

CHATHAM ISLANDS

Annual Report Summary 2012/13



chatham islands council

Profile of the Chatham Islands

The Chatham Islands and its people are a unique community, isolated by 800 kilometres of ocean from mainland New Zealand.

The Chatham Islands consist of two main inhabited islands, Chatham Island and Pitt Island. Pitt Island lies 23km south east of Chatham Island and both islands are surrounded by a number of smaller islands, all within a radius of approximately 50km. The main island, Chatham, has an area of 90,000 hectares. Pitt Island has an area of 6,300 hectares.

The islands were formed by a volcanic up-thrust and the land surface is predominantly flat with a number of peaks, the largest peak rising to 188 metres. A significant landmark on the Chatham

Islands is 'Te Whanga' which is a large lagoon that covers approximately 20,000 hectares or about one-fifth of the island. There are five settlement areas on the main island - Waitangi, Te One, Owenga, Port Hutt and Kaingaroa.

The 'livelihood' for a majority of islanders is dependent on fishing and farming. Their continued welfare and the islands' viability are linked with the sustainable management of the natural and physical resource base.

Chatham Islands Council is the smallest local authority in New Zealand. It has both district and regional council responsibilities.

The islands at a glance

609 people usually live in the Chatham Islands.

Its population is the smallest in size out of the 73 districts in New Zealand.

The most common occupational group on the Chatham Islands is Labourers, compared with Professionals in New Zealand as a whole.

56% of households have access to the Internet, compared with 61% of households throughout New Zealand.

3% of households have access to a cellphone, compared with 74% for New Zealand. This is because there is no cell phone coverage on the Chatham Islands.

47% of households in private occupied dwellings own the dwelling, with or without a mortgage; the equivalent figure is 55% for New Zealand as a whole.

There are 536 rateable properties and 102 non-rateable properties.

The unemployment rate in Chatham Islands Territory is 1% for people aged 15 years and over, compared with 5% for all of New Zealand.



Source: Statistics New Zealand 2006 Census Data



Mayor & General Manager's Report

It is our pleasure to present this 2012/13 Annual Report. It is a must-read document if you are interested in the progress being made towards the Council's goal of creating a sustainable future for the Chatham Islands.

There is much happening at present, all aimed at reducing the costs associated with living and working on the Chatham Islands. Many hours have been spent working with Government and its officials to secure the funding support required.

In 2011/12 we listed six areas that the Council was working to find funding for, so it is worth providing an update on progress for each:

1. Jointly with the Chatham Islands Enterprise Trust (CIET) to establish an all-weather port facility at Waitangi. *This will be the subject of a Cabinet paper which will be considered and determined late in 2013.*
2. Jointly with the Chatham Islands Enterprise Trust to reinstate wharf and breakwater infrastructure at Flower Pot on Pitt Island and to provide a new fit-for-purpose barge. *CIET has commissioned the construction of a new purpose-built barge which is nearing completion. Funding for the port restoration works will be included in the Cabinet paper referred to above.*
3. For the provision of high-speed and affordable broadband and possibly mobile telephone services. *Tenders have been received but are over the allocated budget. The project will either be re-defined or an increased budget sought.*
4. Solutions to the high energy cost and its flow-on problems. *This matter continues to be promoted with little progress being made. CIET is working on alternative energy sources to lessen the diesel influence on power prices.*
5. The provision of compliant water supply schemes at Kaingaroa, Owenga and Waitangi with a possible extension into Te One. *Funding has been secured for the works planned for Kaingaroa. Work is continuing with the Ministry of Health to find solutions for Owenga, Te One and Waitangi.*
6. The continuance of support for the Council and its contractual relationships. *Core funding is secured. Additional funding requested has been declined until after a review has been completed by central government with the involvement of an independent person. This is programmed for completion by the end of October 2013.*

On the home front, work is progressing with the Solid Waste Management Strategy. The sanitary landfill site has been secured, and an access road has been established and the landfill area drained. An application for resource consent has been lodged and tenders for construction advertised. Transfer station sites are being identified, with Kaingaroa the first to progress.

Roading is the Council's largest activity each year and this year was no different with \$3.6 million being spent on roading work. Financial assistance of \$3.0m was provided from the New Zealand Transport Agency for this.

We continue to progress the proposed joint accommodation with CIET to the point of having an architect's design and quantity surveyor's estimate of cost. The proposed new complex includes a new town hall, museum and a space for a war memorial. It will occupy the sites currently occupied by the council office and hall and the two neighboring houses on Tuku Road. Funding support applications are being progressed.

On the regulatory front, the proposed new Chatham Islands Resource Management Document has been drafted and awaits public consultation.

The Chatham Islands' operating surplus for the 2012/13 financial year was \$1.5 million. The operating surplus improves on the 2011/12 result of a \$0.8 million surplus; however, it is below the budgeted result for 2013/14 of \$2.9 million. The budget assumed sufficient funding would be provided by central government during the year to support on-island infrastructural development. Such funding was not secured and these key on-island projects have been delayed. The Council will continue to work with central government to secure funds for these projects.

With support from our Regional Council contractors, substantial effort has been applied to Chatham Islands Council's biosecurity functions. These range from regular border surveillance at ports and airports to making contestable funds available to landowners for gorse control.

