



SUMMARY ANNUAL REPORT

2009/10

SUMMARY SELWYN ANNUAL REPORT 2009/2010

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WELCOME

...to the Summary Annual Report 2009/2010

WELCOME...

This summary provides an overview and summary of Selwyn District Council's activities and services for the year 2009/2010. The information in the annual report summary has been extracted from the full annual report for the year ended 30 June 2010 adopted by the Council on 27 October 2010. The summary has been prepared in accordance with generally accepted accounting practice in New Zealand and the Council is public benefit entity. 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 unqualified opinion issued. The summary annual report has been examined for consistency with the full annual report by the auditor and an unqualified opinion issued. This summary annual report has been prepared in accordance with Financial Reporting Standard 43 Summary Financial Statements, and is presented in NZ dollars, rounded to the nearest \$1,000, except where indicated.

The annual report summary was authorised for issue on 27 October 2010 by the Chief Executive.

For copies of the full Annual Report you can go to our website or call in at our libraries and service centres.

www.selwyn.govt.nz

Selwyn District Council

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Rolleston

Phone (03) 3472800

Rolleston Library/Service Centre

Rolleston Drive

Rolleston

Phone (03) 3472880

Darfield Library/Service Centre

South Terrace

Darfield

Phone (03) 3188338

Lincoln Service Centre

Gerald Street

Lincoln

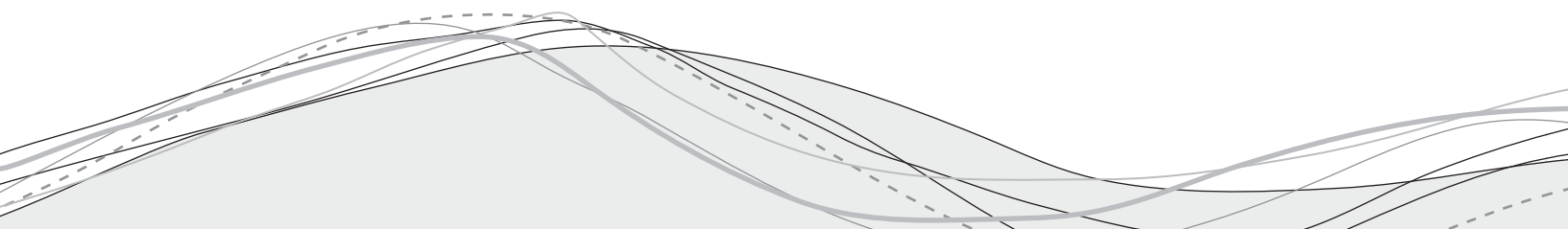
Phone (03) 3472875

Leeston Library/Service Centre

High Street

Leeston

Phone (03) 3248080



FROM THE MAYOR AND CHIEF EXECUTIVE...

This report summarises the Council's activities and finances for the year 1 July 2009 to 30 June 2010. It shows that we made progress towards the community outcomes that have been prioritised in the Selwyn Community Plan (our blueprint for the next 10 years). Key examples are:

- the Lincoln Community Centre, whose construction is now well underway,
- the Selwyn pools strategy, which was approved after extensive consultation and community dialogue, and
- the continued development of our township structure plans.

However, the report also shows that, in some areas, we made less progress than expected. For example:

- several roading improvements will be delayed because we did not receive government approval for all the projects we had applied for,
- the construction of the Darfield library has been a little delayed because we spent time getting the plans right, and
- our finances showed a disappointing deficit of \$5 million, largely due to the economic recession which caused a slowdown in sales of industrial land and a 'paper' loss on the value of our investments.

You will find more information about the Council's finances and activities in the following pages and lots more in the full version of the annual report available from our service centres or website.

Although the earthquake which struck the heart of our district at 4.35am on Saturday, September 4th, falls outside the period covered in the body of this report, it would be remiss not to mention it here.

The damage and distress, though widespread, could have been so much worse. We can thank several factors for this. The pre-dawn timing undoubtedly saved lives. Our high building standards undoubtedly saved many homes, workplaces and infrastructure. And the high level of preparation in the community enabled repair and recovery work to begin almost immediately.

The response by Selwyn residents was amazing, as was that of the Council civil defence team, emergency services, community volunteers, all Council staff, our contractors, and our electricity lines company, Orion. All their emergency planning, training and procedures were repaid handsomely. Our heartfelt thanks to all involved.

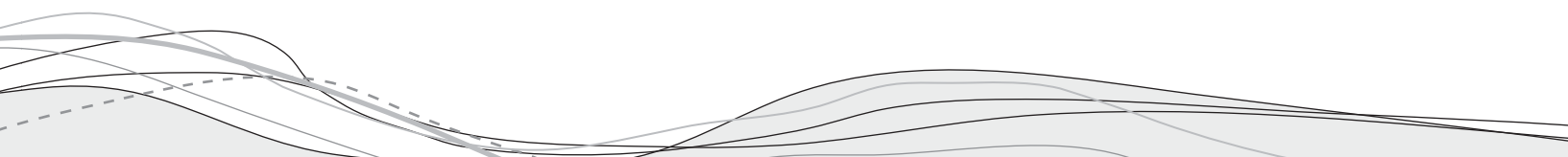
Although essential services were quickly restored, the recovery phase is not fully over. Selwyn suffered less damage than our neighbours but work is still being done to repair roads, water networks and buildings and to help those whose homes and businesses were worst affected.

