



# CHATHAM ISLANDS

Annual Report Summary 2014/15



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 of Chatham Island 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 the 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

Usually 600 people live in the Chatham Islands.

Its population is the smallest in size out of the 53 districts in New Zealand.

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

In total, 59% of households have access to the Internet, compared with 77% of households throughout New Zealand.

In the Chatham Islands, 4% of households have access to a cell phone, compared with 77% for New Zealand. This is because there is no cell phone coverage on the Chatham Islands.

Among households in private occupied dwellings, 54% own the dwelling, with or without a mortgage; the equivalent figure is 65% for New Zealand as a whole.

There are 557 rateable properties and 102 non-rateable properties.

The unemployment rate in Chatham Islands Territory is 2.5% for people aged 15 years and over, compared with 7.1% for all of New Zealand.

Source: Statistics New Zealand 2013 Census Data

# Mayor and Chief Executive's report

It is our pleasure to present the 2014/15 Annual Report Summary. 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.

The year's highlight was finally securing \$52m of Government funding support to enable a new all-weather port facility to be built at Waitangi. This has taken 10 years of lobbying and representation, beginning back in 2005 when the Islands were in the grip of a shipping crisis. At that time several weeks passed when weather and sea conditions didn't allow ships to berth. Stock weren't being exported and goods including fuel supplies were not being delivered. This experience combined with the deteriorating structural condition of the current facility, made this project the number one priority.

At the time of writing this report, applications for resource consents for this project and supporting works had been lodged with the Council. Construction is estimated to take two years.

We acknowledge the work of the many people involved with making this happen, with special thanks to the Hon. Chris Finlayson for his continuing willingness to take up the Islands' issues.

We thank the Government for funding a solution that should see the Islands' most important communication link last well into the future.

On a similar note funding was also secured to reinstate the breakwater and wharf facilities at Flowerpot on Pitt Island. However, the project has had its problems, culminating in damage caused by Cyclone Pam. We look forward to a resolution to these problems being achieved over the next few months.

Other on-Island developments during the year requiring emphasis include the following:

- A new high-speed broadband service was installed during the year with mixed results. We continue to work on widening the coverage of this service and achieving the promised cell phone coverage
- The gorse eradication programme continues to make good progress, with the Council looking forward to this programme being renewed again in 2015/16



- The Resource Management Document is now substantially complete and will be made operative early in the 2015/16 year. The Council acknowledges the assistance provided by Environment Canterbury staff and thanks all who participated in this process. This document, when operative, sets the rules for the future development of our Islands.

There have however been some challenges, all caused by the Council's continuing reliance on grant and subsidy income as its major funding source.

- We continue to find solutions for the water supply demands for Waitangi, Te One and Owenga
- The proposed new community complex has stalled with alternative solutions soon to be considered by the Council
- The costs of responding to damage caused by Cyclone Pam will require the Council to consider different funding solutions for future natural disaster events.

The Chatham Islands Council operating surplus for 2014/15 financial year was \$1.5m.

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 to finding a sustainable future for the Chatham Islands.

Alfred Preece  
Mayor  
25 November 2015

Owen Pickles JP  
Chief Executive

# 2014/15 in review

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## Government funding

The Council submitted a funding bid during 2014/15. Based on the bid submitted, core funding from central government had been secured for 2014/2015 through to 2017/2018 to meet the Council's financial requirements in accordance with the Council's Long-Term Plan (LTP) 2012–2022. This was confirmed by the Government budget announced in May 2015.

## Waitangi Port upgrade

Chatham Islands Council in conjunction with the Chatham Islands Enterprise Trust (CIET) has been working with central government to address the infrastructure issues associated with an all-weather port facility at Waitangi. During the year, CIET gained funding support from the Government for the Waitangi Wharf development. Memorial Park Alliance will be the contractors for the Waitangi Port upgrade. A number of public consultation meetings were held with the community during the year and an application for resource consent from Memorial Park Alliance for the Waitangi Port upgrade had been submitted.

## Review of the Resource Management Document

The draft Chatham Islands Resource Management Document (CIRMD) has been consulted on during the year under review. The review of the document had been completed in May 2013 as the basis of the final version of the CIRMD, and further review was undertaken during 2014/15. The CIRMD was publicly notified in August 2014. Six submissions were received and the Summary of Decisions was notified in November 2014 then further re-notified in December 2014. The CIRMD is currently awaiting sign-off from the Minister for the Environment.

## Waste Management Strategy

Progress towards implementing the Waste Management Strategy continued throughout the year. Stage one of the project, which involved establishing a compliant sanitary landfill to meet health and environmental standards, is complete. Funding for a septic disposal system has been secured. Work continued with the establishment of a new transfer station at Kaingaroa during 2014/15. Land transfer stations for Waitangi and Owenga are yet to be established. A work programme is in place and underway.

## Sustainable water

Water scheme upgrades for Kaingaroa, Owenga, Waitangi and Te One are a key priority. They will address issues of non-compliance with minimum water standards and will respond to community concerns about 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 secure financial support for these developments. The upgrade for Kaingaroa was completed in March 2015. The Council will address water supply issues for Waitangi, Te One and Owenga in stage two and stage three pending the outcome of negotiations with the Ministry of Health for funding. If unsuccessful, the project will be delayed until alternative financial support can be found.

## Social housing

Work towards the establishment of a Housing Project continued. As part of a collaborative approach to establishing a Chatham Island Housing Solution, the Council actively participated in discussions with other Island groups and organisations. Led by Ngāti Mutunga o Wharekauri Iwi Trust, a draft Chatham Island Housing Solution plan was proposed during the year. It is envisaged the draft plan will undergo public consultation.

## Emergency Management Operations Centre

The Council continued to progress the Emergency Management Operations Centre project. Land for the facility has been secured. In the meantime, the land will be used by Memorial Park Alliance as a work area for the duration of the wharf development project.

Funding for inundation mapping was secured during the period under review.

Emergency Management was tested in March 2015 during Cyclone Pam. No significant damage to Council's infrastructure occurred.

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## Community complex – shared administration centre

The Council, in collaboration with the Chatham Islands Enterprise Trust, began investigations into the establishment of a new community complex and shared administration centre. A concept plan and a feasibility study were completed during the period under review. A one-off funding grant of \$1.076m from the Ministry for Culture and Heritage towards a new museum was secured. Further consultation with the community occurred during the year regarding the museum and a Museum Conservation Report has been completed. Unfortunately, the proposed new community complex has stalled, with alternative solutions soon to be considered by the Council.

## 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 a three-year project; however, a further six months has been applied for and it is envisaged the project will reach completion in December 2015. A Community Resilience Report for the period ending 30 June 2015 has been prepared and will be circulated to the community.

## Long-Term Plan 2015–25 – “A Shared Vision”

The Council's Long-Term Plan (LTP) was adopted in June 2015. Developed in consultation with the community, the LTP “A Shared Vision” is a plan that reflects the programmes and desires of the people, providing for a better future, and is underpinned by our community outcomes.

## Looking forward

Over the next 10 years the Council will endeavour to progress current projects that contribute to enhancing the well-being of the community and realising the community outcomes.

Key projects include:

- The completion of a water project that provides a sustainable and compliant water supply for Te One, Owenga and Waitangi
- The completion of transfer stations and a recycling programme
- A new Emergency Management Operations Centre
- Community complex and shared administration centre
- Roading projects
- The completion of the Community Resilience Project
- Successful Island relationships that achieve infrastructure outcomes such as the Port project, broadband and energy.