The year ahead has some exciting prospects which include possible economic development opportunities being provided by phosphate mining on the Chatham Rise, and some interest from Chinese investors in food production.

In conclusion we wish to record our appreciation to all those who work for and with the Council for their enthusiasm and hard work in ensuring we continue to contribute positively towards building a sustainable community.

Alfred Preece

Mayor

Owen Pickles

General Manager

8 November 2013



2012/13 in review

Government funding

The Council submitted a funding bid in 2011/12 to secure funding for the next three years. Based on the bid submitted, core funding from central government was secured. However, the amount was insufficient to cover the Council's increased operating obligations under the Local Government Act 2002. Negotiations for additional funding have been suspended until an independent review of the Council's operations has been completed, including review of the Long-Term Plan budget.

Waitangi Port and Pitt Island Wharf upgrade

Chatham Islands Council in conjunction with the Chatham Islands Enterprise Trust has been working with central government to address the infrastructure issues associated with an all-weather port facility at Waitangi, and reinstating the wharf infrastructure at Pitt Island wharf. Securing central government funding is fundamental to these issues being addressed.

Review of the Resource Management Document

The Chatham Islands Resource Management Document has been drafted and is currently being consulted on. This includes the development of a working relationship with Imi/Iwi. Protocols will be developed to assist in progressing the review of the Chatham Islands Resource Management Document and recognition of Imi/Iwi and their relationship with their accustomed environments.

Waste Management Strategy

Progress towards implementing the Waste Management Strategy continued throughout the year. Land has now been made available for the establishment of a compliant sanitary landfill to meet health and environmental standards. A work programme is in place and underway.

Sustainable water

Water scheme upgrades for Kaingaroa, Owenga, Waitangi and Te One are a key priority to address issues of non-compliance with minimum water standards and to respond to community concerns on the impacts on health and safety. To provide sustainable and reliable water sources for these townships, the Council has been working with the Ministry of Health to provide financial support for these developments. The Ministry of Health has recently confirmed funding support for the Kaingaroa Water Supply upgrade.

Social housing

Work towards the establishment of a Social Housing Project has begun as a collaborative effort involving the Council, the Chatham Islands Enterprise Trust and Ngāti Mutunga o Wharekauri Iwi Trust.

Emergency Management Operations Centre

The Council continued to progress the Emergency Management Operations Centre Project. Land for the facility has been secured.

Community complex – shared administration centre

The Council in collaboration with the Chatham Islands Enterprise Trust has begun investigations into the establishment of a new community complex and shared administration centre. A concept plan has been completed.

Community Resilience Project

Through the Community Development Scheme, funding of \$240,000 for the 'Community Resilience Project' was secured in 2011/12. The Community Resilience Project is now into its second year.

Long-Term Plan 2012/22 – "A Shared Vision"

The Council's Long-Term Plan (LTP) was adopted in June 2012. Developed in consultation with the community, the LTP "A Shared Vision" is a plan that reflects the programmes and desires of the people for the provision of a better future and is underpinned by our community outcomes.

Looking forward

Over the next ten years the Council will endeavour to progress current projects that will contribute to enhancing the well-being of the community and realising the community outcomes. Key projects include:

- The completion of a water project that will result in a sustainable and compliant water supply for Kaingaroa, Te One, Owenga and Waitangi
- The completion of a sanitary landfill, transfer stations and a recycling programme
- New social housing
- A new Emergency Management Operations Centre
- Community complex and shared administration centre
- Roading projects
- The completion of a Community Resilience Project
- Successful Island relationships that result in achieving infrastructure outcomes such as the Port Project, broadband and energy
- A sound and respectful working relationship with Imi/Iwi.



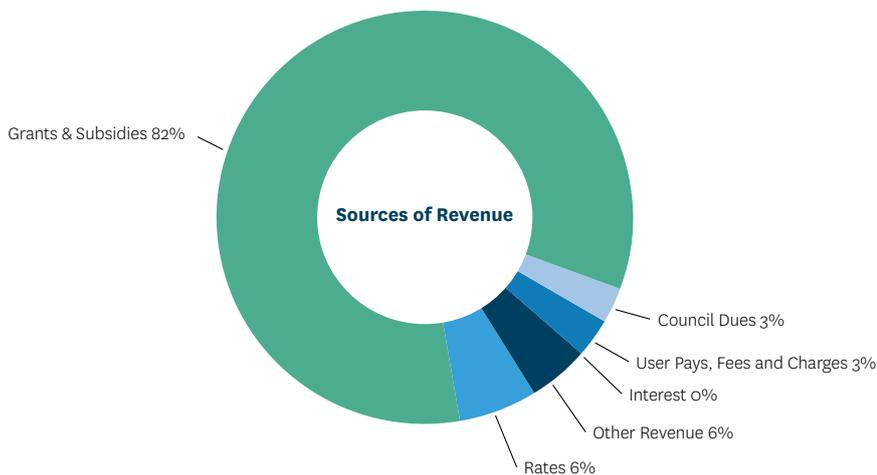
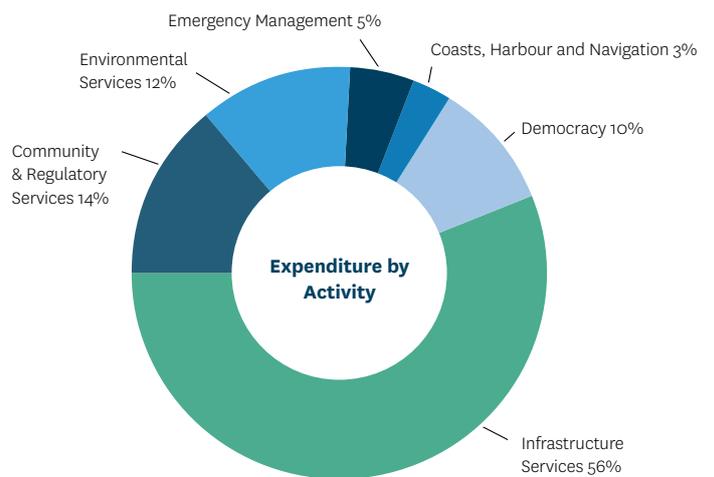
Financial highlights