This earthquake underlines why the Council is so committed to high standards for the district's buildings and infrastructure. Without the quality controls imposed by the Building Code, the District Plan, our Engineering Guidelines and the government's Drinking Water Standards, far greater damage might have ensued.

The full impact of the earthquake will not be known for some time but our initial estimates suggest that it will not have a major effect on Council finances. Although the Council and ratepayers will incur some cost, most costs will be covered by insurance and government support. A fuller reckoning will appear in next year's annual report.

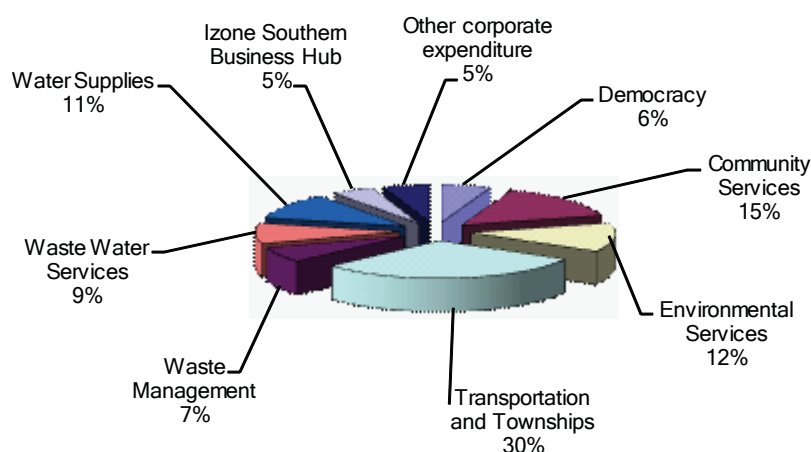
For now, the focus is on recovery and, as the information in this report shows, the Council is well-placed to play its part in putting the district back on its feet.

In closing, we thank the district's elected representatives, the Council staff and the people of Selwyn for their contribution to the district's achievements in the past year. We look forward to continuing our success with them this year and next.

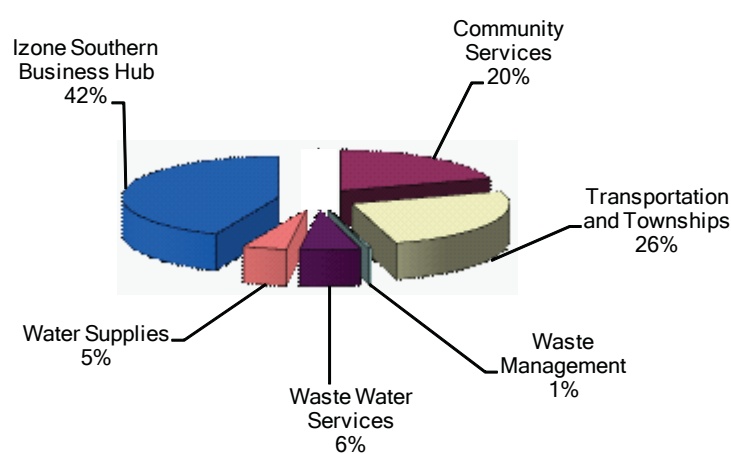


OUR EXPENDITURE FOR THE YEAR...

Operating Expenditure \$52 million



Capital Expenditure \$33 million



Major capital projects

- *Community services* – new Lincoln Community Centre development (\$2.1m) and the purchase and ongoing development of land in Darfield, Rolleston and Prebbleton for reserves and community facilities (\$2.4m)
- *Transportation and townships* - Cyclical renewals across the district to maintain the roading network (\$3.6m), construction of Broadlands Drive in Rolleston (\$1.2m) and construction of a new bridge in Lincoln (\$0.5m)
- *Waste water services* – Purchase of a new pipeline from West Melton to Rolleston to connect with the Pines treatment plant (\$1.1m), improvements to the Rolleston sewer scheme and expenditure on resource consent applications for the Pines treatment plant upgrade (\$0.8m)
- *Water supplies* – Improvements to the Darfield water scheme, including a new well (\$0.9m)
- *Izone Southern Business Hub* – Purchase of land to improve the future development potential (\$2.3m), design and build of PGG Wrightson seed store and Izone Café, owned by the Council and leased for a commercial return (\$9m).

The year in review...

This section of the summary annual report summarises the progress we have made against the key priorities set out in Selwyn Community Plan – our 10 year programme.

Implement the aquatic strategy

The aim of the strategy is to improve the swimming facilities available in the district by maintaining and improving existing facilities as well as providing a new year-round facility. The Council, led by a steering group, developed a high level concept plan and reviewed expected costs and alternative ways of funding all swimming facilities in the district. We consulted with residents on these plans and after listening to the many submissions on the proposal, and reviewing the results of an independent telephone survey, the Council decided to proceed with the aquatic strategy and fund it from a new targeted rate to start from 1 July 2011.

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

The CRETS project aims to improve the busy transport links between Rolleston, Lincoln, other townships and the city. Incorporated in these plans are road widening, intersection improvements, walking and cycling improvements and 'Park n Ride' sites in conjunction with improved bus services. It was expected that the New Zealand Transport Agency (NZTA) would subsidise this over a 10 year programme but they have since revised the funding criteria meaning the Council faces the choice of continuing with these improvements without government support, proceeding at a slower pace or deferring projects until funding is available. NZTA did approve one CRETS project, the Byron St extension in Rolleston, and we are currently discussing another one to determine its eligibility.