# 2014/15 in review

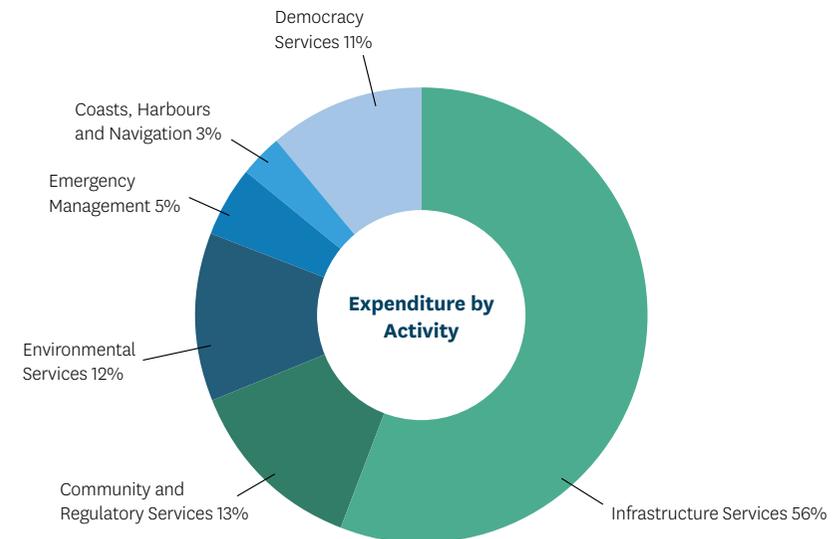
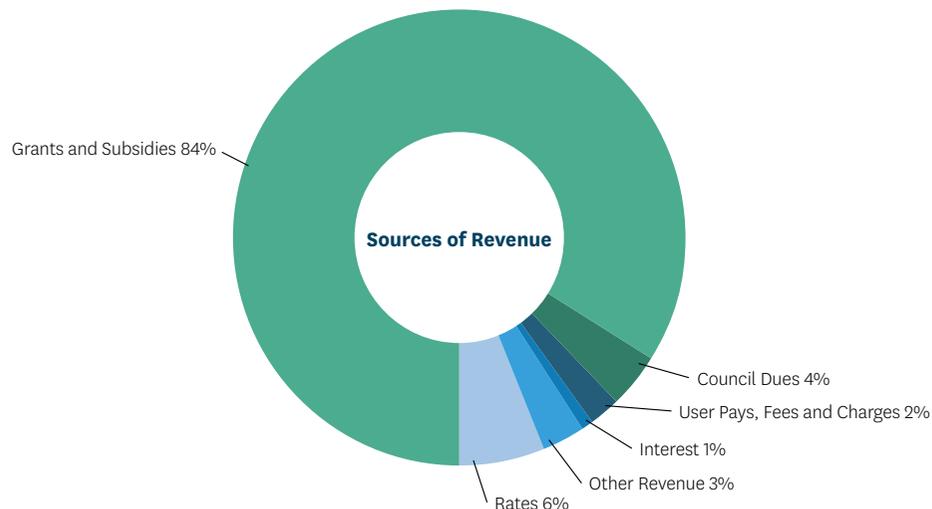
## Financial highlights

The Chatham Islands' operating surplus for the 2014/15 financial year was \$1.5 million. The operating surplus improves on the 2013/14 result of a \$1.3 million surplus; however, it is below the budgeted result for 2014/15 of \$3.3 million. The budget assumed sufficient funding would be provided by central government during the year to support on-Island infrastructural development integral to improving facilities for 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 and new solid waste transfer stations, have been delayed for a further year. The Council will continue to work with central government to secure funds for these projects.

Capital grants and central government funding are used to fund our capital works programme for the current and future financial years.

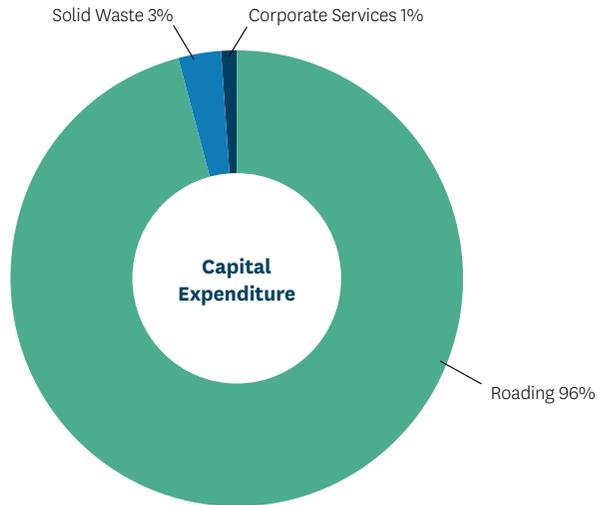
The Council does not have an investment portfolio or population base to support its required levels of service. Consequently, it is reliant on external support from central government to ensure the Council meets the current legislated level of service requirements. The revenue sources the Council received in 2014/15 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.





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 below 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 area of solid waste with the commencement of the sanitary landfill development.



At the end of the financial year, the Council's net assets are valued at \$57.3 million, compared with the closing position of \$55.0 million for the previous financial year.



A summary of our financial statistics compared with last year is presented in the table below.

Council Financial Statistics	Actual 2014/15	Actual 2013/14
Proportion of Rates Revenue to Total Revenue	5.91%	5.98%
Proportion of Dues Revenue to Total Revenue	4.19%	3.23%
Net Public Debt (as a percentage of Total Assets)	0.83%	0.95%
Public Debt (per rateable property)	\$903	\$991
Public Debt (per head of population)	\$838	\$920

The ratio of rates to total revenue is slightly lower in 2013/14. This is due to total revenue increasing by \$0.7m in 2014/15 whereas rates revenue increased by \$0.07m. The ratio of dues to total revenue increased 0.97% in 2014/15. That mainly related to debt recovery from Black Robin Freighters. Public debt is similar to the previous year.

