



## The development of Foster Recreation Park continues

Construction continued this year at Foster Recreation Park in Rolleston, Selwyn's largest sport and Recreation Park. The first playing fields have been levelled and sown, and some fields have started to be used by winter sporting codes. A new well and water storage tank have also been installed near Dynes Road to provide water for irrigation, independent from the Rolleston water supply. The park will be designed to be used for a range of activities including sports training and games, community events and concerts as well as exercising dogs, picnics and walking and cycling.



**Independent Auditor's Report**  
**To the readers of**  
**Selwyn District Council's**  
**summary annual report**  
**for the year ended 30 June 2015**

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

The summary annual report was derived from the annual report of the Selwyn District Council (the District Council) and group for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report:

- ▶ the summary statement of financial position as at 30 June 2015;
- ▶ the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2015;
- ▶ the notes to the summary financial statements that include accounting policies and other explanatory information; and
- ▶ the summary statement of service provision (made up of "the year in review" and "how we performed") of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 28 October 2015.

**Opinion**

In our opinion:

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

**Basis of opinion**

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

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 28 October 2015 on the full audited statements.

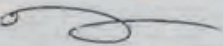
The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council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

**Responsibilities of the Council and the Auditor**

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

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

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council and group.



**John Mackey**  
Audit New Zealand  
On behalf of the Auditor General  
Christchurch, New Zealand  
11 November 2015



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**Council** (June 2015)

**Kelvin Coe** (Mayor)  
**Sarah Walters** (Deputy Mayor)  
**Debra Hasson**  
**Grant Miller**  
**Jeff Bland**  
**John Morten**

**Malcolm Lyall**  
**Mark Alexander**  
**Nigel Barnett**  
**Pat McEvedy**  
**Peter Hill**  
**Sam Broughton**

**Community Boards** (June 2015)

**Malvern**  
**Jenny Gallagher** (Chairperson)  
**Bob Mugford**  
**Judith Pascoe**  
**Kerry Pauling**  
**Mary Ireland**

**Selwyn Central**  
**Diane Chesmar** (Chairperson)  
**Alan French**  
**Bruce Russell**  
**Nicola Peacock**