The Chatham Islands' operating surplus for the 2012/13 financial year was \$1.5 million; this was before revaluation movements from our roading infrastructure of \$8.2 million. The operating surplus improves on the 2011/12 result of a \$0.8 million surplus; however, it is below the budgeted result for 2013/14 of \$2.9 million.

The budget assumed sufficient funding would be provided by central government during the year to support on-island infrastructural development integral to improving the well-being of our community. Such funding was not secured during the year and these key on-island projects such as the upgrade to the on-island water supply have been delayed for a further year. The Council will continue to work with central government to secure funds for these projects, with the Ministry of Health recently confirming funding for the Kaingaroa Water Supply upgrade.

The Council does not have an investment portfolio or population base to support its required levels of service. Consequently, it is reliant on external support from central government to ensure the Council meets the current legislated level of service requirements. The revenue sources the Council received in 2012/13 are summarised in the chart below. Both operating and capital grants levels are below budgeted expectation and have impacted on our ability to deliver our vision to the community.

Operating expenditure by activity is summarised in the chart below; the largest portion of expenditure is on infrastructure, particularly the roading network. This is in line with last year's expenditure, but overall expenditure is less than budget.

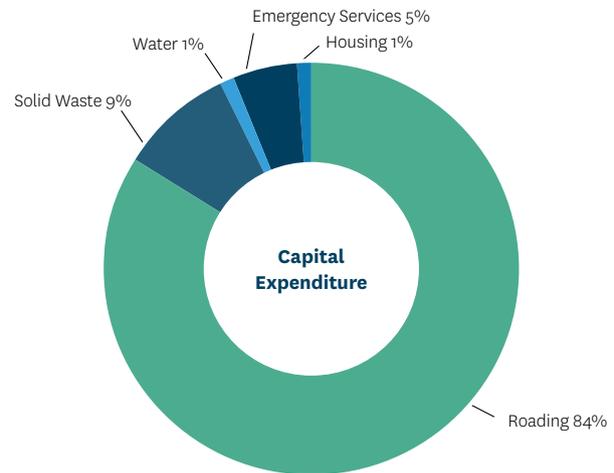




Financial highlights

The Council is also committed to developing on-island infrastructure for the community. The development of these capital assets is dependent on sufficient funding being agreed with central government or other external sources. The chart right summarises the Council's capital expenditure programme by area. The majority of capital expenditure relates to maintaining and improving our roading assets. However, expenditure has increased in the areas of solid waste and emergency services with the commencement of the sanitary landfill development and Emergency Management Operations Centre respectively.

At the end of the financial year, the Council's net assets are valued at \$54.6 million, compared with the closing position of \$44.8 million for the previous financial year. Of this movement \$8.2 million relates to a 'non-cash' increase in the valuation of the Council's roading assets.



A summary of our financial statistics compared with last year is summarised in the table below:

Council Financial Statistics	Actual 2012/13	Actual 2011/12
Proportion of Rates Revenue to Total Revenue	6.17%	6.65%
Proportion of Dues Revenue to Total Revenue	3.08%	3.98%
Net Public Debt (as a percentage of Total Assets)	2.77%	2.24%
Public Debt (per rateable property)	\$2,871	\$1,981
Public Debt (per head of population)	\$2,588	\$1,744

Overall our rates and council dues are in line with 2011/12. However, our level of debt is greater than 2011/12. This is because our bank overdraft at year-end was higher than the closing balance in 2011/12. The Council has used this facility to finance capital and operating requirements during the year. In July 2013, the annual operating grant from central government was received, reducing these public debt ratios.



Council performance during 2012/13

Democracy

Democracy includes planning and support for the Council and its committees, the provision of information regarding Council business, and the general oversight of the processes that underpin representative local government in the Chatham Islands Territory, which includes elections.