# Council performance during 2014/15

## Democracy services

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	<b>Measure:</b> The percentage of residents who feel confident that Council decisions are made in the best interests of the community.	<b>Target:</b> 85% of residents are confident or very confident (measured by annual survey, on a scale of very confident, confident, dissatisfied or very dissatisfied).																								
<b>Result:</b> Not measured. Erroneously omitted from the annual survey.																										
1.2	<b>Measure:</b> The percentage of residents who are satisfied with the advocacy by the Mayor and Councillors on behalf of the community.	<b>Target:</b> 85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).																								
<p><b>Table 1: Satisfaction with Representation</b></p> <table border="1"> <caption>Data for Table 1: Satisfaction with Representation</caption> <thead> <tr> <th>Satisfaction Level</th> <th>% 2014-2015</th> <th>% 2013-2014</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>~10</td> <td>~18</td> <td>85</td> </tr> <tr> <td>Satisfied</td> <td>~45</td> <td>~50</td> <td>85</td> </tr> <tr> <td>No Opinion</td> <td>~22</td> <td>~15</td> <td>85</td> </tr> <tr> <td>Dissatisfied</td> <td>~15</td> <td>~14</td> <td>85</td> </tr> <tr> <td>Very Dissatisfied</td> <td>~8</td> <td>~2</td> <td>85</td> </tr> </tbody> </table>			Satisfaction Level	% 2014-2015	% 2013-2014	Target (%)	Very Satisfied	~10	~18	85	Satisfied	~45	~50	85	No Opinion	~22	~15	85	Dissatisfied	~15	~14	85	Very Dissatisfied	~8	~2	85
Satisfaction Level	% 2014-2015	% 2013-2014	Target (%)																							
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	<b>Result:</b> <b>x</b> Not achieved. Overall, 56% of residents are satisfied or very satisfied, 23% dissatisfied or very dissatisfied and 22% had no opinion. This year's satisfaction result is significantly lower than the 85% target and represents a decrease in satisfaction of 12% from the previous year. <i>The 2015 Public Satisfaction Survey document is available at <a href="http://www.cic.govt.nz">www.cic.govt.nz</a>. The Survey was received by the Council at its meeting held on 17 September 2015. Minutes of the Ordinary Meeting of Council 17 September 2015.</i>
1.3	<b>Measure:</b> Voter turnout. <b>Target:</b> In top quartile of New Zealand Territorial Authorities greater than 60%.
	<b>Result:</b> Not measured for 2014/15 as the last election took place in 2013/14. 54% voter turnout measured from the last local government elections held in 2013.
2. Meeting legislative requirements for governance, planning and reporting	
2.1	<b>Measure:</b> 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. <b>Target:</b> 100%.
	<b>Result:</b> <b>✓</b> Achieved. 100% compliant, no incidents of non-compliance reported. The Local Government Official Information and Meetings Act 1987 requires the Council to make all agendas and reports available two days before a meeting, apart from extraordinary meetings.
2.2	<b>Measure:</b> LTP/Annual Plan and Annual Report compliant with the Local Government Act 2002. <b>Target:</b> Audited without qualification.
	<b>Result:</b> <b>✓</b> Achieved. During the year the Annual Report 2013/14 and the LTP 2015-25 were completed, audited and adopted in compliance with the Local Government Act 2002.
2.3	<b>Measure:</b> The Council's governance statement is kept up to date. <b>Target:</b> Kept up to date with legal requirements.
	<b>Result:</b> <b>✓</b> Achieved. An up-to-date governance statement that meets legal requirements is in place, having been adopted in May 2014.

## 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 well-managed road network		
1.1	<b>Measure:</b> The percentage of maintenance work identified in the Annual Roading Strategy undertaken.	<b>Target:</b> 100%.
	<b>Result:</b> ✓ Achieved. 100% of all maintenance work identified in the Annual Roading Strategy within budget was completed. Major pavement failures at Owenga were partially repaired and will be fully repaired in the 2015/16 funding year. Funds from other roading allocations such as unsealed road rehabilitations and drainage renewals were diverted to enable an increased spend on sealed road rehabilitations and resealing.	
1.2	<b>Measure:</b> Number of motor vehicle crashes causing injury.	<b>Target:</b> Less than three injury crashes.
	<b>Result:</b> ✗ Not achieved. Three motor vehicle crashes causing injury were reported. One serious crash and two minor injury crashes during the year. This result is the same as that reported in 2013/14.	
1.3	<b>Measure:</b> The percentage of projects identified in the annual minor improvements programme completed.	<b>Target:</b> 100%.
	<b>Result:</b> ✓ Achieved. 100% of all projects identified within budget cap were constructed. These included: a road widening on North Road crest (@37km); filling verge with edge protection on North Road (@17km); super-elevation corrections – two on North Road, two on Waitangi-Wharf Road and one on Airbase Road; and finally the Te One unsealed shared path.	
1.4	<b>Measure:</b> The number of infestations of plant pests within the road reserve found in quarterly inspections.	<b>Target:</b> None.
	<b>Result:</b> ✓ Achieved. No infestations of plant pests were reported. Plant infestation is based primarily on no observed infestations during MWH's quarterly network inspections. This is also supported by no public complaints being received. This is consistent with results in 2013/14.	
1.5	<b>Measure:</b> The number of requests or complaints about the road network.	<b>Target:</b> No more than 10 complaints a year.
	<b>Result:</b> ✗ Not achieved. Ten roading complaints were received: two complaints relating to pot holes, two relating to derelict vehicles on roadside reserves, one relating to obstruction of a road access, two relating to diesel road spills, one relating to the slippery conditions on the Mangahou culvert, one relating to a street light outage and one relating to a major storm event. All complaints were responded to and resolved. Roading support during the major storm event (Cyclone Pam) resulted in various roading inspections, tree felling and road closures. Roading issues relating to the Cyclone Pam event were resolved within a week.	



1.6	<b>Measure:</b> The percentage of the contractor's response to written requests or complaints within five working days.	<b>Target:</b> 100% within five working days.																								
	<b>Result:</b> ✓ Achieved. 100% of contractor's responses to written requests and complaints were made to within five working days, including those relating to Cyclone Pam.																									
1.7	<b>Measure:</b> The percentage of residents who are satisfied with the overall extent and safety of the urban and rural road network.	<b>Target:</b> 75% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).																								
	<p><b>Table 2: Satisfaction with Roading</b></p> <table border="1"> <caption>Data for Table 2: Satisfaction with Roading</caption> <thead> <tr> <th>Satisfaction Level</th> <th>% 2014-2015</th> <th>% 2013-2014</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>5</td> <td>5</td> <td>75</td> </tr> <tr> <td>Satisfied</td> <td>15</td> <td>38</td> <td>75</td> </tr> <tr> <td>No Opinion</td> <td>8</td> <td>11</td> <td>75</td> </tr> <tr> <td>Dissatisfied</td> <td>27</td> <td>38</td> <td>75</td> </tr> <tr> <td>Very Dissatisfied</td> <td>47</td> <td>10</td> <td>75</td> </tr> </tbody> </table>		Satisfaction Level	% 2014-2015	% 2013-2014	Target (%)	Very Satisfied	5	5	75	Satisfied	15	38	75	No Opinion	8	11	75	Dissatisfied	27	38	75	Very Dissatisfied	47	10	75
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Very Satisfied	5	5	75																							
Satisfied	15	38	75																							
No Opinion	8	11	75																							
Dissatisfied	27	38	75																							
Very Dissatisfied	47	10	75																							
	<p><b>Result:</b> ✗ Not achieved. Overall, 20% of respondents were satisfied or very satisfied (which is a 22% decrease on the 2013/14 result), 73% dissatisfied or very dissatisfied (2013/14 47%) and 7% had no opinion (2013/14 11%). This is significantly below the 75% target.</p> <p><i>The 2015 Public Satisfaction Survey document is available at <a href="http://www.cic.govt.nz">www.cic.govt.nz</a>. The Survey was received by the Council at its meeting held on 17 September 2015. Minutes of the Ordinary Meeting of Council 17 September 2015.</i></p>																									

# Council performance during 2014/15

## 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	<b>Measure:</b> The percentage of the population within 20km of a transfer station or landfill.	<b>Target:</b> 75%.
	<b>Result:</b> ✓ Achieved. 75% of residents live within 20km of the three refuse sites provided. This has not changed since 2013/14.	
2.2	<b>Measure:</b> The number of complaints about facilities.	<b>Target:</b> No more than two complaints a year.
	<b>Result:</b> ✗ Not achieved. Three complaints were received; two complaints relating to the Waitangi dump with regard to the dumping of toxic material and one complaint relating to Kaingaroa dump and the overburden of rubbish.	
2.3	<b>Measure:</b> The time to respond to written requests or complaints.	<b>Target:</b> 100% within five working days of notification.
	<b>Result:</b> ✓ Achieved. 100% of complaints were addressed within five working days.	