Construct the Eastern Selwyn Sewer Scheme

The significant growth in Rolleston, Lincoln, Prebbleton and surrounding areas means that the existing sewer schemes do not have sufficient capacity to cope with future demand. To provide for additional capacity the Council is planning to expand land based disposal of treated waste water next to the existing Pines treatment plant. Over the past year the emphasis has been on obtaining resource consent for the expanded plant, culminating in a combined Regional/District Council hearing scheduled for October 2010. If successful, construction is expected to occur through to March 2012.

Develop our district as a high quality place to live

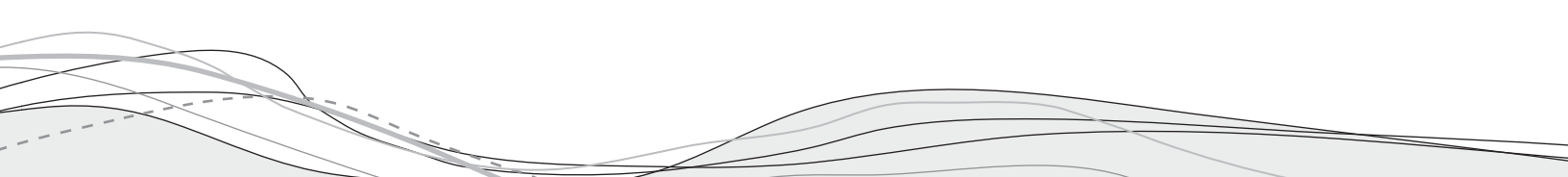
The Council has initiated a programme to prepare Urban Design Plans (known as Structure Plans) for its main growth areas – Rolleston, Lincoln and Prebbleton. The Structure Plans provide an outline that will guide development and land use to help create high quality places to live. Work is underway to turn the plans into reality. A big step forward has been achieved in Rolleston with the purchase of a key block of land that will allow for the development of a large recreation precinct in what will become a focal point for the town. The Council will soon begin the consultation process for a Rolleston town centre master plan to guide the development of the town's commercial area. Over the next two years we will shift focus onto developing a District Wide Strategy to reflect the wishes of local people for the development of the district as a whole.

Make our resource consent processes more user friendly

The resource consent process is complex and often perceived as difficult and overly bureaucratic so the Council have been working to improve its processes. This includes a fast track system to speed up the processing of more 'straight forward' applications and a Pre-lodgement Meeting process to provide assistance to applicants with preparation and lodgement of applications. The Council has also initiated a quarterly publication called "Selwyn Talk" and a customer forum. These improvements are aimed at keeping customers informed of relevant changes to processes and regulations as well as offering them a chance to provide feedback and have direct contact with staff. The results of these initiatives are reflected in a survey that showed that 86% of applicants were satisfied with the resource consent process they went through last year.

Implement our "libraries for life" strategy

In 2008 the Council adopted a Strategic Plan for its library service – "libraries for life". The strategy is to build a library service that is for the good of the entire district. The new Leeston Library/Service Centre, opened in April 2009, has been a great success with 80% more people regularly using it. The Darfield Library/Service Centre was to be developed in 2009/10 but has been deferred until 2010/11 due to the design and consultation process taking longer than expected. An opening date of January 2011 is expected. Concept design work has begun on the Lincoln Library/Service Centre and will include the Community Care offices, a meeting space and extensive green space for the local community, detailed design will be underway by November 2010.



Build a new Lincoln Community Centre

The new centre will provide an indoor stadium, performing hall, meeting rooms and new toilet facilities for the Lincoln reserve as well as 200 car parking spaces for the centre and reserve users. The project also includes new facilities for the Lincoln Playcentre, Plunket and Toy Library which were all fully operational in February 2010. We plan to open the full centre in late February 2011.

Plan for the possible impact of the Central Plains Water scheme

The scheme made significant progress during the 2009/10 financial year with approval of consent for the revised run of river scheme. The resource consents are still subject to appeal and the scheme may still change but it is now likely that it will proceed. There will be a positive impact on the district in terms of the overall economy, job opportunities, land use patterns and the Council's infrastructure. We will take account of the progress as we develop the District Wide Strategy and our long term infrastructure plans over the coming years.

Make the most of our investments

Selwyn Investment Holdings Limited (SIHL) holds the Council's share of a number of companies and provides investment returns to the Council. During 2009/10 SIHL has supported a number of changes in order to maximise returns to the Council; for example supporting Selwyn Plantation Board Limited's sale of its land and assets and facilitating the amalgamation of KB Irrigation Limited with S!CON Limited.

It has been a difficult year with the economic downturn reducing both the volume of work and the profit margins achievable for the Council's trading companies which all made a loss in 2009-10. However SIHL's largest investment, Orion New Zealand Limited, continues to perform strongly and this meant that SIHL was able to pay the Council a dividend of \$4 million in line with its target.

Izone Southern Business Hub has also suffered in the downturn with sales of industrial land slowing and therefore the Council has been unable to achieve the budgeted level of income. However we have still been able to progress our central objective of bringing jobs to the district through Izone with 430 jobs created at Izone to date. This was helped along with the lease of the design and build projects for PGG Wrightson Seed Store and the Izone Café which both bring jobs to the district along with rental income to the Council.