1. Providing effective governance and leadership to the Chatham Islands community		
1.1	Measure: The percentage of residents who feel confident that Council decisions are made in the best interests of the community.	Target: 85% of residents are confident or very confident (measured by annual survey, on a scale of very confident, confident, unconfident, very unconfident).
	Result: ✗ Not achieved. Overall, 68% of respondents were confident or very confident.	
1.2	Measure: The percentage of residents who are satisfied with the advocacy by the Mayor and councillors on behalf of the community.	Target: 85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).
	Result: ✗ Not achieved. Overall, 70% of respondents were satisfied or very satisfied. This year's result is 5% lower than that reported last year.	
1.3	Measure: Voter turnout.	Target: In top quartile of New Zealand Territorial Authorities greater than 60%
	Result: ✗ Not measured in 2012/13. Next Territorial Authority Elections to be held in October 2013. At the last 2010 Territorial Authority Elections, voter turnout was 69.4%.	
2. Meeting legislative requirements for governance, planning and reporting		
2.1	Measure: The percentage of official meetings of elected representatives conducted in compliance with the Local Government Official Information and Meetings Act 1987 and Council Standing Orders.	Target: 100%.
	Result: ✓ Achieved. No incidents of non-compliance reported.	
2.2	Measure: LTP/Annual Plan and Annual Report compliant with the Local Government Act 2002.	Target: Audited without qualification.
	Result: ✓ Achieved.	
2.3	Measure: The Council's governance statement is kept up to date.	Target: Kept up to date with legal requirements.
	Result: ✓ Achieved.	

Infrastructure Services

The Council is responsible for all public roads and service infrastructure on the Chatham Islands. As owner of these networks, the Council has a legal requirement to provide infrastructure to a certain standard.

1. Roading- Providing a safe, smooth and well-maintained and managed road network.		
1.1	Measure: The percentage of maintenance work identified in the Annual Roading Strategy undertaken.	Target: 100%
	Result: ✓ Achieved. 100% of maintenance work identified and completed. This is consistent with the performance in 2011/12.	
1.2	Measure: Number of motor vehicle crashes causing injury.	Target: Less than three injury crashes.
	Result: ✓ Achieved. No accidents causing injury. This is consistent with 2011/12 performance.	
1.3	Measure: The percentage of projects identified in the annual minor improvements programme completed.	Target: 100%
	Result: ✗ Not achieved. 69% of minor improvements projects were completed.	
1.4	Measure: The number of infestations of plant pests within the road reserve found in quarterly inspections.	Target: None.
	Result: ✓ Achieved. No infestations reported, and no public complaints received. This is consistent with results in 2011/12.	
1.5	Measure: The number of requests or complaints about the road network.	Target: No more than 10 complaints a year.
	Result: ✓ Achieved. In total ten complaints were received.	

Infrastructure Services continued

1. Roding continued...		
1.6	Measure: The percentage of the contractor's response to written requests or complaints within five working days.	Target: 100% within five working days.
	Result: ✓ Achieved. 100% of requests/complaints were responded to within five working days.	
1.7	Measure: The percentage of residents who are satisfied with the overall extent and safety of the urban and rural road network.	Target: 75% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).
	Result: ✗ Not achieved. Overall, 52% of respondents were satisfied or very satisfied. Satisfaction is 6% lower than last year.	
2. Solid and hazardous waste management - providing convenient and effective resource recovery and waste management facilities for the Chatham Islands that are economically and environmentally sustainable and protect public health.		
2.1	Measure: The percentage of the population within 20km of a transfer station or landfill.	Target: 75%.
	Result: ✓ Achieved. 75% of residents live within 20km of the three refuse sits provided. This has not changed from 2011/12.	
2.2	Measure: The number of complaints about facilities.	Target: No more than two complaints a year.
	Result: ✓ Achieved. Two complaints received.	
2.3	Measure: The time to respond to written requests or complaints.	Target: 100% within five working days of notification.
	Result: ✓ Achieved.	
3. Water supply - providing a safe and reliable water supply for Waitangi.		
3.1	Measure: Compliance of monthly water quality testing with New Zealand Drinking Water Standards.	Target: 100% compliant.
	Result: ✗ Not achieved. Under current Drinking Water Standards, the supply is not yet considered compliant. The current secure bore testing (i.e. monthly <i>E coli</i> sampling from the bore) needs to continue until 2015 before the Ministry of Health will review the results and be able to confirm secure status of the bore. It is also important to note that from a public health risk perspective, the secure bore testing started with three months of intensive weekly <i>E coli</i> sampling and no <i>E coli</i> was recorded during that time. No <i>E coli</i> has been detected in the continued monthly sampling either (both in raw and treated water).	
3.2	Measure: The percentage of customers who are satisfied with the Waitangi water supply scheme.	Target: 80% of customers are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied).
	Result: ✗ Not achieved. 31% of respondents were connected to the Waitangi or Kaingaroa water supply. 65% were either very satisfied or satisfied. This is 2% higher in satisfaction from 2011/12.	
3.3	Measure: The number of complaints about the water supply.	Target: No more than five complaints a year.
	Result: ✓ Achieved. Two complaints were received.	
3.4	Measure: The time taken to respond to complaints and to restore lost supply.	Target: 95% of complaints are responded to within two hours and lost supply restored within eight hours of notification.
	Result: ✓ Achieved.	
4. Stormwater - managing the level of Te Whanga and minimising flooding of land.		
4.1	Measure: The frequency of opening Te Whanga outlet.	Target: Te Whanga outlet will be opened a minimum of once every two years or more frequently as required.
	Result: ✗ Not achieved. Te Whanga outlet was not required to be opened during 2012/13. The outlet had been last opened in 2010/11.	
5. Wastewater (Sewerage) - providing a reliable, environmentally friendly sewerage system.		
5.1	Measure: Compliance with resource consent conditions (monthly monitoring of the system and an annual soil test).	Target: 100% compliance, other than minor non-compliance with nil or minor short-term adverse environmental effects.
	Result: ✓ Achieved. No incidences of non-compliance were reported. This is consistent with performance in 2011/12.	
5.2	Measure: The number of complaints about odours or any other nuisances.	Target: No more than two complaints a year.
	Result: ✓ Achieved. No complaints about odours were received. This is consistent with performance in 2011/12.	
5.3	Measure: The number of complaints about the sewerage system.	Target: No more than five complaints a year.
	Result: ✓ Achieved. No complaints were received. This is consistent with performance in 2011/12.	
5.4	Measure: The time taken to respond to complaints of loss of service and to restore lost service.	Target: 95% of complaints are responded to within two hours and investigated within 12 hours and minor faults remedied within 24 hours of notification.
	Result: ✓ Achieved. Downer NZ is responsible for responding to complaints for loss of service. This is consistent with performance in 2011/12.	