## 3. Water supply – providing a safe and reliable water supply for Waitangi

3.1	<b>Measure:</b> Compliance of water quality testing with New Zealand Drinking Water Standards.	<b>Target:</b> 100% compliant.
	<b>Result:</b> ✓ Achieved based on draft Water Safety Plans, which include monthly compliance testing that was undertaken throughout the period under review. Consistent with performance in 2013/14 for Waitangi. Significant improvement at Kaingaroa following upgrade.	
3.2	<b>Measure:</b> The percentage of customers who are satisfied with the Waitangi water supply scheme.	<b>Target:</b> 80% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).

<p><b>Table 3: Satisfaction with Water</b></p> <p>The bar chart displays satisfaction levels for water supply. The Y-axis represents the percentage of respondents, ranging from 0.0 to 90.0. The X-axis lists five satisfaction levels: Very Satisfied, Satisfied, No Opinion, Dissatisfied, and Very Dissatisfied. For each level, there are two bars: a blue bar for % 2014-2015 and a red bar for % 2013-2014. A green horizontal line at the 80.0 mark represents the Target (%). The data points are: Very Satisfied (2014-2015: 10%, 2013-2014: 30%), Satisfied (2014-2015: 80%, 2013-2014: 40%), No Opinion (2014-2015: 0%, 2013-2014: 10%), Dissatisfied (2014-2015: 15%, 2013-2014: 10%), and Very Dissatisfied (2014-2015: 0%, 2013-2014: 5%).</p>		
	<p><b>Result:</b> ✓ Achieved. 18% of respondents (22 in all) were connected to the Waitangi water supply. Of those, 86% were either very satisfied or satisfied (an increase of 14% on 2013/14) and 14% were dissatisfied or very dissatisfied. This is above the 80% target.</p> <p><i>The 2015 Public Satisfaction Survey document is available at <a href="http://www.cic.govt.nz">www.cic.govt.nz</a>. The Survey was received by the Council at its meeting held on 17 September 2015. Minutes of the Ordinary Meeting of Council 17 September 2015.</i></p>	
3.3	<b>Measure:</b> The number of complaints about the water supply.	<b>Target:</b> No more than five complaints a year.
	<b>Result:</b> ✓ Achieved. Two complaints were received; one complaint related to water colour and one complaint to water taste.	
3.4	<b>Measure:</b> The time taken to respond to complaints and to restore lost supply.	<b>Target:</b> 95% of complaints are responded to within two hours and lost supply restored within eight hours of notification.
	<b>Result:</b> ✗ Not achieved. Response times were not measured; however, both complaints were responded to. The water colour complaint resulted in no issues found (water testing analysis report April 2015). The complaint relating to water taste was a query on water treatment and has been responded to.	



4. Stormwater – managing the level of Te Whanga and minimising flooding		
4.1	<b>Measure:</b> The frequency of opening Te Whanga outlet.	<b>Target:</b> Te Whanga outlet will be opened a minimum of once every two years or more frequently as required.
	<b>Result:</b> Not measured. Te Whanga outlet was not required to be opened during 2014/15. The outlet was last opened in 2010/11.	
5. Wastewater (sewerage) – providing a reliable, environmentally friendly sewerage system		
5.1	<b>Measure:</b> Compliance with resource consent conditions (monitoring of the system).	<b>Target:</b> 100% compliance other than minor non-compliance with nil or minor short-term adverse environmental effects.
	<b>Result:</b> ✓ Achieved. No incidents of more than minor non-compliance were reported. This is consistent with performance in 2013/14.	
5.2	<b>Measure:</b> The number of complaints about odours or any other nuisances.	<b>Target:</b> No more than two complaints a year.
	<b>Result:</b> ✓ Achieved. No complaints about odours were received. This is consistent with performance in 2013/14.	
5.3	<b>Measure:</b> The number of complaints about the sewerage system.	<b>Target:</b> No more than five complaints a year.
	<b>Result:</b> ✓ Achieved. No complaints about the sewerage system were received. This is consistent with performance in 2013/14.	
5.4	<b>Measure:</b> The time taken to respond to complaints of loss of service and to restore that service.	<b>Target:</b> 95% of complaints are responded to within two hours and investigated within 12 hours and minor faults remedied within 24 hours of notification.
	<b>Result:</b> ✓ Achieved. Downer NZ is responsible for responding to complaints for loss of service. This is consistent with performance in 2013/14.	

## 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 relevant legislation.

1. Community services – providing community services		
1.1	<b>Measure:</b> The percentage of residents who are satisfied with community services.	<b>Target:</b> 85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, or very dissatisfied).
	<b>Result:</b> Not measured. Erroneously omitted from the annual survey.	
1.2	<b>Measure:</b> The number of complaints about community services.	<b>Target:</b> No complaints.
	<b>Result:</b> ✗ Not achieved. One complaint was received relating to a major tree obstruction on a Council reserve adjacent to a private property.	
1.3	<b>Measure:</b> Time taken to respond to complaints about operations and facilities and to remedy faults.	<b>Target:</b> 100% are investigated within 12 hours and minor faults remedied within 24 hours of notification.
	<b>Result:</b> ✗ Not achieved. The issue was investigated within 12 hours of receiving the complaint; however, given the extent of the remedy required, immediate work (tree removal) was undertaken to alleviate any potential danger to private property. Further tree removal is budgeted for 2015/16.	
1.4	<b>Measure:</b> Compliance with NZS 5828 for safety of playground equipment.	<b>Target:</b> 100% compliance.
	<b>Result:</b> ✓ Achieved. 100% compliance. No incidents of non-compliance were reported. This is consistent with performance in 2013/14.	
1.5	<b>Measure:</b> The occupancy rate for Council housing.	<b>Target:</b> Greater than 95%.
	<b>Result:</b> ✓ Achieved. 100% occupancy. This is consistent with performance in 2013/14.	
1.6	<b>Measure:</b> The increase in the number of social houses on the Chatham Islands, in collaboration with Housing New Zealand and the Chatham Islands Housing Trust.	<b>Target:</b> Two new houses.
	<b>Result:</b> ✗ Not achieved. There was no increase in the number of social houses. However, as part of a collaborative approach to establishing a Chatham Island Housing Solution, the Council has actively participated in the establishment of an Island solution. Led by Ngāti Mutunga o Wharekauri Iwi Trust in collaboration with key Island groups and organisations, a draft plan was prepared during the year.	