Manage our finances in a fair and prudent way

Everyone in the district has faced pressure on their budgets with increased costs during this difficult time of economic downturn. The Council has also faced pressures on its budget with increased costs in providing services and a reduction in revenue in some areas. The Council has sought to balance these pressures and keep the level of rates at an affordable level. In June 2010 the Council approved a general rate increase of 3.9% for the 2011/12 financial year, this is just below forecast. There were also increases to a number of targeted rates for water, sewerage and community facilities.

The Council has traditionally taken a very prudent approach to financial management and has not taken out debt to fund capital works. However, in planning for the capital works programme over the 10 year period of the Selwyn Community Plan, the Council will, within well defined and prudent limits, take out debt as the need arises. In 2009/10 the Council borrowed \$25 million.

The Council incurred an operating deficit of \$5.2 million in 2009-10. This reflects the impact of the economic downturn on the Council's finances, in particular the lack of land sales in Izone and the write down in the value of the Council's investments.





HOW WE PERFORMED

This section provides information on how the Council has performed over the past year.

In this section

Activities

- Community services
- Democracy
- Environmental services
- Transportation and townships
- Waste management
- 5 Waters services
- Izone Southern Business Hub
- Internal Council support services

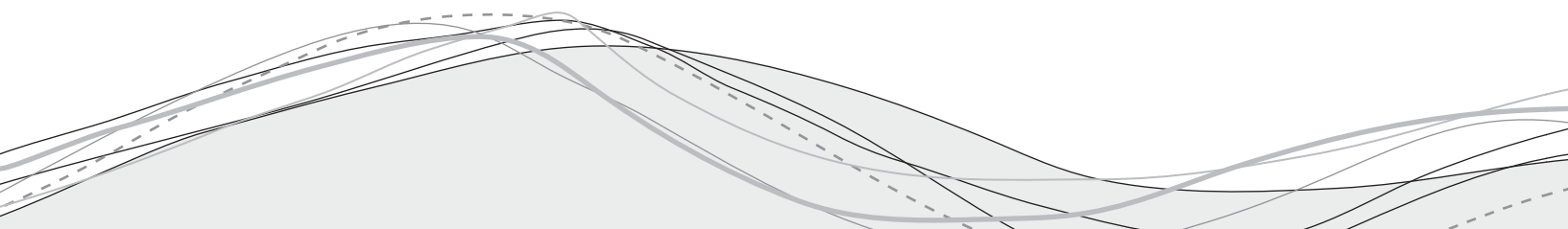
HOW WE PERFORMED...

Community services

Performance measure	Our achievement	Target achieved?
At least 70% or more of Selwyn residents have used or visited a public park or reserve in the past 12 months	70%	√
There is at least 5ha or land per 1000 head of population in Selwyn District	5.02	√
The performance rating for parks and reserves is 80/100 or better in the residents survey	85/100	√
Residents in 90% or more townships are serviced by a reserve within 400m	71%	×
The performance rating for community centres and halls is 50/100 or better in the residents survey	75/100	√
Less than 20% of community buildings are in an average or below condition	23%	×
The Selwyn district has 7 operational swimming pools	8	√
The number of swims per capita is greater than 0.5	0.42	×
The performance rating for public toilets is 60/100 or better in the residents survey	61/100	√
The performance rating for cemeteries is 70/100 or better in the residents survey	72/100	√
At least 47% of the population are registered library users	53%	√
There are at least 17.5 library issues per patron per annum	16.74	×

Democracy

Performance measure	Our achievement	Target achieved?
Less than 5% of Council business is conducted in a public excluded meeting	21%	×
The 2008/09 annual report is adopted on time with an unqualified opinion	Achieved	√
The 2010/11 annual budget is adopted on time	Achieved	√



Environmental services

Performance measure	Our achievement	Target achieved?
100% of building consents are issued within statutory timeframes	90%	×
100% of Code of Compliance Certificates are issued within statutory timeframes	87%	×
At least 90% of building consent applicants are satisfied	82%	×
At least 90% of resource consents are issued within statutory timeframes	90%	√
At least 70% of Environmental Court appeals are settled or found in the Council's favour	66%	×
At least 85% of resource consent applicants are satisfied	86%	√
100% of resource consents are monitored within the stipulated timeframe	100%	√
All currently registered food premises comply with the 1974 Food Hygiene Regulations	100%	√
All other related registered premises comply with the Health Act 1956, and regulations made under the Act	100%	√
100% of special liquor licenses are issued within 10 working days	100%	√
At least 80% of all other liquor licenses are issued within 20 days	90%	√
A Council report with a programme of plan changes to enhance the district is placed on the Council agenda twice a year	Reported monthly	√
100% of private plan changes are processed within the statutory timeframe	100%	√
The Rolleston Structure Plan is adopted	Approved	√
100% of dogs in the district are registered by 30 June 2010	100%	√
100% of urgent callouts relating to dog control complaints are attended to within 4 hours	95%	×
100% of non-urgent callouts relating to dog control complaints are attended to within 72 hours	95%	×