II Community and regulatory services

The Council seeks to promote community development through recreation, the arts and cultural heritage and to enhance the health and safety of the community through an effective and reliable administration of relative legislation.

1. Community services - providing community services		
1.1	Measure: The percentage of residents who are satisfied with community services.	Target: 85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied or very dissatisfied).
	Result: ✗ Not achieved. Overall, 71% of respondents were satisfied or very satisfied, There has been a 2% decrease in satisfaction on last year's results.	
1.2	Measure: The number of complaints about community services.	Target: No complaints.
	Result: ✗ Not achieved. Five complaints received.	
1.3	Measure: Time taken to respond to complaints about operations and facilities and to remedy faults.	Target: 100% are investigated within 12 hours and minor faults remedied within 24 hours of notification.
	Result: ✗ Not achieved. Information on the response times is not available.	
1.4	Measure: Compliance with NZS 5828 for safety of playground equipment.	Target: 100% compliance.
	Result: ✓ Achieved.	
1.5	Measure: The occupancy rate for council housing.	Target: Greater than 95%.
	Result: ✗ Not achieved. 100% occupancy was achieved for part of the financial year under review. From December 2012, two of the three council houses were unoccupied. These two houses were deemed unfit in terms of health and safety. The one remaining council house has been 100% occupied.	
1.6	Measure: The increase in the number of social houses on the Chatham Islands, in collaboration with Housing New Zealand and Chatham Islands Housing Trust.	Target: Two new houses.
	Result: ✗ Not achieved. No increase in the number of social housing.	
2. Community services - provision of a local library service		
2.1	Measure: Community satisfaction with the existing library service.	Target: 100%.
	Result: ✗ Not achieved. The following question was asked: "How satisfied are you with community services such as the maintenance of parks, council buildings and cemeteries, the library and the provision of grants?" Overall, 71% of respondents were satisfied or very satisfied. There has been a 2% decrease in satisfaction on last year's results.	
2.2	Measure: Renewal of library books.	Target: Books renewed every six weeks.
	Result: ✗ Not achieved. Books were renewed every two months through the Council's arrangement with Wellington City Council. This is consistent with 2011/12.	
3. Licensing and building - processing liquor licences and building consents		
3.1	Measure: The percentage of applications processed within statutory timeframes.	Target: 95%.
	Result: ✓ Achieved. Liquor licences – 18 applications were received and were issued within statutory timeframes. ✓ Achieved. 23 building consents were issued during 2012/13.	
3.2	Measure: The number of Liquor Licensing inspections.	Target: At least one Annual inspection.
	Result: ✓ Achieved. Two inspections were undertaken during the year.	
4. Licensing and building - monitoring and enforcing compliance with liquor licence and building consent conditions		
4.1	Measure: The frequency of inspections of food premises, and premises registered as hairdressers, camping grounds, offensive trades, funeral directors and mobile traders to assess compliance with public health standards.	Target: At least one inspection annually for each business location.
	Result: ✓ Achieved. One inspection was undertaken by a Health Protection Officer in May 2013 through the Council's arrangement with Hawke's Bay District Health Board. All 11 food premises were inspected.	
4.2	Measure: The number of complaints about non-compliance with consent conditions.	Target: No more than five complaints received a year.
	Result: ✓ Achieved. No complaints were received in the year under review.	
4.3	Measure: Time taken to respond to complaints about non-compliance with consent conditions.	Target: 100% are resolved or have a resolution strategy in place within 21 days of notification.
	Result: ✗ Not measured.	
5. Dog and animal control - providing a safe and secure living environment for the community		
5.1	Measure: The number of complaints about dog and animal control.	Target: No more than five complaints a year.
	Result: ✗ Not achieved. Thirteen complaints received.	
5.2	Measure: The time taken to respond to complaints.	Target: 100% are responded to as follows: 1. Dog attacks and rushes attended to within one hour of notification. 2. Possible threats to public safety attended to within five hours. 3. Complaints of general nuisance attended to within 48 hours. 4. All other complaints investigated within two working days.
	Result: 1. ✗ Not measured. No complaints of dog attacks. 2. ✓ Achieved. Two complaints were attended to within five hours. 3. ✓ Achieved. Three complaints were responded to within required timeframes. 4. ✗ Not achieved. Three complaints were not responded to within timeframe. Information on timeframes for six complaints is not available.	
5.3	Measure: The number of Island-wide inspections (including Pitt Island) carried out each year to make sure dogs are registered and to check animal welfare.	Target: Two inspections.
	Result: ✗ Not achieved. One inspection was undertaken.	
5.4	Measure: The percentage of residents who are satisfied with dog and animal control services	Target: 100% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied)
	Result: ✗ Not achieved. Overall, 45% of respondents were satisfied or very satisfied with dog and animal control.	
5.5	Measure: The level of cost recovery achieved through registration fees and fines.	Target: 100%.
	Result: ✓ Achieved.	