# Council performance during 2014/15

2. Community services – providing a local library service																										
2.1	<b>Measure:</b> Community satisfaction with the existing library service.	<b>Target:</b> 100%.																								
<p><b>Table 5: Satisfaction with Library Services</b></p> <table border="1"> <caption>Data for Table 5: Satisfaction with Library Services</caption> <thead> <tr> <th>Satisfaction Level</th> <th>% 2014-2015</th> <th>% 2013-2014</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>~8</td> <td>~12</td> <td>100</td> </tr> <tr> <td>Satisfied</td> <td>~24</td> <td>~38</td> <td>100</td> </tr> <tr> <td>No Opinion</td> <td>~61</td> <td>~56</td> <td>100</td> </tr> <tr> <td>Dissatisfied</td> <td>~6</td> <td>~6</td> <td>100</td> </tr> <tr> <td>Very Dissatisfied</td> <td>~6</td> <td>~6</td> <td>100</td> </tr> </tbody> </table>			Satisfaction Level	% 2014-2015	% 2013-2014	Target (%)	Very Satisfied	~8	~12	100	Satisfied	~24	~38	100	No Opinion	~61	~56	100	Dissatisfied	~6	~6	100	Very Dissatisfied	~6	~6	100
Satisfaction Level	% 2014-2015	% 2013-2014	Target (%)																							
Very Satisfied	~8	~12	100																							
Satisfied	~24	~38	100																							
No Opinion	~61	~56	100																							
Dissatisfied	~6	~6	100																							
Very Dissatisfied	~6	~6	100																							
<p><b>Result:</b> ✗ Not achieved. Overall, 32% of respondents were satisfied or very satisfied (50% 2013/14), 6% dissatisfied or very dissatisfied, and 61% had no opinion. This result is significantly below the target of 100%.</p> <p>The 2015 Public Satisfaction Survey document is available at <a href="http://www.cic.govt.nz">www.cic.govt.nz</a>. The Survey was received by the Council at its meeting held on 17 September 2015. Minutes of the Ordinary Meeting of Council 17 September 2015.</p>																										
2.2	<b>Measure:</b> Renewal of library books.	<b>Target:</b> Books renewed every six weeks.																								
<p><b>Result:</b> ✗ Not achieved. Books were renewed with varying timeframes of between six and eight weeks during the year.</p>																										
3. Licensing and building – processing liquor licences and building consents																										
3.1	<b>Measure:</b> The percentage of applications processed within statutory timeframes.	<b>Target:</b> 95%.																								
<p><b>Result:</b> ✓ Achieved. Liquor licences – 14 liquor licensing applications were received and 13 were issued within statutory timeframes. Those issued were manager’s certificates, seven renewal of manager’s certificates, one renewal of an on-licence and three special licences. One application for the renewal of a manager’s certificate was withdrawn.</p> <p>✓ Achieved. Building consents – Chatham Islands Council no longer issues building consents. This function was performed by Wellington City Council. Chatham Island Council acts as an agency to receive applications and payment of fees. Fifteen building consents were issued during 2014/15.</p>																										

3.2	<b>Measure:</b> The number of Liquor Licensing inspections.	<b>Target:</b> At least one Annual inspection.
<p><b>Result:</b> ✓ Achieved. One liquor licensing inspection was undertaken during May 2015.</p>		
4. Licensing and building – monitoring and enforcing compliance with liquor licence and building consent conditions		
4.1	<b>Measure:</b> 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.	<b>Target:</b> At least one inspection annually (for each business location).
<p><b>Result:</b> ✗ Not achieved. One inspection was undertaken by a Health Protection Officer in May 2014 through the Council’s arrangement with Hawke’s Bay District Health Board. No inspections were undertaken in 2014/15 due to a change-over in contractual arrangements. One inspection was undertaken in October 2015.</p>		
4.2	<b>Measure:</b> The number of complaints about non-compliance with consent conditions.	<b>Target:</b> No more than five complaints received a year.
<p><b>Result:</b> ✓ Achieved. No complaints were received in the year under review.</p>		
4.3	<b>Measure:</b> Time taken to respond to complaints about non-compliance with consent conditions.	<b>Target:</b> 100% are resolved or have a resolution strategy in place within 21 days of notification.
<p><b>Result:</b> Not measured. No complaints received.</p>		
5. Dog and animal control – providing a safe and secure living environment for the community		
5.1	<b>Measure:</b> The number of complaints about dog and animal control.	<b>Target:</b> No more than five complaints a year.
<p><b>Result:</b> ✗ Not achieved. Fourteen complaints were received, nine relating to stock and five relating to dogs</p>		
5.2	<b>Measure:</b> The time taken to respond to complaints.	<p><b>Target:</b> 100% are responded to as follows:</p> <ol style="list-style-type: none"> <li>1. Dog attacks and rushes attended to within one hour of notification.</li> <li>2. Possible threats to public safety attended to within five hours.</li> <li>3. Complaints of general nuisance attended to within 48 hours.</li> <li>4. All other complaints investigated within two working days.</li> </ol>
<p><b>Result:</b></p> <ol style="list-style-type: none"> <li>1. ✗ Not achieved. One complaint was received relating to dogs worrying sheep and was not attended to within one hour.</li> <li>2. ✗ Not achieved. Three complaints were received relating to dogs displaying threatening behaviour and were not attended to within five hours.</li> <li>3. ✗ Not achieved. Nine complaints were received relating to general nuisance (wandering stock on roads). Eight out of the nine complaints received were not attended to within 48 hours.</li> <li>4. ✓ Achieved. One complaint was received and was investigated within two working days.</li> </ol>		



5.3	<b>Measure:</b> The number of Island-wide inspections (including Pitt Island) carried out each year to make sure dogs are registered and to check animal welfare.	<b>Target:</b> Two inspections.																								
	<b>Result:</b> ✗ Not achieved. One partial inspection (Owenga) was undertaken during March 2015.																									
5.4	<b>Measure:</b> The percentage of residents who are satisfied with dog and animal control services	<b>Target:</b> 100% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied).																								
<p><b>Table 6: Satisfaction with Dog and Animal Control</b></p> <table border="1"> <caption>Data for Table 6: Satisfaction with Dog and Animal Control</caption> <thead> <tr> <th>Satisfaction Level</th> <th>% 2014-2015</th> <th>% 2013-2014</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>~5</td> <td>~10</td> <td>100</td> </tr> <tr> <td>Satisfied</td> <td>~28</td> <td>~33</td> <td>100</td> </tr> <tr> <td>No Opinion</td> <td>~28</td> <td>~25</td> <td>100</td> </tr> <tr> <td>Dissatisfied</td> <td>~28</td> <td>~28</td> <td>100</td> </tr> <tr> <td>Very Dissatisfied</td> <td>~15</td> <td>~10</td> <td>100</td> </tr> </tbody> </table>			Satisfaction Level	% 2014-2015	% 2013-2014	Target (%)	Very Satisfied	~5	~10	100	Satisfied	~28	~33	100	No Opinion	~28	~25	100	Dissatisfied	~28	~28	100	Very Dissatisfied	~15	~10	100
Satisfaction Level	% 2014-2015	% 2013-2014	Target (%)																							
Very Satisfied	~5	~10	100																							
Satisfied	~28	~33	100																							
No Opinion	~28	~25	100																							
Dissatisfied	~28	~28	100																							
Very Dissatisfied	~15	~10	100																							
	<p><b>Result:</b> ✗ Not achieved. Overall, 31% of respondents were satisfied or very satisfied with dog and animal control (a decrease of 9% from 2013/14), 41% dissatisfied or very dissatisfied and 28% had no opinion. These figures are significantly less than the target of 100%.</p> <p><i>The 2015 Public Satisfaction Survey document is available at <a href="http://www.cic.govt.nz">www.cic.govt.nz</a>. The Survey was received by the Council at its meeting held on 17 September 2015. Minutes of the Ordinary Meeting of Council 17 September 2015.</i></p>																									
5.5	<b>Measure:</b> The level of cost recovery achieved through registration fees and fines.	<b>Target:</b> 100%.																								
	<b>Result:</b> ✓ Achieved. 100% cost recovery.																									