Transportation and townships

Performance measure	Our achievement	Target achieved?
Less than 1520 public service request are received relating to road maintenance, works and operations	1655 received	×
Less than 130 public service request are received relating to road safety	167 received	×
Less than 100 public service request are received relating to walking, cycling and public transport	102 received	×
Less than 115 public service request are received relating to streetlighting	126 received	×
The performance rating in the residents survey is at least 75 for urban roads	68/100	×
The performance rating in the residents survey is at least 60 for rural roads	43/100	×
The performance rating in the residents survey is at least 60 for footpaths	67/100	✓
The performance rating in the residents survey is at least 60 for cycleways	49/100	×
The road roughness measure is at 60 or less for sealed roads	63	×
The length of pavement resealed is 75 kilometers	48.8km	×
The length of major road routes upgraded is 3 kilometers	0km	×
At least 80% of large capital roading projects are completed by the year end	61%	×
One off-road cycleway project is implemented	Achieved	✓
The Greater Christchurch Travel Demand Management Strategy is adopted and being implemented	Adopted	×
There are no more than 18 serious casualties annually	19 casualties	×
The performance rating in the residents survey is at least 70 for promotion of road safety	70/100	✓
The performance rating in the residents survey is at least 65 for making the district roads safer	55/100	×
Utilisation of NZTA funding for minor (safety) improvements is 85% or better	100%	✓
Better than 80% attendance at regional planning, funding and implementation meetings/forums	100%	✓

Waste management

Performance measure	Our achievement	Target achieved?
The performance rating in the residents survey is at least 84/100 for rubbish collection	88/100	✓
The performance rating in the residents survey is at least 82/100 for recycling	90/100	✓
The performance rating in the residents survey is at least 60/100 for organic waste collection	61/100	✓
The proportion of households using the resource recovery park is 20%	26%	✓
Less than 25 written complaints related to the solid waste service per annum	6 received	✓
There is compliance of 85% relating to contract specifications	100%	✓
Less than 5% of customers change to private providers during the year	No changes	✓
There is a 5% reduction in the amount of residual waste per head of population	7.5%	✓

5 Waters

Waste water

Performance measure	Our achievement	Target achieved?
There are no more than 3 sewer or sewer pump station overflow events in the year	No events	√
50% of residential properties in Selwyn are serviced by Council waste water systems	51%	√
55% of urban areas are serviced by a stormwater system	100%	√

Water

Performance measure	Our achievement	Target achieved?
There is 65% compliance with national standards for bacterial criteria for water leaving treatment plants	98%	√
There is 65% compliance with national standards for bacterial criteria for water in the distribution system	99%	√
80% of the fire district is within 135m of one fire hydrant and 270m of two fire hydrants	52%	×
No more than 50% of properties are affected by water supply interruptions of more than 24 hours	None affected	√
Water restrictions are applied on no more than 28 days	6 days	√
The average volume of water consumed per residential property per day is 1,100 litres	1,633 litres/day	×
The supply of water to a serviced property has an operating cost of no more than \$325 per annum	\$200/annum	√
Serviced properties in the 'total water race services area' are without supply due to unplanned interruption for less than 12 hours	Paparua 0.05 hours Malvern 0.01 hours Ellesmere 0.02 hours	√
70% of residential properties within the district are serviced by Council water services	68%	√

Izone Southern Business Hub and property sales

Performance measure	Our achievement	Target achieved?
Sales of 20 hectares of land is achieved in the financial year	Less than 1 ha	×
\$1,500,000 of dividends are distributed to the Council in the financial year	\$1,500,000 distributed	√





SUMMARY FINANCIALS

These summary financials are prepared in accordance with the Local Government Act 2002.

In this section

- Financial highlights
- Summary statement of comprehensive income
- Summary statement of changes in equity
- Summary statement of financial position
- Summary statement of cash flows
- Statement of accounting policies
- Notes to the summary financial statements

SUMMARY FINANCIAL STATEMENTS...

Introduction

Financially 2009-10 was a tough year for many Selwyn residents and businesses. It has also been a tough one for the Council. The economic slowdown has had a big impact on our financial result, with a disappointing level of industrial land sales and a 'paper' loss on the value of our investments resulting in a deficit of \$5.2 million compared with a budgeted surplus of \$3.8 million. This is a turnaround from the surpluses of previous years and shows that the Council is vulnerable to economic forces, particularly in relation to its trading activities.

In previous years the Council, and therefore ratepayers, have benefited from trading activities, including land sales, and the Council's investments and this year's result does not mean that these activities will not bring benefits in the future. But it does show that the Council needs to continue to be prudent in planning for returns from its investments in these volatile times.

The Council's net assets are now valued at \$827 million. This is equivalent to over \$21,000 per resident. These net assets are made up of the roads, water schemes and community facilities that are vital to the well-being of local people, plus the value of the Council's investments.

The result for the Council group shows a deficit of \$4.6 million. This figure incorporates the results of Selwyn Investment Holdings Limited and its subsidiaries SICON, Selwyn Plantation Board Limited, KB Irrigation Limited and Ferguson Brothers Limited plus its investment in Orion. The net assets of the Council group are now \$864 million, \$13 million lower than the year before.

More detailed explanations of the Council's overall financial performance are provided below. The information below relates to the Council's finances and does not include the wider Council group.