Environmental Services

The Council seeks to maintain and sustain natural resources in order to promote a sound resource base and to protect the environment from threats that could be detrimental to the needs of the community now and in the future.

1. Resource management- authorising the use of natural and physical resources																				
1.1	Measure: The percentage of resource consents processed within statutory timeframes.	Target: 100%.																		
	Result: ✓ Achieved. Four consents were issued and processed within statutory timeframes.																			
2. Resource management - responding to breaches of the Resource Management Act																				
2.1	Measure: The time taken to respond to and initiate investigations for: 1. breaches of the Resource Management Act; 2. breaches of consent conditions.	Target: No complaints are received.																		
	Result: ✓ Achieved. No complaints were received.																			
2.2	Measure: The time taken to develop a plan to resolve individual breaches.	Target: 80% within one week and 100% within one month.																		
	Result: ✗ Not measured. No complaints were received.																			
3. Resource management - keeping the Resource Management Document compliant and up-to-date																				
3.1	Measure: Efficiency and effectiveness review of the Chatham Islands Resource Management Document.	Target: The review will be completed 2012/13 and will be repeated in 2014/15.																		
	Result: ✓ Achieved. A review was completed and presented to the Council in May 2013 as the basis for the review of the Chatham Islands Resource Management Document (CIRMD).																			
3.2	Measure: Full review of the document within statutory timeframes.	Target: Will be undertaken in 2012/13 to 2014/15.																		
	Result: ✓ Achieved. A full review of the document has been undertaken and a draft presented to Council.																			
3.3	Measure: Changes to the Chatham Islands Resource Management Document are drafted, so as to give effect to the New Zealand Coastal Policy Statement (NZCPS) as necessary.	Target: Will be undertaken in 2012/13 to 2014/15.																		
	Result: ✓ Achieved. The Council received a report on the necessary changes to the CIRMD as a result of the new NZCPS. Changes will be incorporated into the full review as reported above.																			
4. Resource management - maintaining the water quality of Chatham Islands streams and rivers																				
4.1	Measure: Nutrient concentrations.	Target: Annual median nitrogen concentrations (DIN) are maintained or reduced.																		
	Result: ✓ Achieved. Nutrient levels have decreased at five sites and increased at four with four staying the same. The nutrient concentration variances are very small and not ecologically significant.																			
4.2	Measure: The trophic state (Trophic Level Index, TLI) of lakes.	Target: The TLI of lakes is not increasing.																		
	<p>Result: ✓ Achieved. No lakes have increased TLI, two have decreased and three have remained the same. Shallow lakes are prone to variability in TLI due to temperature and water level fluctuations.</p> <p>The Trophic Level Index (TLI) includes six categories microtrophic (very low nutrient levels), oligotrophic, mesotrophic, eutrophic, supertrophic to hypertrophic (very high nutrient levels). Areas with high nutrient levels are saturated with nutrients and their water quality is extremely degraded. In such areas, algal blooms are common and the health of aquatic animals is often at risk.</p>	<table border="1"> <thead> <tr> <th>Lake</th> <th>2012/13 TLI</th> <th>2011/12 TLI</th> </tr> </thead> <tbody> <tr> <td>Huro</td> <td>Supertrophic</td> <td>Supertrophic</td> </tr> <tr> <td>Te Wapu</td> <td>Eutrophic</td> <td>Supertrophic</td> </tr> <tr> <td>Marakapia</td> <td>Mesotrophic</td> <td>Mesotrophic</td> </tr> <tr> <td>Tennants</td> <td>Oligotrophic</td> <td>Mesotrophic</td> </tr> <tr> <td>Rangatai</td> <td>Mesotrophic</td> <td>Mesotrophic</td> </tr> </tbody> </table>	Lake	2012/13 TLI	2011/12 TLI	Huro	Supertrophic	Supertrophic	Te Wapu	Eutrophic	Supertrophic	Marakapia	Mesotrophic	Mesotrophic	Tennants	Oligotrophic	Mesotrophic	Rangatai	Mesotrophic	Mesotrophic
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Tennants	Oligotrophic	Mesotrophic																		
Rangatai	Mesotrophic	Mesotrophic																		
5. Resource management - maintaining the water quality of Te Whanga																				
5.1	Measure: The percentage of times a year when chlorophyll concentrations at a site are less than 4 milligrams per litre. (ANZECC 2000 trigger value)	Target: The percentage is increasing.																		
	Result: ✓ Achieved.																			