## 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.

<b>1. Resource management- authorising the use of natural and physical resources</b>		
1.1	<b>Measure:</b> The percentage of resource consents processed within statutory timeframes.	<b>Target:</b> 100%.
	<b>Result:</b> ✓ Achieved. 100% Three resource consents for subdivisions were received and consented during the year.	
<b>2. Resource management – responding to breaches of the Resource Management Act</b>		
2.1	<b>Measure:</b> The time taken to respond to and initiate investigations for: 1. breaches of the Resource Management Act; 2. breaches of consent conditions.	<b>Target:</b> No complaints are received.
	<b>Result:</b> ✓ Achieved. No breaches of the Resource Management Act or consent conditions reported.	
2.2	<b>Measure:</b> The time taken to develop a plan to resolve individual breaches.	<b>Target:</b> 80% within one week and 100% within one month.
	<b>Result:</b> ✓ Achieved. No plans to resolve individual breaches were required.	
<b>3. Resource management – keeping the Resource Management Document compliant and up-to-date</b>		
3.1	<b>Measure:</b> Efficiency and effectiveness review of the Chatham Islands Resource Management Document.	<b>Target:</b> The review will be completed 2012/13 and will be repeated in 2014/15.
	<b>Result:</b> ✓ Achieved. The review was completed in May 2013 as the basis of the Chatham Islands Resource Management Document (CIRMD). No further review was repeated during 2014/15 as the document was publicly notified in August 2014. (see below).	
3.2	<b>Measure:</b> Full review of the document within statutory timeframes.	<b>Target:</b> Will be undertaken in 2013/14 to 2014/15.
	<b>Result:</b> ✓ Achieved. The CIRMD document was publicly notified in August 2014. Six submissions were received. The Summary of Decisions was notified in November 2014 and further re-notified in December 2014.	
3.3	<b>Measure:</b> 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.	<b>Target:</b> Will be undertaken in 2012/13 to 2014/15.
	<b>Result:</b> ✓ Achieved. Changes to the CIRMD document were incorporated into the reviewed document in April 2014.	

# Council performance during 2014/15

## 4. Resource management – maintaining the water quality of Chatham Islands streams and rivers

<b>4.1</b>	<b>Measure:</b> Nutrient concentrations.	<b>Target:</b> Annual median nitrogen concentrations (DIN) are maintained or reduced.
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**Result:** ✗ Not Achieved.  
Improvement in water quality  
Decline in water quality  
 The majority of these concentrations are very low and close to laboratory detection levels so changes are unlikely to be ecologically significant.

Stream	DIN (mg/L) 2013-2014	DIN (mg/L) 2014-2015
Awamata Stream	0.01	0.01
Awatotara Creek	0.01	0.02
Te Awainanga River	0.02	0.02
Washout Creek	0.09	0.14
Whangamoe Inlet Stream	0.01	0.02
North Rakautahi tributary	0.02	0.02
Blind Jims Creek	0.01	0.01
Waitaha Creek	0.03	0.03
Mangape Creek	0.12	0.07
Mangahou Stream	0.01	0.01
Te One Creek	0.01	0.02
Waimahana Creek	0.02	0.02
Waitamaki Creek	0.02	0.02

<b>4.2</b>	<b>Measure:</b> The trophic state (Trophic Level Index, TLI) of lakes.	<b>Target:</b> The TLI of lakes is not increasing.
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**Result:** ✗ Not Achieved.  
 One lake has declined in the trophic state (Lake Huro) which is a reversion to its 2012/13 state.

Lake	2013/14 TLI	2014/15 TLI	TLI	Trophic state	General Description
Huro	Eutrophic	Supertrophic	<1	Ultra microtrophic	Practically pure, very clean, often have glacial sources
Te Wapu	Supertrophic	Supertrophic	1-2	Microtrophic	Very clean, often have glacial sources, very low nutrient enrichment
Marakapia	Mesotrophic	Mesotrophic	2-3	Oligotrophic	Clear and blue, with low levels of nutrients and algae
Tennants	Mesotrophic	Mesotrophic	3-4	Mesotrophic	Moderate levels of nutrients and algae
Rangatai	Oligotrophic	Oligotrophic	4-5	Eutrophic	Green and murky, with higher amounts of nutrients and algae
			5-6	Supertrophic	Very high nutrient enrichment and high algae growth
			>6	Hypertrophic	Saturated in nutrients, highly fertile, excessive algae growth

## 5. Resource management – maintaining the water quality of Te Whanga

<b>5.1</b>	<b>Measure:</b> The percentage of times a year when chlorophyll concentrations at a site are less than 4 milligrams per litre. (ANZECC 2000 trigger value)	<b>Target:</b> The percentage is increasing.
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**Result:** ✗ Not Achieved. Southern basin has higher chlorophyll-a than last year (50% of samples were higher than 4 mg/l) but only just over 4 and not likely to be ecologically significant.

	2013-2014 % of samples below 4 milligrams per litre Chl a	2014-2015 % of samples below 4 milligrams per litre Chl a
Northern Basin	100	100
Central Basin	100	100
Southern Basin	100	50



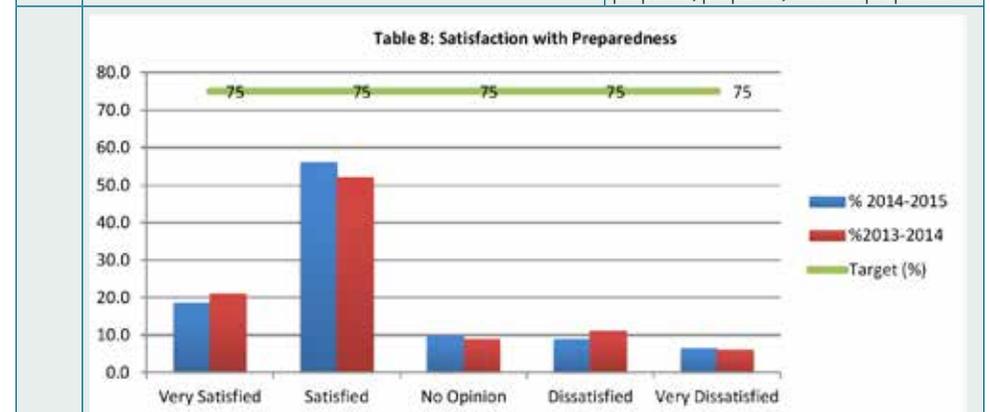
6. Biosecurity – preventing the arrival and establishment of new pests		
6.1	<b>Measure:</b> Results of inspection of at risk sites.	<b>Target:</b> Improving trends.
	<b>Result:</b> ✓ Achieved. Inspections of supplier sites in New Zealand occurring via SPS Biosecurity. Positive results received.	
6.2	<b>Measure:</b> Maintaining an internal border between Chatham Island, Pitt Island and New Zealand.	<b>Target:</b> 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 part of the internal border.
	<b>Result:</b> ✓ Achieved. Regular freight handler training occurring via SPS Biosecurity. No new pests found. Marine Bio-security plan underway during the year using local divers to carry out baseline survey followed by annual surveys of all the ports on the Chatham Islands.	
6.3	<b>Measure: Public awareness.</b>	<b>Target:</b> Regular media coverage of pests.
	<b>Result:</b> ✓ Achieved. Regular communications relating to Bio-security activities and projects are circulated in the Chatham Islands Community Focus Trust weekly newsletters, the monthly Chatham Islander newspaper and the quarterly environmental newsletter 'Uniquely Chathams'.	
7. Biosecurity – monitoring and enforcing operational and property plans		
7.1	<b>Measure:</b> 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.	<b>Target:</b> 80% of plans implemented.
	<b>Result:</b> ✓ Achieved. Feral goats have been eradicated from the main area by Airport Road with a total of 986 goats been culled in the area over the past three years. Another 30-40 goats remained and work continues with the landowner as to achieve total eradication. The 'Total Control Programme' for old man's beard, banana passion fruit, gunnera, broom, velt grass, glyeria maxima and Argentinian ice plant is working well with all sites checked regularly and new sites controlled immediately. The 'Gorse Free' initiative continues to encourage landowners to progress gorse control.	