Expenditure

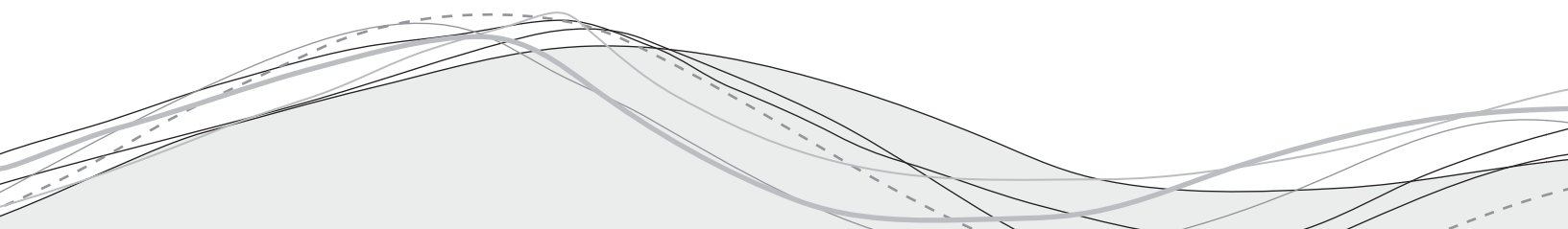
Total expenditure for the year was \$52.3 million compared with a budget of \$55 million. The main variances compared with budget were:

- Community services expenditure was \$1.2 million under budget because a number of projects, including recreation reserve projects, were deferred for completion in the 2010-11 financial year.
- Environmental services expenditure was \$1 million under budget mainly due to Building Research Association levies being excluded from the actual expenditure figure as it is an agency (in and out) transaction rather than real income and expenditure. This technical adjustment has no overall impact on the Council's surplus or deficit.
- Waste management expenditure was \$0.8 million under budget. This is partly the result of lower waste volumes going to the Kate Valley landfill due to the economic slowdown and partly because a number of projects were deferred for completion in future years.
- Urban water supplies expenditure was \$1.7 million under budget due to lower than budgeted operating costs, a number of operating projects being deferred and lower interest and depreciation costs because some capital projects were delayed.
- Other corporate expenditure was \$2 million over budget. These costs include a \$1.2 million write down in the value of the Council's investments and a \$0.4 million notional cost in relation to the Council's interest rate swap transactions (the swap transactions are used to fix the interest rate on borrowings but result in a notional cost when interest rates fall).

Income

The economic slowdown had a big impact on the Council's income. Total income for the year was \$47.2 million compared with a budget of \$58.8 million. The main variances compared with budget were:

- Izone Southern Business Hub income from sales of land was \$8.3 million below budget. Sales were slow in 2009-10 as businesses have been unable or unwilling to commit to the costs of expansion or relocation in the current economic climate.
- Community services income was \$1.9 million above budget. Development contributions and vested assets revenue (the value of assets transferred to the Council by sub-dividers) were \$0.9 million above budget as the budget was set at a very cautious level in the expectation of lower sub-division activity. Also the Council received a lottery grant of \$0.5 million towards the Lincoln Community Centre and secured more revenue than expected from hires, leases and other activities.



- Transportation and roading income was \$4.3 million below budget. Revised national funding criteria for the 2009-12 National Land Transport Programme meant that funding for transportation expenditure was more difficult to obtain than expected when the budget was prepared. As a result subsidy revenue was \$2.5 million lower than budgeted. Also an anticipated development contribution has been delayed until the relevant land is sub-divided.
- Waste water income was \$0.9 million below budget as the budget allowed for a large development contribution for the Leeston North Stormwater management plan. However the project has been deferred for completion in the 2010-11 financial year.

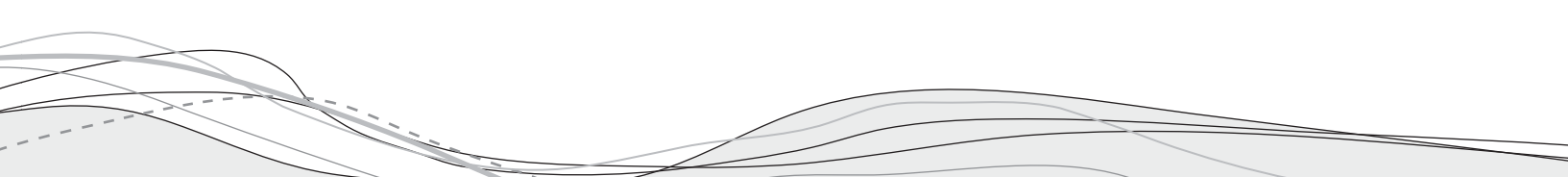
Statement of financial position

Overall, the value of the Council's net assets decreased by \$5.2 million in 2010/11. The decrease was due to the operating deficit.

The value of the Council's net assets at the end of the year was \$827 million. This was lower than budgeted due to the deficit for the year and the deferral of the planned revaluation of land and property to the 2010-11 financial year. The level of property, plant and equipment assets at the end of the year was also below budget as a number of capital projects were deferred for completion in the 2010-11 financial year. These deferrals also mean that the amount that the Council needed to borrow was less than anticipated.

Statement of cash flows

The Council had a positive net operating cash flow of \$3.8 million which was very close to its budget. The operating cash flow is used to fund the capital expenditure programme.