6. Biosecurity - preventing the arrival and establishment of new pests		
6.1	Measure: Results of inspection of at risk sites.	Target: Improving trends.
	Result: ✓ Achieved. SPS carried out one intensive survey of 17 high risk sites on the Chatham Islands for new pests. No new or significant pests were detected.	
6.2	Measure: Maintaining an internal border between Chatham Island, Pitt Island and New Zealand.	Target: Training provided to freight handlers at major ports supplying the Chatham Islands. Establishing a partnership with Biosecurity New Zealand to develop a Marine Biosecurity Plan as a part of the internal border.
	Result: ✓ Achieved. Awareness and skill checks were provided to key freight handling staff. The training focused on the four fundamental aspects of quarantine: Clean; Treat; Isolate; and Report. Pest control is conducted at key sites on the Chathams and mainland New Zealand where freight is stored. Both vessels servicing the Chathams have comprehensive pest programmes and checks for rodents.	
6.3	Measure: Public awareness.	Target: Regular media coverage of pests.
	Result: ✓ Achieved. Regular articles have been placed in the "Chatham Islander" and "Uniquely Chathams" papers. These articles have highlighted topical biosecurity issues. Agrichain and SPS have compiled a series of pest leaflets which discuss the "safe" importation of goods.	
7. Biosecurity - monitoring and enforcing operational and property plans		
7.1	Measure: Results of enforcement action to ensure landowners and occupiers do not introduce, sell, propagate or distribute pest species. Results of enforcement action to ensure landowners carry out control of feral goats and gorse.	Target: 80% of plans implemented.
	Result: ✗ Not achieved. No enforcement action carried out in 2012/13. In March 2013 a large aerial gorse control programme was carried out. This resulted in 42% of total land mass being deemed gorse controlled and/or absent. Most notable, was the control of over 50% of all the gorse on Pitt Island.	

Emergency Management

The Council seeks to provide an efficient and effective system of emergency management that minimises the potential effect of all hazards on the community and the environment.

There are plans for a unified civil defence headquarters to be built from new, and funding for this is being sought.

1. Emergency management - coordinating hazard analysis/trend and planning, providing an effective emergency response and recovery capability and raising community preparedness		
1.1	Measure: The state of readiness of the Emergency Management Operations Centre, including staff and volunteers, emergency management equipment, control facilities and communication systems.	Target: 1. 100% readiness, 24-hours/7 days. 2. 100% of staff and volunteers are appropriately trained and resourced.
	Result: 1. ✓ Achieved. The Emergency Management Operations Centre has management equipment, control facilities and communication systems in place. 2. ✓ Achieved. Response Team staff and volunteers are appropriately trained and resourced. Staff and volunteer training is ongoing.	
1.2	Measure: All emergency management plans are completed within statutory timeframes.	Target: 100% compliant.
	Result: ✗ Not achieved. The 20 Emergency Management Plans were not completed within statutory timeframes. This was due to a combination of under resource of staff and other factors outside council's influence.	
1.3	Measure: The percentage of members of the multi-agency response team who have completed basic specialist emergency training services.	Target: 80%.
	Result: ✓ Achieved.	
1.4	Measure: The percentage of residents who consider they are prepared and know what to do in an emergency.	Target: 75% of residents are well prepared or prepared on a scale of well prepared, prepared, not well prepared.
	Result: ✓ Achieved. 81% felt they were prepared.	
2. Emergency management - encouraging lifelines utilities to increase resilience		
2.1	Measure: The percentage of lifelines utilities that have identified the hazards with potential to affect their infrastructure.	Target: 100%.
	Result: ✓ Achieved. 100% of Chatham Islands' infrastructure would be impacted by the occurrence of a natural hazard. Hazard Risk Management Plan in place.	
3. Emergency management - providing support and assisting the recovery of social, emotional, economic and physical well-being of individuals and communities following emergency events		
3.1	Measure: The effectiveness of recovery assistance after emergencies.	Target: Subject to the scale of the emergency and the level of demand: 1. Immediate welfare needs of those affected have been met. 2. Systems have been established or reinstated to assist individual and community self-sufficiency. 3. Essential services have been restored to minimum operating levels.
	Result: 1. ✓ Achieved. Welfare needs would be met. 2. ✓ Achieved. Lifelines would be reinstated. All systems as per Contingency Plan. 3. ✓ Achieved. Restored to operating levels.	
4. Rural fire - providing an effective rural fire prevention and response capability		
4.1	Measure: Time taken to respond to events.	Target: 100% are responded to within one hour of notification.
	Result: ✗ Not measured. No events this year.	
5. Oil spill - Work closely with providers and community groups to ensure integrated analysis/trend, planning and provision of services to provide a safe and secure community		
5.1	Measure: Number of training exercises.	Target: At least one water equipment deployment exercise conducted annually.
	Result: ✗ Not achieved. No training exercise undertaken.	
5.2	Measure: Time taken to evaluate reports of oil spills.	Target: Oil spill reports evaluated within one hour of notification.
	Result: ✗ Not measured. No oil spills reported.	