## 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	<b>Measure:</b> The state of readiness of the Emergency Management Operations Centre, including staff and volunteers, emergency management equipment, control facilities and communication systems.	<b>Target:</b> 1. 100% readiness, 24-hours/7 days. 2. 100% of staff and volunteers are appropriately trained and resourced.
	<b>Result:</b> 1. ✓ Achieved. 100% readiness in response to Cyclone Pam during March 2015. 50% of staff and volunteers are trained and resourced. A change in staff and volunteers had occurred during the year. 2. ✓ Achieved. Staff and volunteer training is ongoing.	
1.2	<b>Measure:</b> All emergency management plans are completed within statutory timeframes.	<b>Target:</b> 100% compliant.
	<b>Result:</b> ✓ Achieved. 100% of emergency management plans are completed within statutory timeframes. Nineteen plans are compliant.	
1.3	<b>Measure:</b> The percentage of members of the multi-agency response team who have completed basic specialist emergency services training.	<b>Target:</b> 80%.
	<b>Result:</b> ✓ Achieved. 100% of members of the multi agency response team have completed basic specialist emergency services training. Annual response team training is ongoing.	
1.4	<b>Measure:</b> The percentage of residents who consider they are prepared and know what to do in an emergency.	<b>Target:</b> 75% of residents are well prepared or prepared on a scale of well prepared, prepared, not well prepared.



# Council performance during 2014/15

	<p><b>Result:</b> ✓ Achieved. 75% of respondents felt that they were very prepared or prepared in the event of civil defence emergency which is an increase of 2% from 2013-2014 and the same as the plan target. The percentage of respondents that felt that they were not very prepared or not prepared was 15% and 10% had no opinion.</p> <p><i>The 2015 Public Satisfaction Survey document is available at <a href="http://www.cic.govt.nz">www.cic.govt.nz</a>. The Survey was received by Council at its meeting held on 17 September 2015. Minutes of the Ordinary Meeting of Council 17 September 2015.</i></p>	
<b>2. Emergency management – encouraging lifelines utilities to increase resilience</b>		
2.1	<b>Measure:</b> The percentage of lifelines utilities that have identified the hazards with potential to affect their infrastructure.	<b>Target:</b> 100%.
	<b>Result:</b> ✓ Achieved. Council has identified the potential impact to infrastructure. A Hazard Risk Management Plan is in place.	
<b>3. Emergency management – providing support and assisting the recovery of social, emotional, economic and physical well-being of individuals and communities following emergency events</b>		
3.1	<b>Measure:</b> The effectiveness of recovery assistance after emergencies.	<b>Target:</b> Subject to the scale of the emergency and the level of demand: 1. Immediate welfare needs of those affected have been met. 2. Essential services have been restored to minimum operating levels.
	<p><b>Result:</b></p> <ol style="list-style-type: none"> <li>✓ Achieved. Immediate welfare needs of those who were impacted by Cyclone Pam in March 2015 were met.</li> <li>✓ Achieved. Essential services had been restored to operating levels within 5 days of the storm event.</li> </ol>	
<b>4. Rural fire – providing an effective rural fire prevention and response capability</b>		
4.1	<b>Measure:</b> Time taken to respond to events.	<b>Target:</b> 100% are responded to within one hour of notification.
	<b>Result:</b> ✓ Achieved. One major and one minor fire event occurred during the year. Both events were responded to within one hour of notification.	
<b>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</b>		
5.1	<b>Measure:</b> Number of training exercises.	<b>Target:</b> At least one water equipment deployment exercise conducted annually.
	<b>Result:</b> ✓ Achieved. One oil spill training exercise was held during the year.	
5.2	<b>Measure:</b> Time taken to evaluate reports of oil spills.	<b>Target:</b> Oil spill reports evaluated within one hour of notification.
	<b>Result:</b> Not Measured. No incidences of marine oil spill reported.	

## Coasts, harbour 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.

<b>1. Coasts, harbours and navigation – the community receives a service which meets its needs for safety</b>		
1.1	<b>Measure:</b> Public satisfaction with administration of bylaws.	<b>Target:</b> Establish an upward trend for satisfaction on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied.
	<p><b>Result:</b> ✗ Not Achieved 2014-2015. 28% satisfied or very satisfied, 12% dissatisfied or very dissatisfied and 60% had no opinion 2013-2014. 47% satisfied or very satisfied, 7% dissatisfied or very dissatisfied and 47% had no opinion 2012-2013. 31% satisfied or very satisfied, 14% dissatisfied or very dissatisfied and 55% had no opinion</p>	
1.2	<b>Measure:</b> Formally respond to incidents and deal with complaints within seven days.	<b>Target:</b> 85% responded to within specified timeframes.
	<b>Result:</b> Not measured. No incidents or complaints received.	
<b>2. Coasts, harbours and navigation – navigational aids are maintained in proper working order</b>		
2.1	<b>Measure:</b> The frequency of inspection of leading lights. Number of complaints about navigation aids. The time to replace outages.	<b>Target:</b> 1. Inspections carried out every three months. 2. No more than five a year. 3. Outages replaced within 24 hours.
	<p><b>Result:</b></p> <ol style="list-style-type: none"> <li>✗ Not achieved. Two inspections had been carried out.</li> <li>✓ Achieved. No complaints received.</li> <li>✓ Achieved. One outage was reported and replaced within 24 hours.</li> </ol>	
<b>3. Coasts, harbours and navigation – provide lifeline access between Chatham and Pitt Islands</b>		
3.1	<b>Measure:</b> The availability of the Owenga Wharf for safe and efficient movement of people, stock and goods.	<b>Target:</b> At all times.
	<b>Result:</b> ✗ Not achieved. One safety complaint received relating to the slippery surface of the wharf.	