Summary statement of comprehensive income for the year ended 30 June 2010

	Council	Council	Council	Group	Group
	Actual	Budget	Actual	Actual	Actual
	2010	2010	2009	2010	2009
	\$000	\$000	\$000	\$000	\$000
Operating revenue	47,192	58,811	51,585	87,219	111,181
Operating expenditure	50,961	53,418	48,970	93,326	108,883
Finance expenditure	1,294	1,613	-	2,027	1,539
Surplus before taxation	(5,063)	3,780	2,615	(8,134)	759
Taxation	92	-	21	(1,046)	(176)
Surplus from discontinued operation	-	-	-	2,497	7,311
Surplus/ (deficit) after taxation	(5,155)	3,780	2,594	(4,591)	8,246
Other comprehensive income					
Financial assets at fair value through other comprehensive income	-	3,737	4,223	-	15
Gain/(loss) on land and building revaluation	8	12,417	(460)	(12)	(475)
Deferred tax on revaluation	(25)	-	-	(25)	(9)
Other comprehensive income from discontinued operation	-	-	-	(8,682)	(4,627)
Total comprehensive income	(5,172)	19,934	6,357	(13,310)	3,150
<i>Surplus/(deficit) attributable to:</i>					
Council	(5,155)	3,780	2,594	(4,679)	6,758
Non-controlling interest	-	-	-	88	1,488
<i>Total comprehensive income attributable to:</i>					
Council	(5,172)	19,934	6,357	(10,437)	2,571
Non-controlling interest	-	-	-	(2,873)	579

Summary statement of changes in equity for the year ended 30 June 2010

	Council	Council	Council	Group	Group
	Actual	Budget	Actual	Actual	Actual
	2010	2010	2009	2010	2009
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	831,866	832,286	825,509	877,445	874,295
Total comprehensive income for the year	(5,172)	19,934	6,357	(13,310)	3,150
Dividends to non-controlling interest	-	-	-	-	-
Balance at 30 June	826,694	852,220	831,866	864,135	877,445
Components of equity					
General funds	555,822	558,557	546,685	600,243	590,341
Fair value through other comprehensive income reserve	52,020	-	52,020	24,892	24,892
Special funds	31,067	41,106	45,274	31,067	45,274
Asset revaluation reserve	187,785	252,557	187,887	179,531	185,663
Non-controlling interest	-	-	-	28,402	31,275
Total equity	826,694	852,220	831,866	864,135	877,445
<i>Total comprehensive income for the year is attributable to:</i>					
Selwyn District Council	(5,172)	19,934	6,357	(10,437)	2,571
Non-controlling interest	-	-	-	(2,873)	579
	(5,172)	19,934	6,357	(13,310)	3,150

Summary statement of financial position at 30 June 2010

	Council	Council	Council	Group	Group
	Actual	Budget	Actual	Actual	Actual
	2010	2010	2009	2010	2009
	\$000	\$000	\$000	\$000	\$000
Current assets	19,170	19,646	18,224	103,451	44,258
Non-current assets	842,929	889,688	824,574	814,980	867,553
Total assets	862,099	909,334	842,798	918,431	911,811
Current liabilities	9,378	10,508	10,412	27,469	28,665
Non-current liabilities	26,027	46,606	520	26,827	5,701
Total liabilities	35,405	57,114	10,932	54,296	34,366
General reserves	555,822	558,557	546,685	600,243	590,341
Fair value through equity reserve	52,020	-	52,020	24,892	24,892
Special funds	31,067	41,106	45,274	31,067	45,274
Revaluation reserve	187,785	252,557	187,887	179,531	185,663
Other reserves	270,872	293,663	285,181	235,490	255,829
Non-controlling interests	-	-	-	28,402	31,275
Total equity	826,694	852,220	831,866	864,135	877,445
Total liabilities and equity	862,099	909,334	842,798	918,431	911,811

Summary statement of cashflows for the year ended 30 June 2010

	Council	Council	Council	Group	Group
	Actual	Budget	Actual	Actual	Actual
	2010	2010	2009	2010	2009
	\$000	\$000	\$000	\$000	\$000
Net cash flows from					
Operating activities	3,770	3,681	5,857	7,366	7,416
Investing activities	(34,465)	(58,091)	(16,248)	(35,455)	(21,501)
Financing activities	25,000	46,100	-	22,602	1,942
Net increase/(decrease) in cash	(5,695)	(8,310)	(10,391)	(5,487)	(12,143)
Opening cash balance	8,080	14,602	18,471	10,541	22,684
Discontinued operation	-	-	-	957	-
Closing cash balance	2,385	6,292	8,080	6,011	10,541

Cost of service summary statement 2009/10

	Operating revenues	Operating expenditures	Net cost of service	Budget
			surplus/(deficit)	surplus/(deficit)
	\$000	\$000	\$000	\$000
Democracy	419	2,892	(2,473)	(2,643)
Community services	6,583	7,984	(1,401)	(4,554)
Environmental services	3,792	6,511	(2,719)	(3,990)
Transportation and townships	5,677	15,678	(10,001)	(5,296)
Waste management	3,875	3,479	396	(420)
Waste water services	4,949	4,590	359	859
Water supplies	5,536	5,885	(349)	(2,169)
Izone southern business hub	429	2,500	(2,071)	6,389
Other corporate services	6,898	2,736	4,162	6,547
	38,158	52,255	(14,097)	(5,277)
General rates	8,862	-	8,862	8,900
Rates penalties	172	-	172	157
	47,192	52,255	(5,063)	3,780

Events after balance sheet date

On 4 September 2010 a major earthquake struck Canterbury. The earthquake was centred in Selwyn and caused damage to private property and Council assets. The Council has carried out an initial assessment of the damage to its assets and has estimated that the cost to remedy the damage may be in the region of \$10 to \$15 million. This is a preliminary assessment and it will be some time before the full extent of the damage and final cost is known. A substantial proportion of the repair costs will be recovered through the Council's insurance policies and support from the Government.