Coasts, Harbours and Navigation

Harbour control is undertaken primarily to ensure safety in the territory's waterways. The Chatham Islands have approximately 360 kilometres of coastline that is used extensively for commercial fishing, some recreational purposes and potential aquaculture industries.

1. Coasts, harbours and navigation - the community receives a service which meets its needs for safety		
1.1	Measure: Public satisfaction with administration of bylaws.	Target: Establish an upward trend for satisfaction on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied.
	Result: ✗ Not achieved. The trend is yet to be established under the LTP target 2012-22. Overall, 31% of respondents were satisfied or very satisfied.	
1.2	Measure: Formally respond to incidents and deal with complaints within seven days.	Target: 85% responded to within specified timeframes.
	Result: ✗ Not measured. No complaints received.	
2. Coasts, harbours and navigation - navigational aids are maintained in proper working order		
2.1	Measure: The frequency of inspection of leading lights. Number of complaints about navigation aids. The time to replace outages.	Target: 1. Inspections carried out every three months. 2. No more than five a year. 3. Outages replaced within 24 hours.
	Result: 1. ✓ Achieved. Four inspections were undertaken. 2. ✓ Achieved. No complaints received. 3. ✓ Achieved. No outages reported.	
3. Coasts, harbours and navigation - provide lifeline access between Chatham and Pitt islands		
3.1	Measure: The availability of the Owenga Wharf for safe and efficient movement of people, stock and goods.	Target: At all times.
	Result: ✓ Achieved. No safety or inefficiency complaints were received.	



Financial overview

Statement of Comprehensive Income for the year ended 30 June 2013

	Actual 2012/13 \$000	Annual Plan 2012/13 \$000	Actual 2011/12 \$000
Rates	496	485	466
Grants & subsidies	6,607	8,799	5,821
Other revenue	936	583	715
Total revenue	8,039	9,867	7,002
Expenditure	6,505	6,991	6,218
Total surplus/(deficit)	1,534	2,876	784
Increase/(decrease) in revaluation reserve	8,199	3,585	-
Total comprehensive income	9,733	6,461	784

Statement of Changes in Equity for the year ended 30 June 2013

	Actual 2012/13 \$000	Annual Plan 2012/13 \$000	Actual 2011/12 \$000
Equity at the beginning of the year	44,837	46,960	44,053
Total comprehensive income	9,733	6,461	784
Equity at the end of the year	54,570	53,421	44,837

Statement of Financial Position as at 30 June 2013

	Actual 2012/13 \$000	Annual Plan 2012/13 \$000	Actual 2011/12 \$000
Current assets	1,099	1,180	752
Non-current assets	55,703	55,390	46,677
Total assets	56,802	56,570	47,429
Current liabilities	1,557	2,063	1,878
Non-current liabilities	675	1,086	714
Total liabilities	2,232	3,149	2,592
Net assets	54,570	53,421	44,837
Public equity	54,570	53,421	44,837

Statement of Cash Flows for the year ended 30 June 2013

	Actual 2012/13 \$000	Annual Plan 2012/13 \$000	Actual 2011/12 \$000
Net cash flow from operating activities	2,959	4,727	2,621
Net cash flow from investing activities	(3,022)	(5,748)	(2,599)
Net cash flow from financing activities	(33)	576	64
Increase/(decrease) in cash held	(96)	(445)	86
Opening cash balance	(422)	(312)	(508)
Closing cash balance	(518)	(757)	(422)

Council has prepared the Summary Annual Report to provide an overview of Council's performance. The disclosures in the Summary Annual Report have been extracted from the Annual Report, which was adopted on 8 November 2013.

The Summary Annual Report cannot be expected to provide as much detail as the full Annual Report. The full Annual Report will provide a more complete understanding of Council's operations. The full Annual Report is available from Council on request.

Council can be contacted by telephone on (03) 305-0033 or via Council's website at www.cic.govt.nz.

Independent Auditor's report

To the readers of Chatham Islands Council's annual report summary for the year ended 30 June 2013

The summary annual report was derived from the annual report of the Chatham Islands Council (the Council) for the year ended 30 June 2013. 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 on pages 7 to 14:

- the summary statement of financial position as at 30 June 2013;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2013; and
- the summary statement of service provision of the Council.

We expressed an unmodified audit opinion on the Council's full audited statements in our report dated 8 November 2013.

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 FRS 43 (PBE): 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.

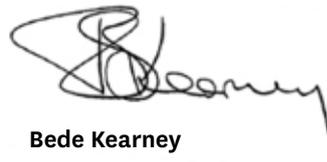
The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the Council.

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 FRS 43 (PBE): 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 FRS 43 (PBE): Summary Financial Statements.

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



Bede Kearney

Audit New Zealand

On behalf of the Auditor-General, Christchurch, New Zealand
8 November 2013

The organisation

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Audit New Zealand
(on behalf of the Auditor-General)



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