# Financial overview



## Statement of Comprehensive Revenue and Expense for the year ended 30 June 2015

	Actual 2014/15 \$000	Annual Plan 2014/15 \$000	Actual 2013/14 \$000
Rates	539	518	469
Grants & subsidies	7,674	10,292	6,944
Other revenue	902	412	983
<b>Total revenue</b>	<b>9,115</b>	<b>11,222</b>	<b>8,396</b>
<b>Expenditure</b>	<b>7,581</b>	<b>7,943</b>	<b>7,075</b>
Depreciation and Amortisation	2,220	2,782	1,932
Employment Benefits	797	751	892
Financial Costs	31	30	34
Other Expenditure	4,533	4,380	4,217
<b>Total Expenditure</b>	<b>7,581</b>	<b>7,943</b>	<b>7,075</b>
<b>Total surplus/(deficit)</b>	<b>1,534</b>	<b>3,279</b>	<b>1,321</b>
Increase/(decrease) in revaluation reserve	-	-	(922)
<b>Total Comprehensive Revenue and Expense</b>	<b>1,534</b>	<b>3,279</b>	<b>399</b>

## Statement of Financial Position as at 30 June 2015

	Actual 2014/15 \$000	Annual Plan 2014/15 \$000	Actual 2013/14 \$000
Current assets	3,551	1,225	1,735
Non-current assets	57,397	60,223	56,086
<b>Total assets</b>	<b>60,948</b>	<b>61,448</b>	<b>57,821</b>
Current liabilities	3,963	1,505	2,305
Non-current liabilities	482	407	547
<b>Total liabilities</b>	<b>4,445</b>	<b>1,912</b>	<b>2,852</b>
<b>Net assets</b>	<b>56,503</b>	<b>59,536</b>	<b>54,969</b>
<b>Public equity</b>	<b>56,503</b>	<b>59,536</b>	<b>54,969</b>

## Statement of Changes in Equity for the year ended 30 June 2015

	Actual 2014/15 \$000	Annual Plan 2014/15 \$000	Actual 2013/14 \$000
<b>Equity at the beginning of the year</b>	<b>54,969</b>	<b>56,257</b>	<b>54,570</b>
Total comprehensive revenue and expense	1,534	3,279	399
<b>Equity at the end of the year</b>	<b>56,503</b>	<b>59,536</b>	<b>54,969</b>

## Statement of Cash Flows for the year ended 30 June 2015

	Actual 2014/15 \$000	Annual Plan 2014/15 \$000	Actual 2013/14 \$000
Net cash flow from operating activities	4,723	6,727	4,443
Net cash flow from investing activities	(3,531)	(6,004)	(2,924)
Net cash flow from financing activities	(49)	(54)	(54)
<b>Increase/(decrease) in cash held</b>	<b>1,141</b>	<b>670</b>	<b>1,465</b>
Opening cash balance	947	(463)	(518)
<b>Closing cash balance</b>	<b>2,088</b>	<b>206</b>	<b>947</b>

## Contract Commitments

	2014/15 Actual \$000	2013/14 Actual \$000
Not later than 1 year	1,268	4,174
Between 1 and 5 years	7	1,275
More than 5 years	-	-
	<b>1,275</b>	<b>5,449</b>

The Summary Annual Report has been extracted from the Annual Report, which was adopted on 30 October 2015. The full Annual Report financial statements have been audited and an unmodified audit opinion was issued on the full financial statements.

The Summary Annual Report cannot be expected to provide as much detail as the full Annual Report. 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](http://www.cic.govt.nz).

## **SUBSEQUENT EVENTS**

Road maintenance services contract with Downers NZ Limited has been extended to 31 December 2015.

## **EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET**

**Explanations for major variations from the Council's budget figures in its 2014/15 annual plan are as follows:**

### **Statement of comprehensive revenue and expense**

Grants and subsidies are less than budgeted by \$2.6 million because funding for major projects was not secured. These projects include \$819,000 for new transfer stations and closure of old dump sites, \$900,000 for township water schemes, and \$1,980,000 for a new emergency services complex. On the other hand, NZTA subsidies increased by \$1.3 million due to renewal of Te One Bridge which was not budgeted. Overall, grants and subsidies are less than budgeted by \$2.6 million.

Council dues are greater than budgeted by \$117,000 largely due to Council recovering a long-standing debt and additional interest and penalties.

Interest revenue is greater than budgeted by \$61,000 largely due to the annual allocation of central government funding being released at the start of the year and invested as term deposits, which earned interest. There was no budget for interest revenue due to the uncertainty of funding.

Depreciation and amortisation expenses are less than budgeted by \$562,000 because the budget included capital projects postponed due to lack of funding.

### **Statement of financial position**

Property, plant and equipment is less than budgeted by \$2.9 million because projects such as new transfer stations, township water schemes and new emergency services complex were postponed as funding was not secured.

Term liabilities are greater than budgeted by \$103,000 as the Council made conservative assumptions about borrowing, and then made adjustments during actual operation accordingly.

## **Reporting entity**

Chatham Islands Council is a Unitary Local Authority under the Chatham Islands Council Act 1995 and the Local Government Act 2002 and is domiciled and operates in New Zealand. Chatham Islands Council has designated itself as a public benefit entity for financial reporting purposes. The primary objective of the Council is to provide goods and services for community or social benefit rather than to make a financial return.

## **Basis of preparation**

The full financial statements are prepared in accordance with the requirements of the Local Government Act 2002, which requires information to be prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), and comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). The Chatham Islands Council has elected to prepare the financial statements in accordance with Tier 2 PBE accounting standards as it is not publicly accountable or large and therefore will apply reduced disclosure requirements. The full financial statements are the first set of financial statements to be prepared under PBE IPSAS Tier 2 accounting standards. The summary financial statements comply with FRS-43.

## **Measurement base**

The summary financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$000).

## **Compliance with rating processes**

In setting its rates for 2013/14 the council did not pass a resolution to set the rates as required by s 23(1) of the Local Government (Rating) Act 2002. The proposed 2013/14 rates were set out in the council's annual plan adopted on 27 June 2013 and these rates have been charged.

Notwithstanding the failure to pass a rates resolution, the council is of the view that the rates are valid, as S 60 of the Act, states:

"A person must not refuse to pay rates on the ground that the rates are invalid unless the person brings proceedings in the High Court to challenge the validity of the rates on the ground that the local authority is not empowered to set or assess the rates on the particular rating unit".

To date no such challenge has been made.



# Independent Auditor's report

## TO THE READERS OF CHATHAM ISLANDS COUNCIL'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

The summary annual report was derived from the annual report of Chatham Islands Council (the Council) 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 on pages 8 to 18:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2015; and
- the summary statement of service provision (referred to as 'Council performance during 2014/15') of the Council.

We expressed an unmodified audit opinion on the Council's full audited statements in our report dated 30 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 30 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 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 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 Council.



### Bede Kearney

Audit New Zealand

On behalf of the Auditor-General Christchurch, New Zealand

25 November 2015

# The organisation

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## Council and Management

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## Council Staff

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Deborah Goomes  
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Emergency Management Co-ordinator  
Rana Solomon  
rana@cic.govt.nz

## Engineers

MWH Ltd (Christchurch)  
(MWH New Zealand Ltd)

Nigel Lister, Shaun Boshier,  
Bryan Peters – Roads and bridges

Richard Bennett – Water and wastewater

John Cocks – Sanitation

## Contractors

Environment Canterbury  
Downer NZ Ltd - Alan Stanton

## Resource Management

Beca Carter Hollings and Ferner Ltd  
(Christchurch) - Paul Whyte

## Solicitors

Wynn Williams – Jared Ormsby

## Bankers

ANZ (Waitangi – Chatham Islands)

## Auditors

Audit New Zealand  
(on behalf of the Auditor General)



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