SICON Limited lost the Waimakariri Parks and Reserves Contract, with effect from 1 September 2010. This will result in a loss of revenue of \$1,650,000 and a reduction in profit of \$125,000.

Selwyn Plantation Board Limited is in the process of selling all its assets and is actively negotiating the sale and settlement of several properties and its forest asset. The Government Forestry Allocation Plan has now been finalised and SPBL is now in the process of claiming its allocation of pre 1990 Carbon Credits. This initial allocation will be in the form of NZU's which should be transferred to the company's accounts by the 31 December 2012.

KB Irrigation Limited amalgamated with SICON Limited with effect from 1 July 2010 and no longer exists. The companies were amalgamated under Part 13 of the Companies Act 1993. KBI's on-going commitments, assets and liabilities have been transferred into SICON's accounts as at July 1 2010.

Discontinued operation

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 2010.

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.

Disclosed below are the results of the Selwyn Plantation Board Limited as a discontinued operation.

	Council	Council	Group	Group
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000
Profits attributable to discontinued operation				
Total revenue	-	-	20,474	21,499
Total expenditure	-	-	16,583	14,023
Surplus/(deficit) before tax	-	-	3,891	7,476
Taxation expense	-	-	1,394	165
Surplus/(deficit) after tax	-	-	2,497	7,311
Other comprehensive income	-	-	(8,682)	(4,627)
Total comprehensive income	-	-	(6,185)	2,684

Audit Report

To the readers of Selwyn District Council and group's summary annual financial statements, service provision information and the other requirements for the year ended 30 June 2010

We have audited the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 as set out in pages 4 to 22.

Unqualified opinion

In our opinion:

- the summary financial statements, service provision information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, service provision information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements, service provision information and the other requirements from which they are derived.

We expressed an unqualified audit opinion, in our report dated 27 October 2010, on:

- the full financial statements;
- the service provision information; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report.

Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Selwyn District Council or any of its subsidiaries.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary financial statements, [service provision information] and the other requirements of Schedule 10 of the Local Government Act 2002 and we are responsible for expressing an opinion on those summary financial statements, [service provision information] and the other requirements of Schedule 10 of the Local Government Act 2002. These responsibilities arise from the Local Government Act 2002.



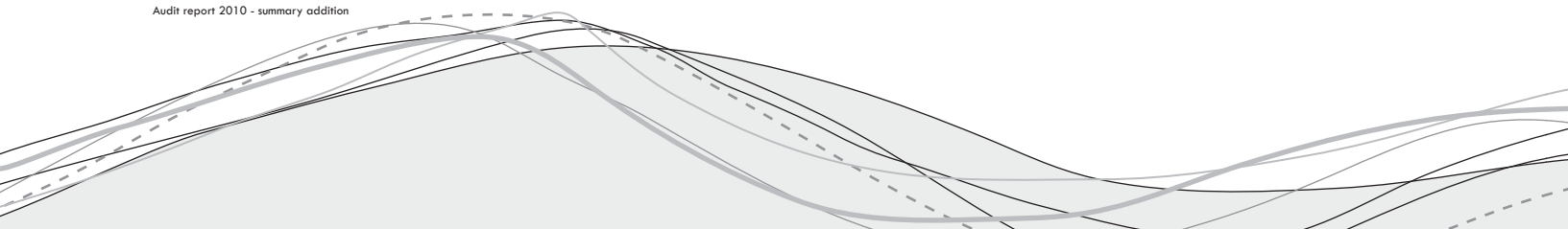
Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
27 October 2010

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

This audit report relates to the summary financial statements, service provision information and the other requirements of Selwyn District Council (the District Council) and group for the year ended 30 June 2010 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, service provision information and the other requirements since they were initially presented on the website.

The audit report refers only to the summary financial statements, service provision information 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, service provision information 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, service provision information and the other requirements as well as the related audit report dated 27 October 2010 to confirm the information included in the audited summary financial statements, service provision information 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.



Council five year financial information summary

	2010	2009	2008	2007	2006
	\$m	\$m	\$m	\$m	\$m
Rates revenue	22	20	18	16	14
Other revenue	25	32	47	42	44
Operating expenditure	52	49	45	36	31
Operating surplus/(deficit)	(5)	3	20	22	27
Capital expenditure	33	28	26	38	17
Borrowings	25	-	-	-	-
Fixed assets (net book value) operational	136	130	128	117	58
Fixed assets (net book value) infrastructure	563	561	558	461	407
Investments	115	115	111	105	107
Net assets	827	832	825	711	613

Ratepayer data

	2010	2009	2008	2007	2006
Rateable Units	16,397	15,591	14,849	14,430	12,894
Growth rate	5.17%	5.00%	2.90%	11.91%	5.47%

